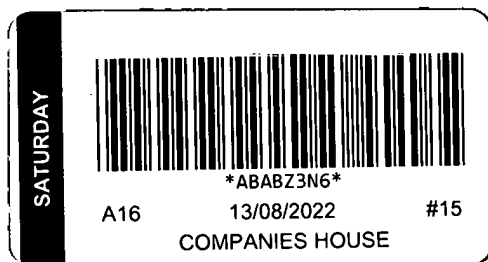


Triple Point Income VCT plc  
Company Number: 06421083

ANNUAL REPORT  
**TRIPLE POINT**  
INCOME VCT PLC

FOR THE YEAR ENDED  
**31 MARCH**  
**2022**



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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 and has three share classes.

- **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. On 24 June 2021, a buyback of 28,350 shares was made at 74.97p per share bringing the total shares in issue to 13,413,088.
- **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. On 24 June 2021, a buyback of 9,499 shares was made at 85.13p per share bringing the total shares in issue to 28,940,076.

The Strategic Report on pages 8 to 43, the Corporate Governance Statement on pages 46 to 49, the Directors' Remuneration Report on pages 55 to 59, and the Directors' Report on pages 60 to 63 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 2022.

## YEAR ENDED 31 MARCH 2022

		C Shares	D Shares	E Shares	Total
Net assets	£'000	1,035	1,178	22,218	24,431
Net asset value per share	Pence	7.75p	8.67p	76.76p	-
Net Profit/(loss) before tax	£'000	(179)	(568)	928	181
Earnings/(loss) per share	Pence	(1.32p)	(4.17p)	3.17p	-
<b>Cumulative return to Shareholders (p)</b>					
Net asset value per share		7.75p	8.67p	76.76p	-
Dividends paid		147.75p	116.75p	32.50p	-
Net asset value plus dividends paid		155.50p	125.42p	109.26p	-

## YEAR ENDED 31 MARCH 2021

		C Shares	D Shares	E Shares	Total
Net assets	£'000	11,194	8,106	27,382	46,682
Net asset value per share	Pence	83.30p	59.59p	94.59p	-
Net Profit/(loss) before tax	£'000	267	349	(174)	442
Earnings/(loss) per share	Pence	1.93p	2.08p	(0.61p)	-
<b>Cumulative return to Shareholders (p)</b>					
Net asset value per share		83.30p	59.59p	94.59p	-
Dividends paid		73.50p	70.00p	11.50p	-
Net asset value plus dividends paid		156.80p	129.59p	106.09p	-

# KEY HIGHLIGHTS

Dividend per  
C Share

**74.25p**

(Year ended 31 Mar 2021: 3.50p)

Dividend per  
D Share

**46.75p**

(Year ended 31 Mar 2021: 5.00p)

Dividend per  
E Share

**21.00p**

(Year ended 31 Mar 2021: 6.50p)

Net Asset Value per  
C Share

**7.75p**

(Year ended 31 Mar 2021: 83.30p)

Net Asset Value per  
D Share

**8.67p**

(Year ended 31 Mar 2021: 59.59p)

Net Asset Value per  
E Share

**76.76p**

(Year ended 31 Mar 2021: 94.59p)

Total Return per  
C Share<sup>1</sup>

**155.50p**

(Year ended 31 Mar 2021: 156.80p)

Total Return per  
D Share<sup>1</sup>

**125.42p**

(Year ended 31 Mar 2021: 129.59p)

Total Return per  
E Share<sup>1</sup>

**109.26p**

(Year ended 31 Mar 2021: 106.09p)

Realisation Proceeds

**£30.42m**

Realisations of investments and loan repayments generated total proceeds for the Company of £30.42 million.

Ongoing Charges Ratio<sup>2</sup>

**3.48%**

The ongoing charges ratio is a ratio of annualised ongoing charges expressed as a percentage of average net asset values throughout the year.  
(2021: 2.88%)

<sup>1</sup> Total Return is made up by current Net Asset Value plus Dividends paid to date. Total Return is defined as an Alternative Performance Measure ("APM"). Total Return, calculated by reference to the cumulative dividends paid plus net asset value (excluding tax reliefs received by shareholders), is the primary measure of performance in the VCT industry and Board considers Total Return to be the primary measure of shareholder value. The value to be distributed will also be subject to the performance fee payable on distribution and other relevant fees and costs, as a result the Total Return may be lower than indicated in this Annual Report.

<sup>2</sup> Ongoing Charges Ratio is defined as an APM.

# CHAIR'S STATEMENT

# CHAIR'S STATEMENT

I am writing to present the Financial Statements for the Company for the year ended 31 March 2022.

**I am pleased to announce that during the year we completed the sale of a substantial part of our hydroelectric power portfolio ("Hydro Assets") held in the C, D, and E Ordinary Share Classes, following which a significant portion of the proceeds were distributed to shareholders during the year. This was achieved following the passing of a resolution at the 2021 Annual General Meeting to change the Company's Investment Policy. This removed the 16-year holding period for the C and D share classes which were wholly invested in Hydro Assets.**

It is intended that the C and D Ordinary Share Classes be wound down and cancelled and residual cash distributed to the shareholders. Further details of this are provided on the next pages under each respective share class.

The Company's funds at 31 March 2022 are 83.98% invested in a portfolio of VCT qualifying and non-qualifying quoted and unquoted investments.

The Investment Manager's Review on pages 30 to 39 gives an update on the portfolio of investments in 10 small unquoted businesses.

**David Frank**  
Chair

## Chair's Statement

### C Share Class

During the year all the assets held in the C Shares, consisting of three hydroelectric companies in the Scottish Highlands, were sold. The Company had a loan facility in place for £0.3 million as at 1 April 2021 which was fully repaid in the year using proceeds from the disposal of the Hydro Assets.

**The Hydro Assets were sold at a premium to their carrying value for £29.85 million, which was based on an independent valuation of the assets undertaken in the prior year and reflected increased interest in the sector over recent months. We are delighted with this result for C shareholders which delivered a Total Return of 155.50 pence per share excluding tax relief as at 31 March 2022.**

The Investment Manager receives a performance fee of 20% on distributions made to investors over a hurdle of £1 per share and, therefore, the return for the year showed a small reduction over the period with a loss

of 1.3 pence per share. As at 31 March 2022, the NAV stood at 7.75 pence per share<sup>3</sup> and total dividends paid to C Shareholders to date are 147.75 pence per share.

The Company declared three separate dividends to C Class Shareholders totaling 74.25 pence per share in respect of the financial year. 1.75 pence per share was paid on 30 July 2021, 32.5 pence per share was paid on 23 December 2021 and 40 pence per share was paid on 14 January 2022. The payments made in December 2021 and January 2022 were distributions of the majority of the sales proceeds of the Hydro Assets. These dividends followed the 3.50 pence per share dividend paid during the last financial year.

A small amount of cash has been retained to ensure the C Share Class can meet all its working capital requirements. The Company will seek shareholder approval, at a general meeting, to wind down and ultimately cancel the C Share Class in due course. This process is expected to commence before the end of 2022.

Further information on the C Share Class is included in the Investment Manager's Review on pages 30 to 39.

Hydroelectric  
Power

### 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
3.50p	30 June 2020
1.75p	30 July 2021
32.50p	23 December 2021
40.00p	14 January 2022

**Total Dividends of  
147.75 Pence Per Share**

<sup>3</sup> To align its interests with Shareholders, the Investment Manager earns a performance fee of 20% on all distributions over 100 pence per share.



## Chair's Statement

### D Share Class

During the year, the majority of the assets held in the D Shares, consisting of five hydroelectric companies in the Scottish Highlands, were sold. The Share Class has one residual investment in Green Highland Shenval Ltd ("Shenval"). The Company had a loan facility in place for £2.0 million as at 1 April 2021 which was fully repaid in the year using proceeds from the disposal of the Hydro Assets.

**We are delighted with this result for D shareholders which delivered a Total Return of 125.42 pence per share excluding tax relief as at 31 March 2022. The Investment Manager receives a performance fee of 20% on distributions made to investors over a hurdle of £1 per share and, therefore, the return for the year showed a reduction over the period with a loss of 4.17 pence per share. As at 31 March 2022, the NAV stood at 8.67 pence per share<sup>4</sup> and total dividends paid to D Shareholders to date are 116.75 pence per share.**

The Company declared two separate dividends to D Class Shareholders totalling 46.75 pence per share during the financial year. 1.75 pence per share was paid on 30 July 2021 and 45.00 pence per share was paid on 23 December 2021. The payment made in December 2021 was a distribution of the majority of the sales proceeds from the sale of the Hydro Assets. These payments followed the 5.00 pence per share dividend paid during the last financial year.

It is intended that the D Share Class transfers its investment in Shenval to the E Share Class in return for cash which will enable the D Shareholders to fully exit their investment. Following this realisation, the Company will seek shareholder approval, at a general meeting, to wind down and ultimately cancel the D Share Class. This process is expected to commence before the end of 2022.

Further information on the remaining D Share Class investment is included in the Investment Manager's Review on pages 30 to 39.

Hydroelectric  
Power

### Dividend Payments

5.00p	14 Jul 2017
5.00p	26 Jul 2018
5.00p	25 Jul 2019
50.00p	25 Mar 2020
5.00p	30 June 2020
1.75p	30 July 2021
45.00p	23 December 2021

**Total Dividends of  
116.75 Pence Per Share**

<sup>4</sup> To align its interests with Shareholders, the Investment Manager earns a performance fee of 20% on all distributions over 100 pence per share.

## Chair's Statement

### E Share Class

The E Share Class has a portfolio of investments spanning hydroelectric power, crematorium management, gas fired energy generation, solar photovoltaic ("PV") energy generation, controlled environment agriculture, and lending to small and medium-sized enterprises. Most of the Hydro Assets were sold during the year, leaving one remaining investment.

**The E Share Class portfolio has recorded a profit over the period of 3.17 pence per share and as at 31 March 2022, the NAV stood at 76.76 pence per share. Total dividends paid to E Shareholders to date are 32.50 pence per share.**

The Company declared three separate dividends to E Class Shareholders totalling 21.00 pence per share during the financial year. 3.50 pence per share was paid on 30 July 2021, 12.00 pence per share was paid on 23 December 2021 and 5.50 pence per share was paid on 14 January 2022. The payments made in December 2021 and January 2022 were a distribution of the majority of the sales proceeds of the Hydro Assets. These dividends follow the 6.50 pence per share paid during the last financial year.

It is intended that the E Share Class consolidates its investment in Shenval in return for cash and provide the E Share Class with a valuable asset which is generating income.

As reported in our 2021 Interim Report, availability issues impacted one of the engines at Green Peak Generation Limited ("Green Peak") following a water ingress issue. We are pleased to confirm that the fault has been resolved and the insurers have agreed to pay the full insurance claim for property damage and business interruption to the end of January 2022 (the Investment Manager's Report has further details on pages 30 to 39). We are working with the Investment Manager to consider potential disposal options for the asset in order to return funds to E Share Class shareholders. In addition, where the Board receives excess cash generated from the gas fired energy centre or other assets in the share class, it will consider whether it is appropriate to declare an additional dividend.

Hydroelectric  
Power

Gas Fired  
Energy Centre

Solar PV

Controlled  
Environment  
Agriculture

### Dividend Payments

5.00p	25 Mar 2020
6.50p	30 June 2020
3.50p	30 July 2021
12.00p	23 December 2021
5.50p	14 January 2022

**Total Dividends of  
32.50 Pence Per Share**

## Chair's Statement

### E Share Class (continued)

The conflict in Ukraine has placed stress on the energy sector, with gas prices in particular seeing their highs from the end of 2021 being sustained. Whilst this has also caused increased buoyancy in electricity prices, the spread between gas and electricity has reduced on average and so the conflict has indirectly affected Green Peak. That said, the increased volatility in markets also provides opportunities to generate electricity in highly profitable periods and Green Peak is progressing talks with a new electricity trader to maximise these opportunities.

The Company's investments in rooftop solar companies continue to benefit from inflation linked subsidised revenue streams via four portfolios of rooftop solar PV systems that generate electricity across the United Kingdom. We continue to work with those companies to identify new portfolio opportunities, as there is an increased demand for companies to decarbonise their energy footprint.

The Company's investment in Perfectly Fresh Cheshire ("PFC") encountered several challenges over the last year, in relation to a significant period of scheduled downtime whilst improvement works were carried out, poor profitability, and slow progress on fundraising. Balancing that, it achieved a series of positive milestones including establishing strong product lines with a leading retailer, carrying out improvements to the existing growing facilities, and developing a robust business plan to give the company greater confidence in raising finance to enable a planned expansion to take place.

Further information on all E Share Class investments is included in the Investment Manager's Review on pages 30 to 39.

### Dividends

The Company declared and paid interim dividends during the year to C Share Class holders of 74.25 pence per share, D Share Class holders of 46.75 pence per share and the E Share Class holders of 21.00 pence per share.

It was discovered during the year that the Company had paid these distributions without having sufficient "distributable" reserves as defined under and required by the Companies Act 2006 (the "CA 2006"). As a result, the proportion of the dividends paid that were not "distributable" reserves at the time they were paid are technically unlawful distributions for the purposes of the CA 2006. Further detail on the steps the Company will be taking to resolve this matter is explained on pages 28 and 100.

### Share buy-backs

The Company, subject to distributable reserves and liquidity, considers individual cases to buy back the Company's shares in the market at a target price of a 10% discount to NAV.

During the year, the Company bought back and cancelled 28,350 C Shares at a price of 74.97 pence per share and 9,499 E Shares at a price of 85.13 pence per share.

### 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 a report annually from our VCT tax compliance advisers Philip Hare & Associates LLP. We will continue to work closely with the Investment Manager to ensure the Company maintains compliance with the scheme rules.

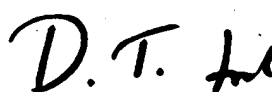
### Outlook

The Board is pleased to have completed the sale of all of the Hydro Assets within the C Share Class and a substantial proportion in the D and E Share Classes enabling dividends to be paid to all shareholders. As previously discussed, it is intended that the E Share Class will consolidate its investment in Shenval which will enable the D Share Class to realise its final investment allowing both the C and D Share Classes to wind down and be cancelled at a General Meeting which should commence in 2022.

The Board will be focused on optimising value for E Shareholders from their portfolio of assets including monitoring the proposed disposal of the remaining gas fired energy centre.

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

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



**David Frank**  
Chair  
20 July 2022



# **COMPANY STRATEGY AND BUSINESS MODEL**

# STRATEGY AND BUSINESS MODEL

The Strategic Report has been prepared in accordance with the requirements of section 414C of the CA 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 CA 2006 ("Section 172").

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 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 if market conditions present such an opportunity; 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 E Share Class is fully invested and the Company will not be making any further investments.

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.

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.

### 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. The

## Company Strategy and Business Model

Company 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.

### 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.

# Company Strategy and Business Model

## 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 12 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 no impact on the portfolio's valuation as the Company has not made any investments recently and used the recent investment round. The majority of our portfolio is valued on a discounted cash flow basis.

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

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.

## 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 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 primary KPIs, which are net asset value plus dividends paid, earnings per share, compliance with VCT legislation and ongoing charges ratio 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 2022, and over the longer term, through the application of its investment and other principal policies.



# Company Strategy and Business Model

## C Share Class

The Net Asset Value per C Share is 7.75 pence per share as at 31 March 2022 compared to 83.30 pence per share at 31 March 2021 following substantial distributions being paid to shareholders. The Total Return is 155.50 pence per share as at 31 March 2022 compared to 156.80 pence per share at 31 March 2021. The small reduction in Total Return is a result of Hydro Assets being sold for more than their carrying value and being offset by the Investment Manager's performance fee due on distributions<sup>5</sup>.

## 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 charts show the Company's earnings per share by share class and also shows the distinction between earnings generated by revenue and earnings generated by capital movements for the year ended 31 March 2022. The C Share Class was established to provide an annual yield of five pence per share for the first six years, followed by a large capital distribution and then a smaller regular yield beyond that. An exit was secured for investors which realised a significant capital gain for investors in the year to 31 March 2022 which exceeded original returns expectations.

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

<sup>5</sup> The Investment Manager earns a performance fee of 20% on all distributions over 100 pence per share.

# Company Strategy and Business Model

D Share Class

The Net Asset Value per D Share is 8.67 pence per share as at 31 March 2022 compared to 59.59 pence per share at 31 March 2021 following substantial dividends being paid to shareholders. The Total Return is 125.42 pence per share at 31 March 2022 compared to 129.59 pence per share at 31 March 2021. The reduction in Total Return is a result of the Hydro Assets being sold at more than their carrying value and being offset by the Investment Manager's performance fee which is due on distributions.<sup>6</sup>

## 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 charts show the Company's earnings per share by share class and also shows the distinction between earnings generated by revenue and earnings generated by capital movements for the year ended 31 March 2022. The D Share Class was established to provide an annual yield of five pence per share for the first six years, followed by a large capital distribution and then a smaller regular yield beyond that. An exit was secured for investors which realised a significant capital gain for investors in the year to 31 March 2022 which exceeded original returns expectations.

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 is 76.76 pence per share as at 31 March 2022 compared to 94.59 pence per share at 31 March 2021 following dividends of 21 pence per share being paid during the financial year.

The Total Return has increased to 109.26 pence per share as at the reporting date from 106.09 pence per share as at 31 March 2021.

The Board and the Investment Manager continue to closely monitor the portfolio and seek to maximise value where possible.

## 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 charts show the Company's earnings per share by share class and also shows the distinction between earnings generated by revenue and earnings generated by capital movements for the year ended 31 March 2022. The E Share Class was established to provide an annual return of five pence per share and to seek an exit realising capital for investors over a 10 to 12-year time horizon. The Company has realised some of the investments made to date and is seeking further opportunities to return funds to investors.

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

## Company Strategy and Business Model

### Compliance with VCT legislation

By making an investment in a Venture Capital Trust, 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 can confirm that throughout the year ended 31 March 2022, the Company continued to meet the relevant tests.

To achieve compliance, the Company must meet a number of tests set by Her Majesty's Revenue and Customs ("HMRC"). A summary of these steps is set out on page 62 under "VCT Regulation".

### Ongoing Charges Ratio

The Ongoing Charges Ratio<sup>7</sup> 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 3.48% (2021: 2.88%) of the average net assets. The increase during the year is largely due to performance fees paid to TPIM and a reduction in NAV from distributions made.

### 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.

The Company has been approved as a VCT by HMRC. 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. Holdings acquired before 6 April 2018 using certain "protected monies" – holdings acquired using monies raised, or derived from monies raised, by the VCT before 6 April 2011 – are ignored when determining whether the VCT meets the 70% eligible shares condition. These investment criteria continue to be met.

<sup>7</sup> This ratio is calculated using the AIC's "Ongoing Charges" methodology which can be found on their website <https://www.theaic.co.uk/>. The Ongoing Charges Ratio is deemed an alternative performance measure.

## Company Strategy and Business Model

### Exit Programme

Although the initial mandate for the C and D Share Class was to hold the hydroelectric investments for up to 16 years, the Board put forward a resolution which was approved by shareholders at the 2021 AGM to remove this time period and proceed with a full disposal of the hydroelectric assets. As a result, during the year, the Company achieved a full exit for the C Class Shareholders and partial realisation for the D and E Class Shareholders following a disposal of the Hydro Assets.

The Company's exit programme is discussed in greater detail in the Investment Manager's Review on pages 30 to 39 and a copy of the Company's Share Realisation Policy is on page 17.

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

### Borrowing

During the year, the Company repaid its secured facility of £2.3 million at a fixed rate of 4.5% per annum with Triple Point Lease Partners ("TPLP") on 1 February 2022 following the disposal of the hydroelectric assets.

### Principal Risks, Uncertainties and Emerging Risks

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 detailed in the table. The Board does not consider the likelihood or impact of these risks to have changed in the year.

The Board maintains a comprehensive risk register which sets out the risks affecting both the Company and the investee companies in which it is invested. The risk register is reviewed and updated at least twice a year to ensure that procedures are in place to identify principal and emerging risks. The purpose of the Company's risk management policies and procedures is not to eliminate risks, but to reduce them and to ensure that the Company is adequately prepared to respond to such risks and to minimise any impact if the risk materialises.

Details of the Company's internal controls are contained in the Corporate Governance Internal Control section on page 48 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 Risk	The Company is required at all times to observe the conditions laid down in the Income Tax Act 2007 for the maintenance of approved VCT status. The loss of such approval could lead to the Company losing its exemption from corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment.	The Investment Manager keeps the Company's VCT qualifying status under continual review and reports to the Board on a quarterly basis. The Board has also appointed Philip Hare & Associates LLP to undertake an independent VCT status monitoring role.
Investment 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. 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. Where possible, a member of the Investment Manager holds a seat on the board of the portfolio companies.
Financial Risk	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 involve a medium to long-term commitment and are 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 Risk	The Board regularly reviews the system of internal controls, both financial and non-financial, operated by the Company and the Investment Manager. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.	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 twice a year 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 Company, including those risks that would threaten its business model, future performance, solvency or liquidity.
Liquidity Risk	The Company's financial assets include investments in unquoted equity securities which are not traded on a recognised stock exchange and which are illiquid. As a result, the Company may not be able to realise some of its investments in these instruments quickly at an amount close to their fair value in order to meet its liquidity requirements.	The Investment Manager reviews the cash flow forecasts, in the short and long term on a continuing basis. The Directors have reviewed these cash flow forecasts on a quarterly basis. The Company is comfortable that it will generate sufficient cash flow from its current investments to service shareholder returns and working capital requirements.

# Company Strategy and Business Model

## Emerging Risks

### Climate Change and related legislation

The potential impact of climate change and any related legislation which may be enacted in respect of meeting the UK's climate change targets has been taken into account and an assessment of the key risks for each share class has been considered.

If a change in the Government's renewable energy policy were applied retrospectively to current operating projects this could adversely impact the market price for Shenvall or the value of the green benefits earned from generating renewable energy. Further, performance of Shenvall may be adversely affected by lower or more concentrated rainfall in Scotland. Nevertheless, the remaining hydroelectric asset continues to perform well, and as such performance will continue to be monitored closely. In respect of Green Peak, whilst increased penetration of battery energy storage systems may lead to increased competition with gas fired energy centre assets in the flexible generation market, they have the advantage of not having to be charged so may be likely to still have its place from a security of supply perspective. Related climate change policy risk may include increased carbon costs such as potential removal of the UK ETS exemption that the gas fired energy centre asset currently benefits from (by way of being below the 20MWth capacity threshold). Increasing ambient temperatures will have a negative impact on the efficiency and operating performance of both the gas fired energy centre and the solar PV systems.

The Controlled Environment Agriculture asset is protected from the impact of climate change as the climate is controlled and grown indoors in a sealed environment. The ambient CO2 levels are controlled and the facility inside is not impacted by floods or droughts.

As the Company has sold a substantial part of its Hydro Assets and has the intention of selling Green Peak once a favourable price and terms can be achieved, the emerging risk of climate change and related legislation has reduced.

### Ukraine-Russia War (new)

In late February 2022, Russia began an invasion of Ukraine with devastating consequences for the country's citizens and major implications for wider humanity, the global economy and capital markets. The Company does not have any direct exposure to Russia, however, the Company is monitoring the potential wider macroeconomic consequences on the Company and its investee companies closely, including energy price volatility and further sanctions. Please refer to pages 30 to 39 of the Investment Manager's Review, which illustrates the wider effects of the Ukraine-Russia war on the Company and its wider investments.

## 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 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.

The Company repaid its loan facility in full during the current year. More detail on this can be found in the Strategic Report on page 22. The Company continues to meet day-to-day liquidity needs through its cash resources and income from its investment portfolio.

In February 2022 there was a disposal of hydroelectric assets and accordingly, the C Share Class now hold no assets and the one remaining hydroelectric asset within the D Share Class will be transferred to the E Share Class following the publication of the Annual Report. The Company's revenue comes from predominantly secure and reliable counterparties. The hydroelectric revenue is contractual, with inflation linked FiT income and export income from a 12-month power purchase agreement. The rooftop solar business also benefits from contractual, and inflation linked income through the government FiT and Renewable Obligation Certification ("ROC") schemes.

PFC has in the year made progress in both establishing their product and improving on Research & Development ("R&D"), amidst the continued challenging food sector environment facing increase in price of raw materials and logistics costs. We do expect the heightened scrutiny of the food and farming sector to continue, from both a food security and an environmental point of view. PFC has presented a new business plan to help secure funding including diversification of the business into new sectors to open up to greater market opportunities and risk spreading.

The Company had net current assets of £4.30 million (2021: net current liabilities of £1.34 million) and had cash balances of £3,831k (2021: £521k) (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, uncertainties and emerging risks section on pages 22 to 23.

The only major cash outflow of the Company are the payment of management fees and discretionary dividends.

The Directors have reviewed cash flow projections which cover a period of at least 12 months from the date of approval of this report. These show that the Company has sufficient financial resources to continue to meet its day-to-day commitments for at least the next 12 months.

## Company Strategy and Business Model

Scenarios have been run which include the disposal of PFC and alternative scenario whereby PFC is held. Under both scenarios, the Company has sufficient resources to continue as a going concern for at least the next 12 months.

### 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 prospects 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 is 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 which will have elapsed within this period.

The Board has determined that five years up to 31 March 2027 is the maximum timescale over which the future position of the Company can be forecast with a material degree of accuracy and therefore this is the appropriate period over which to consider its viability. The process to wind up the C and D share classes is expected to happen by the end of 2022 and a resolution will be put forward to shareholders following the transfer of the remaining asset in the D Share Class to the E Share class.

As part of the assessment, the Company undertook various scenario testing with regards to the disposal of PFC. In the hold scenario it was assumed that the Company would make no further distributions to shareholders until investments are exited. On realisation, it was assumed a distribution to shareholders is made and sized to ensure enough cash is retained to meet the working capital needs of the VCT for the next 5 years.

In order to assess this requirement, the Board regularly considers the Company's strategy and considers the Company's current position. It also 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.

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;
- 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

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.



# 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) of the CA 2006 when performing their duty and forms the directors' statement required under section 414CZA of that CA 2006.

## Stakeholder Engagement

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.

Stakeholder	Importance	Board Engagement
Shareholders	Continued shareholder support is critical to the sustainability of the Company and the delivery of its strategy.	<p>The Board is committed to maintaining open channels of communication with Shareholders.</p> <p>Formal updates are provided to Shareholders as part of the Annual or Interim Reports, and the Board and the Investment Manager will also respond to any written queries made by Shareholders during the course of the year. The Board receives shareholder communications from the Investment Manager on a quarterly basis. The Chair provides this 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.</p> <p>Annual General Meeting ("AGM")</p> <p>Whilst shareholder engagement has been more challenging during the COVID-19 pandemic, the Board continues to engage with shareholders through its Annual and Interim Reports, RNS communications, and encourages shareholders to attend where possible.</p>
Investment Manager	The Investment Manager's performance is critical to the Company to enable it to successfully deliver its investment strategy and meet its long-term investment objectives of capital growth and tax-free dividends.	<p>The Board has delegated the authority for the day-to-day running of the Company to the Investment Manager. The Board then engages with the Investment Manager in reviewing, setting, approving, and overseeing the execution of the Investment Policy and strategy of the Company.</p> <p>The Investment Manager attends both Board and other committee meetings to update the Board on the performance of the Company and its portfolio. At every quarterly Board meeting, a review of financial and operating performance of the Company and its investments is undertaken, including a review of legal and regulatory compliance.</p> <p>The Board also reviews other areas including the Company's strategy; key risks; corporate responsibility; compliance and legal matters.</p>

## Company Strategy and Business Model

Investee companies	<p>The Company via its Investment Manager has important relationships with individuals responsible for the maintenance and performance of its investee companies.</p> <p>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.</p>	<p>The Investment Manager obtains monthly operational reports from the Operation &amp; Maintenance ("O&amp;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&amp;M providers. Management accounts and performance reports are provided to the Directors of investee companies on a quarterly basis.</p> <p>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.</p>
External Service Providers	<p>To function as a VCT with a premium listing on the London Stock Exchange, the Company relies on external service providers for support in meeting all relevant obligations.</p> <p>These service providers are fundamental to ensuring that the Company meets the high standards of conduct that the Board sets.</p>	<p>The Company has a number of service providers which include the Investment Manager and Company Secretary, Registrar, Legal Advisers, VCT Compliance Adviser and the Auditor.</p> <p>The Board has regular contact with the two main service providers, the Investment Manager, and the Company Secretary through quarterly Board meetings and more regular discussions with the Board.</p>
Lenders	<p>The Company values its relationships with its debt providers. Prudent debt financing is important to effectively manage the Company's capital and achieve the target return promised to Shareholders.</p>	<p>The Investment Manager engaged with and ensured the Company met its obligations in relation to the loan facility agreements. Further details on the Company's loan facilities can be found on page 96.</p>
Community	<p>The Directors recognise that the long-term success of the Company is linked to the success of the communities in which the Company, and its investee companies, operate.</p>	<p>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.</p>
Regulators	<p>The Company can only operate with the approval of its regulators.</p>	<p>The Company engages an external adviser to report on its compliance with the VCT rules.</p>

# Company Strategy and Business Model

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## 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 CA 2006. Principal decisions have been defined as those that have a material impact to the Company and its key stakeholders.

### Dividends

The Company declared and paid interim dividends during the year to C Share Class holders of 74.25 pence per share, D Share Class holders of 46.75 pence per share and the E Share Class dividend of 21.00 pence per share.

It was discovered during the year that the Company had paid these distributions without having sufficient "distributable" reserves as defined under and required by the CA 2006. As a result, these distributions are technically unlawful distributions under the CA enough distributable reserves as a result of an accounting error, and therefore was not compliant with the CA 2006. The Company will propose resolutions at a general meeting on 2 September 2022 to rectify the payment of the unlawful distributions and release the directors of the Company (who were directors of the Company at the time the unlawful distributions were made) and the shareholders who received them, from any and all liability arising thereunder. The Investment Manager has also implemented internal controls to ensure this issue is not repeated in the future. Further information is detailed in note 24 to the financial statements.

### Amendment of Company's Investment Policy and Disposal of hydroelectric portfolio

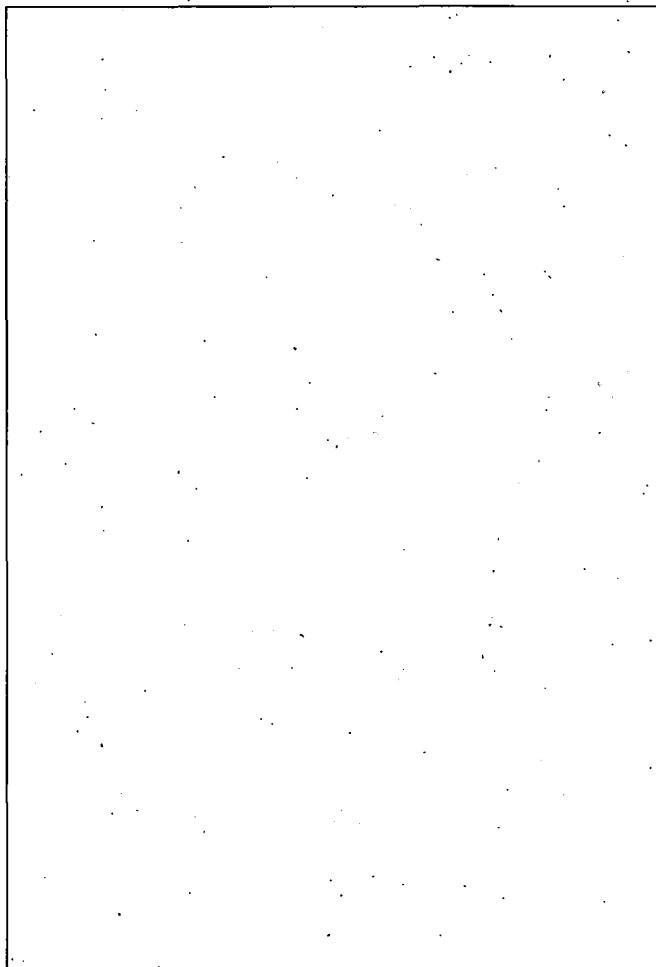
As noted in the Chair's statement, all of the Hydro Assets in the C Share Class and a substantial part of the Hydro Assets in the D and E Share Class were sold. This was achieved following a passing of a resolution at the 2021 Annual General Meeting to change the Company's Investment Policy which removed the 16-year holding period for the C and D share classes which are wholly invested in the hydroelectric portfolio. This sale formed part of a competitive sales process where a number of bids were submitted. The Board carefully considered all bids during the process and selected the preferred bidder based on a number of important criteria including total consideration, level of offer conditionality and acceptance of share purchase agreement terms.

# **INVESTMENT MANAGER'S REVIEW**

## Sector Analysis

Industry Sector	Electricity Generation				SME Funding		Quoted Investments	Total Investments
	Crematorium Management	Controlled Environment Agriculture	Hydroelectric Power	Other Electric Power	Hydroelectric Power	Other		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Investments at 31 March 2021</b>								
C Shares	–	–	11,244	–	–	–	–	11,244
D Shares	–	–	10,037	–	–	–	–	10,037
E Shares	112	6,469	5,665	7,236	3,598	3,103	558	26,741
<b>Total</b>	<b>112</b>	<b>6,469</b>	<b>26,946</b>	<b>7,236</b>	<b>3,598</b>	<b>3,103</b>	<b>558</b>	<b>48,022</b>
<b>Investments realised during the period</b>								
C Shares	–	–	(11,244)	–	–	–	–	(11,244)
D Shares	–	–	(9,535)	–	–	–	–	(9,535)
E Shares	–	–	(5,429)	(75)	(2,325)	–	(558)	(8,387)
<b>Total disposals</b>	<b>–</b>	<b>–</b>	<b>(26,208)</b>	<b>(75)</b>	<b>(2,325)</b>	<b>–</b>	<b>(558)</b>	<b>(29,165)</b>
<b>Investments revalued during the period</b>								
C Shares	–	–	–	–	–	–	–	–
D Shares	–	–	7	–	–	–	–	7
E Shares	(53)	319	3	680	106	215	–	1,270
<b>Total revaluations</b>	<b>(53)</b>	<b>319</b>	<b>10</b>	<b>680</b>	<b>106</b>	<b>215</b>	<b>–</b>	<b>1,277</b>
<b>Investments at 31 March 2022</b>								
C Shares	–	–	–	–	–	–	–	–
D Shares	–	–	509	–	–	–	–	509
E Shares	60	6,788	239	7,841	1,379	3,318	0	19,625
<b>Total</b>	<b>60</b>	<b>6,788</b>	<b>748</b>	<b>7,841</b>	<b>1,379</b>	<b>3,318</b>	<b>0</b>	<b>20,134</b>
<b>Total investments %</b>	<b>0.30%</b>	<b>33.71%</b>	<b>3.72%</b>	<b>38.94%</b>	<b>6.85%</b>	<b>16.48%</b>	<b>0.00%</b>	<b>100.00%</b>

## Investment Manager's Review



**Jonathan Parr**  
Head of Energy  
Triple Point Investment Management LLP

We are pleased to present our annual review for the year ended 31 March 2022.

This year we sold a majority of hydroelectric assets in the C, D, and E Share Class enabling the return of net proceeds to shareholders following which the investment in PFC becomes the largest investment holding within the Company. Further information on the next steps for all the Share Classes are set out below and in the Chair's Statement on pages 8 to 12.

Although we were very fortunate to be able to operate effectively with remote and home working through the Covid-19 restrictions, we were excited to see a return to the office for our staff to bring everyone back together again. Nevertheless, we saw the benefit of staff being able to work from home, and as such, we currently operate with employees working 50% of their time in the office and 50% at home.

As noted in the Chair's Statement, the C Share Class has now fully divested of all the remaining hydroelectric assets, the D Share Class has only one hydroelectric asset remaining and the E Share Class has a diverse portfolio of 10 companies spanning hydroelectric power, rooftop solar, crematoria, and controlled environment agriculture. It is intended that the C and D Ordinary Share Classes be wound down and cancelled and residual cash distributed to the shareholders. In respect of the D Share Class, this will require the realisation of its remaining holding in Shenval, which is also held partly by the E Share Class. It is intended that the E Share Class consolidate its investment in Shenval in return for cash which will enable the D Share Class to fully exit and provide the E Share Class with a valuable asset generating an income. The Company will seek share approval, at a general meeting, to wind down and ultimately cancel the C and D Share Classes in due course. It is anticipated that the cancellation will commence in late 2022.

### C Share Class

As set out in the Chair's Statement, during the year all the C Share Class assets, consisting of three hydroelectric companies in the Scottish Highlands, were sold. A small amount of cash has been retained to ensure the C Share Class can meet all its working capital requirements.

### D Share Class

During the year, the majority of D Share Class assets, consisting of five hydroelectric companies in the Scottish Highlands were sold. The Share Class has an interest in Shenval which remains.

It is intended that the E Share Class consolidate its investment in Shenval in return for cash which will enable the D Share Class to fully exit, and provide the E Share Class with a valuable asset generating an income.

# Review of Portfolio

## E Share Class

### Solar Energy

The Company holds investments 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 104 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.

The Investment Manager has helped the companies to negotiate and appoint new asset management contracts with an experienced third party, which are designed to improve portfolio reporting and performance. There are several individual sites which have not been communicating and a programme is being developed to ensure these can be brought back online. The Investment Manager on behalf of DSS is also engaging with Ofgem relating to the Company's 2020/2021 yearly submission for ROC, which is being challenged. In terms of performance overall, GEFE is performing in line with expectations, CMP is exceeding expectations, and DIG and DSS are slightly behind expectations.



## Hydroelectric Power

The Board, supported by the Investment Manager, put forward a resolution at the 2021 AGM to amend the Company's investment policy to reduce the holding period of the assets in the C and D Share Class which allowed for the disposal and sale of the hydroelectric assets which was considered an opportune time to optimise value for shareholders. This was on the basis of favourable market conditions, reflecting low discount rates, scarcity of in demand hydroelectric assets with inflation-linked FIT Income and demand for assets with a long c.15 year remaining FIT period.

As announced on 29 November 2021 and 13 December 2021, a substantial part of the hydroelectric assets in the C, D and E Ordinary Share Class, were sold in two tranches for a total consideration of £31,419,183. Following these sales, the remaining hydroelectric asset is Shenval which is held by the D and E Share Classes. The hydroelectric asset sale followed a competitive process, whereby bids were received from all invited bidders comprising some of the leading energy infrastructure investors in the UK with a strong understanding of small scale run of the river hydroelectric assets. Following an analysis of the bids, Triple Point Energy Efficiency Infrastructure Company plc ("TEEC") were chosen as the preferred bidder with reference to key criteria of: consideration, conditionality of the bid and acceptance of share price agreement

terms. At the conclusion of the process, TEEC's final offer was considered the most attractive for the Company. TEEC is also managed by TPIM, and therefore additional measures were implemented from the outset and carefully monitored to manage any potential conflict of interest appropriately, including obtaining a third-party valuation.

We are very pleased with the outcome of the sales process for the Shareholders, and the consequential return of the net proceeds to them. At the appropriate time, a resolution for the wind-down and cancellation of the C and D Share Class will be put forward to shareholders.

Shenval, the remaining hydroelectric interest in the D and E Share Classes, is a scheme in the Scottish Highlands, which has been commissioned and is operational. Small-scale hydroelectric is highly efficient, and it remains one of the cheapest forms of renewable electricity per unit. Shenval continues to benefit from UK government backed FiT payments based on output and from the sale of the electricity produced to utilities or other power companies under power purchase agreements. Shenval underperformed during the 12 months to 31 March 2022 at c.24% below revenue expectations mainly due to adverse weather conditions. Hydroelectric power generation from run-of-river schemes such as the site operated by Shenval is weather dependent and one year's

## Hydroelectric Power

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performance should not be taken as indicative of future performance. The turbine itself is operating well, however, the nine months to December 2021 were exceptionally dry across the Scottish Highlands. In addition, the site was unable to generate electricity for six weeks between April and May 2021 due to Scottish and Southern Electricity grid constraints, a factor outside of Shenval's control.

Hydroelectric companies, together with other industry members and the British Hydropower Association ("BHA") have continued to lobby the Scottish Government over the last year on business rates in the hydroelectric sector. However, the assessors have become entrenched in their position and furthermore appeals against the 2010 valuations are yet to be resolved and cases from 2017 are nowhere near consideration. It now looks unlikely that the assessors are going to relent to reduce valuations for the hydroelectric sector to bring them into line with other renewable technologies. The 60% relief introduced by the Scottish Government in 2018 was extended to 2032 in the 2021 Scottish Budget. Whilst the relief is welcome and is sufficient to individual schemes, it does not benefit multiple schemes grouped within a portfolio due to the post-Brexit State Aid rules. It is however unlikely that any progress will be made until the temporary support has expired.

## Gas Fired Energy Centre

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The Company has an investment in a company called Green Peak which owns and operates a gas fired energy centre. Green Peak 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. Further to the update provided in the Company's 2021 Interim Report, the water ingress issues which previously caused one of the engines to be offline at Green Peak have now been resolved and all three engines are fully available. We are also pleased to report that full insurance coverage subject to deductions has been confirmed by the insurer for both property damage and business interruption. Whilst the site has experienced some availability issues which are being addressed, the strong electricity market has offset the underperformance with the company achieving gross profits in excess of expectations for the 12-month period to 31 December 2021.

We are continuing to pursue solutions to improve the site's operations and increase availability. As such, from May 2022, Green Peak has transitioned to a new power optimisation company, responsible for the trading and dispatch of the site, and a new operations and maintenance contractor after continued underperformance. Over the 2021/22 winter period, the significantly rising costs of gas put pressure on the European electricity market, causing prices to increase in line. As a result, the spark spread, that is, the price of electricity less the cost of gas, remained positive and in cases even widened. Throughout this winter period the company was able to remain profitable, despite lower availability and the resulting lower electricity production than originally forecast. Toward the end of the period, after the war in Ukraine began, gas prices remained high. However, high wind output and warmer temperatures meant that the price of electricity came off its winter highs. This put pressure on the spark spread and the number of profitable periods in which the company was

## Gas Fired Energy Centre

called to trade accordingly decreased. The company does however benefit from a high-priced Capacity Market contract, won in the 2021 year ahead auctions which helps offset the reduced trading performance through regular monthly cash flows.

In line with the Company's Investment Policy, which allows for a partial return of funds within the E Share Class should market conditions present such an opportunity, we are considering disposal options for Green Peak following renewed transaction activity and interest against the backdrop of a strong electricity market. A sale of the assets will enable a dividend of the net proceeds to be paid to E Shareholders.

The valuation of Green Peak has been held at the same carrying value as determined at 31 March 2021. The carrying values were in line with the independent report commissioned in early 2021 from an experienced corporate finance adviser to gauge the market interest and value attributable to these companies.

The valuation model was first adjusted by actual cash flow forecasts to date and a reduction in the future residual value of the asset at the end of the life. This was to provide a conservative view on future decommissioning costs. A reduction in expected project life to 20 years was then applied, which the company's Corporate Finance Adviser, after recently marketing the company as well as others over the past years, advised is the current market view on the useful operating life of this asset class. The discount rates used to value the projects were then adjusted to reflect the reduced long-term risk of a shorter operating life. Additionally, the company's energy market advisers are predicting significant short-term upside on market profitability versus the market analysis at the time of the independent report commissioned in early 2021. As well as being future predictions, these strong market prices have been realised in the second half of the reporting period and will continue to be captured in the short term and so the discount rate of the cash flows forecasts has been reduced. After applying all these changes to the cash flow forecasts, the valuation returned was in line with prior year carrying value, and the independent report commissioned in early 2021.

## Controlled Environment Agriculture

Controlled Environment Agriculture is the practice of producing food in a controlled indoor growing facility where all inputs (water, light, and nutrients) meet the optimum needs of the crop. The advantages of this type of growing are that: it reduces "food miles"; it allows crops to be reliably grown all year round regardless of the weather or season; it avoids pests (which removes the need for pesticides or washing which can spoil taste); and its crops have higher yields and materially longer shelf-life for both retailers and end-customers. This type of growing is highly efficient. Depending on the crop, one acre of controlled environment agriculture could be equivalent to as many as 10 to 20 traditional soil-based acres.

The Company has invested in a controlled environment agriculture business called PFC, which trades under the brand name, Perfectly Fresh. In the past year we have not seen the progress in expanding the business and getting closer to profitability that was planned.

### Challenges:

#### Cheshire facility offline:

The existing production facility at Alderley Edge was closed for eight months (August 2021 to April 2022) for refurbishment and improvement. Further details are provided below.

#### Expansion:

Profitability has always been predicated on expansion, either of PFC or on the basis of revenue sharing, and the development of a second larger facility has been delayed whilst further technical improvements have been worked on and the strategy refined.

#### Fund raising:

Fund raising has been postponed whilst further technical improvements were implemented and the brand relaunched.

### Positive milestones:

#### Product established:

In April 2021, Perfectly Fresh launched the UK's first controlled environment agriculture mixed salad bag (in two varieties), with over 100,000 bags sold to a leading retailer, over the course of 2021, with no complaints received. Overall, this product quality gives Perfectly Fresh a strong competitive advantage and foothold in the market.

#### Alderley Edge improvements:

In August 2021, the facility was closed in order to carry out a number of improvements including: a deep clean, simplified packaging, streamlined growing, better irrigation cleaning systems, and better humidifying, all of which

will improve growing availability and reduce labour costs. A specialist in operational systems has advised on how the new facility can drive efficiencies. After the period end, the facility re-opened with a simplified range and more consistent yields, with delivery to PFC's customers restarted in April 2022.

#### R&D progress:

The 4-person R&D team is continuously testing improvements in seeds, hygiene, and growing techniques. These improvements are being fed into the growing strategy for both Alderley Edge and further plants, ensuring that Perfectly Fresh's product has a competitive edge over alternatives.

#### Branding developed:

Perfectly Fresh has been working with brand consultants and has made significant progress in developing its brand, which will enable it to broaden its customer base and conduct a professional fund-raising round.

#### Customer relationships strengthened:

The strength of Perfectly Fresh's business and product, as set out above, has been reflected in increasingly strong customer relationships. Perfectly Fresh's main customer, a leading UK supermarket, is involved with and supports the company's plan for growth.

### Valuation

The investment in PFC is valued on the basis of (i) a restructuring which is in the process of documentation, and which relates to PFC's priority share in the value of the Perfectly Fresh business, and (ii) the value at which the management expects to be able to raise funds later this year.

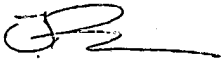
### Post year end developments

Shortly after the Company's year-end, the Perfectly Fresh senior team has expanded, and has refined the strategy to help the company scale, and to raise funds for the development of a new facility in the coming year. Pending the raising of funds for the new facility, PFC has continued to be funded by Triple Point and P3P Partners.

## 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, FMS is expected to start the winding up process imminently following the final payment from Lambeth Local Authority and will in due course declare a final dividend to the Company.

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



**Jonathan Parr**  
Head of Energy

Triple Point Investment Management LLP  
20 July 2022

## Responsible Investing

The Investment Manager is committed to being a sustainable and responsible investor. To demonstrate commitment the Investment Manager is a United Nations Principles for Responsible Investment ("PRI") signatory which underpins its Environmental, Social and Governance (ESG) commitment across all investment strategies.

The Investment Manager believes these principles are helpful in guiding and demonstrating best practice in investor ESG integration. They also help promote a closer alignment between the objectives of institutional investors and those of society at large. The principles are voluntary and intended to be actionable and measurable. TPIM seeks to promote these principles throughout its business and all investment strategies.

### ESG Integration Approach

The Investment Manager aligns international standards and good industry practice, including monitoring industry regulation (such as the Bribery Act 2010 and CA 2006) and investor-led initiatives (such as the PRI), as the foundation of its ESG integration approach. Using these foundational principles, TPIM has developed an in-house approach to ESG integration which is proportionate and relevant to each investment strategy.

To ensure the effective and consistent application of this approach, the Investment Manager operates ESG Integration Policies. Each details how ESG considerations are taken in to account throughout investment processes, from the point of origination to exit. The Investment Manager takes a practical, proportionate, and material approach to ESG integration to manage the identification of associated risks and opportunities. There are two pillars of management to the approach:

1. **Management (culture, capacity & governance):** this refers to the allocation of appropriate resourcing, training and senior support for ESG integration. It demonstrates TPIM's actions have integrity aligned with the strategic position of the Investment Manager.
2. **Investment process (process & reporting):** this refers to action taken in the investment process to assess and improve ESG factors affecting the target asset, how these might affect investment decisions, and how TPIM captures decisions and changes to ESG factors during asset ownership.

As the Company no longer makes new investments, the current focus is on the management and exit processes associated with assets within the investment strategy. TPIM reviews ESG integration processes formally every 12 to 18 months, in addition to informal on-going review. Oversight is managed by TPIM's Sustainability Team and the Sustainability Group and its associated subgroup.

# Investment Portfolio Summary

	31 March 2022				31 March 2021			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Unquoted qualifying holdings	12,002	59.42	15,379	64.17	30,936	79.89	40,649	83.75
Quoted non-qualifying holdings	-	-	-	-	570	1.47	558	1.15
Unquoted non-qualifying holdings	4,365	21.61	4,755	19.84	6,690	17.28	6,815	14.03
Financial assets at fair value through profit or loss	16,367	81.03	20,134	84.01	38,196	98.64	48,022	98.93
Cash and cash equivalents	3,831	18.97	3,831	15.99	521	1.36	521	1.07
	20,198	100.00	23,965	100.00	38,717	100.00	48,543	100.00

## Qualifying Holdings – Unquoted

Digma Limited	1,262	6.25	2,139	8.93	1,262	3.26	1,716	3.54
Digital Screen Solutions Limited	2,020	10.00	3,061	12.77	2,020	5.22	2,776	5.72
Green Energy for Education Limited	400	1.98	1,435	5.99	475	1.23	1,404	2.89
Elementary Energy Limited	-	-	-	-	2,060	5.32	2,461	5.07
Green Highland Alit Choire A Bhalachain (255) Limited	-	-	-	-	3,130	8.08	3,763	7.75
Green Highland Alit Ladaidh (1148) Limited	-	-	-	-	3,500	9.04	4,771	9.83
Green Highland Alit Luaidhe (228) Limited	-	-	-	-	1,995	5.15	2,425	5.00
Green Highland Alit Phocachain (1015) Limited	-	-	-	-	3,931	10.15	4,989	10.28
Green Highland Shenval Limited	1,120	5.55	750	3.13	1,120	2.89	739	1.52
Achnacarry Hydro Ltd	-	-	-	-	4,243	10.96	7,797	16.06
Green Peak Generation Limited	2,200	10.89	1,206	5.03	2,200	5.68	1,339	2.76
Perfectly Fresh Cheshire Limited	5,000	24.75	6,788	28.32	5,000	12.91	6,469	13.33
	12,002	59.42	15,379	64.17	30,936	79.89	40,649	83.75

## Non-qualifying Holdings – Quoted

TP Social Housing REIT Plc Equity	-	-	-	-	570	1.47	558	1.15
	-	-	-	-	570	1.47	558	1.15

## Non-qualifying Holdings – Unquoted

Furnace Managed Services Limited	488	2.42	60	0.25	488	1.26	113	0.23
Elementary Energy Ltd	-	-	-	-	140	0.36	140	0.29
Green Highland Alit Choire A Bhalachain (255) Limited	-	-	-	-	-	-	-	-
Green Highland Alit Luaidhe (228) Limited	-	-	-	-	-	-	-	-
Broadpoint 2 Limited	1,159	5.74	1,379	5.75	1,334	3.45	1,449	2.98
Broadpoint 3 Limited	-	-	-	-	2,010	5.19	2,010	4.14
Aeris Power Limited	518	2.56	644	2.69	518	1.34	602	1.24
Funding Path Limited	2,200	10.89	2,672	11.15	2,200	5.68	2,501	5.15
	4,365	21.61	4,755	19.84	6,690	17.28	6,815	14.03

## Investment Portfolio Summary

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**SOLAR**

**HYDROELECTRIC POWER**

**GAS FIRED ENERGY CENTRE**

**CONTROLLED ENVIRONMENT AGRICULTURE**

**INVESTMENT PROPERTY**

**CREMATORIUM MANAGEMENT**

**HYDROELECTRIC POWER**

**SME FUNDING**

**OTHER**



## Top Investments

### DIGIMA LIMITED

**Capital Owned** 38.87%

Summary of Information from Investee Company Financial Statements:	£'000
Turnover	138
Earnings before interest, tax, amortisation and depreciation (EBITDA)	78
Loss before tax	(11)
Net assets before VCT loans	1,364
Net assets	195

### DIGITAL SCREEN SOLUTIONS LIMITED

**Capital Owned** 35.36%

Summary of Information from Investee Company Financial Statements:	£'000
Turnover	160
Earnings before interest, tax, amortisation and depreciation (EBITDA)	135
Loss before tax	(13)
Net assets before VCT loans	2,166
Net assets	751

### GREEN ENERGY FOR EDUCATION LIMITED

**Capital Owned** 50.00%

Summary of Information from Investee Company Financial Statements:	£'000
Turnover	233
Earnings before interest, tax, amortisation and depreciation (EBITDA)	150
Profit before tax	138
Net assets before VCT loans	778
Net assets	678

### BROADPOINT 2 LIMITED

**Capital Owned** 49.00%

Summary of Information from Investee Company Financial Statements:	£'000
Turnover	-
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(12)
Profit before tax	167
Net assets before VCT loans	1,283
Net assets	123

**FUNDING PATH LIMITED**

**Capital Owned** 49.00%

Summary of Information from Investee Company Financial Statements:	£'000
Turnover	-
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(9)
Profit before tax	56
Net assets before VCT loans	2,260
Net assets	60

**GREEN PEAK GENERATION LIMITED**

**Capital Owned** 49.00%

Summary of Information from Investee Company Financial Statements:	£'000
Turnover	1,884
Earnings before interest, tax, amortisation and depreciation (EBITDA)	239
Loss before tax	(147)
Net assets before VCT loans	3,805
Net assets	2,575

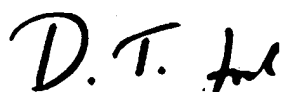
**PERFECTLY FRESH CHESHIRE LIMITED**

**Capital Owned** 49.97%

Summary of Information from Investee Company Financial Statements:	£'000
Turnover	194
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(1,107)
Loss before tax	(2,810)
Net assets before VCT loans	310
Net assets	(1,190)

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 unquoted 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 should remain unchanged since acquisition, investments continue to be held at cost less any loan repayments received.

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



**David Frank**  
Chair

20 July 2022

# GOVERNANCE

## Michael Stanes

**Michael Stanes** has been an Investment Director at Heartwood/Handelsbanken Investment Management, a London-based firm providing investment management and wealth structuring services for high net worth individuals from 2010 to 2021. 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 Chair 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 specialising in the fight against climate change and global warming. 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, 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 Chair, 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 Chair, serve as intermediaries between Directors and Shareholders, and evaluate the Chair's performance as part of the Board's annual evaluation.
Chair of the Audit Committee (Provision 29)	The Chair of the Board is the Chair 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.

## 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 45 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, considering 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 Chair, David Frank, leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair leads the process in determining its strategy and the achievement of its

objectives. The Chair 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 Chair 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 Chair 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 video 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.

The Board's main focus is to promote the long-term sustainable success of the Company, to deliver value for shareholders and contribute to wider society. The Board does not routinely involve itself in day-to-day business decisions but there is a formal schedule of matters that requires the Board's specific approval, as well as decisions that can be delegated to the Board Committees.

# Corporate Governance Report

The key matters reserved to the Board, include but are not limited to:

- 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 Chair 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.

## Discussions of the Board

During the period, the following were the key matters considered by the Board:

- Approval of investee company valuations;
- Approval of NAV;
- Declaration of interim dividends;
- Approval of the Company's annual report and accounts;
- Approval of changes to Company's Investment Policy;
- Approval of disposal of the hydroelectric portfolio; and
- Approval of the E Share Class Premium Cancellation to create distributable reserves.

## 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 AGM.

## Independence of Directors

The Board has a Non-Executive Chair 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 does 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. All of the 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 is independent, including in character and judgement.

## Policy on Tenure of the Chair

The Board considers that the length of time each Director, including the Chair, 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 55 to 59.

# Corporate Governance Report

## 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, Chair	10/10
Simon Acland	8/10
Michael Stanes	10/10

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.

## Performance Evaluation

The Board, led by the Chair, 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 a 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 Chair, 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:

Challenges and Opportunities	2022 Development Points
<ul style="list-style-type: none"> <li>The Company should develop a formal emergency succession plan to safeguard short term stability of the Board.</li> <li>Regular oversight of the Company's investments as the disposal of assets and investment realisations progress.</li> <li>Closer monitoring of the Company's service providers to ensure high quality and effective service is provided to the Company.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a formal emergency contingency plan for the unexpected departure of Directors as the sale of assets are being managed.</li> <li>A short update to be provided to the Board regularly to keep the Board up to date on developments, as well as ensuring the actions taken by the investment are appropriate.</li> <li>An additional annual Audit Committee meeting to review the performance of each service provider.</li> </ul>

## Succession Plan

As part of the annual evaluation in 2022, the Directors considered length of service of the Board as a whole and considered the regular refreshment of the Board membership.

The Board considered that, due to potential asset sales and exit opportunities, there was a benefit of historical knowledge and continuity of Directors, however, acknowledged that an emergency succession plan should be prepared for the unexpected departure of Directors.

## Corporate Social Responsibility

The Board is committed to integrating environmental, social and governance matters in the Company's business operations, including the Company itself and the companies it invests in. Details on the Company's responsible investing can be found on page 39.

## 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 a bi-annual review of the internal control systems is carried out. The review covers all material controls including financial, operational and compliance controls.

Following the distributions made during the financial year which were not in compliance with the CA 2006, the Investment Manager has implemented controls and procedures to mitigate against the risk and ensure the omission is not repeated in the future. Further details can be found in the Section 172 Statement on page 28 and note 24 on page 100.

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, uncertainties and emerging risks identified from the risk register and a description of the Group's risk management procedures can be found on pages 22 to 23.

# Corporate Governance Report

The Directors regularly review the system of internal controls, both financial and non-financial, operated by the Company and the Investment Manager. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained. Internal control systems include the production and review of quarterly bank reconciliations and management accounts. The Investment Manager is engaged to provide accounting services, and the Company Secretary provides secretarial services and retains physical custody of the documents of title relating to investments.

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 and Shareholder 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(1) statement on pages 26 to 27.

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 are encouraged to attend and vote at the Company's Annual General Meeting, along with the Company's other shareholder meetings, so they can discuss governance and strategy and the Board can enhance its understanding of shareholder views. The Board will attend the Company's shareholder meetings to answer any shareholder questions and the Chair will make himself available, as necessary, outside of these meetings to speak to shareholders.

All investor documentation is available to download from the Company's website: <https://www.triplepoint.co.uk/current-vcts/triplepoint-income-vct-plc/s1238/>.

## Directors' Share Interests

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**  
Chair

20 July 2022



## Corporate Governance Report

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# AUDIT COMMITTEE REPORT

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# Audit Committee Report

The Audit Committee consists of the Chair, 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

The Audit Committee has the primary responsibility for reviewing the financial statements and the accounting principles and practices underlying them, liaising with the external auditors and reviewing the effectiveness of internal controls.

In respect of the year ended 31 March 2022, 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 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, 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 Venture Capital Trust status;
- Valuation and existence of unquoted investments; and
- Net Asset Value of C, D and E Share Classes.

## Going concern and viability statement

The Board is required to consider and report on the longer-term viability of the business as well as assess the appropriateness of applying the going concern assumption.

The Audit Committee has taken account of the solvency and liquidity position of the Company from the financial statements and the information provided by the Investment Manager on the forecasted cash flow for the Company and expected pipeline. As a result, the Audit Committee consider that it is appropriate to adopt the going concern basis of preparation of the financial statements.

# Audit Committee Report

## 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 forthcoming AGM.

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 and this is the audit partner's fifth year, and therefore, final year. The Audit Committee will discuss and agree the appointment of the new audit partners with BDO in advance of the next audit.

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 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.

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:

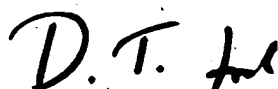
Directors	Audit Committee Meetings
David Frank, Chair	2/2
Simon Acland	2/2
Michael Stanes	2/2

The Audit Committee relies on the Investment Manager to assess the valuation of unquoted investments and the existence of those investments. The Investment Manager, where appropriate, has a director on the board of 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 have 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 Annual Report for the year ended 31 March 2022 and has reported to the Board that it considers it 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 Chair**

20 July 2022



## Audit Committee Report

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# DIRECTORS' REMUNERATION REPORT

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# Directors' Remuneration Report

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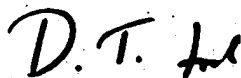
## Statement of the Chair

I am pleased to present the Remuneration Report on behalf of the Board for the year ended 31 March 2022.

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 2022. 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 that has been in place since 23 July 2020 following approval by shareholders.
- **Annual Remuneration Report** – This sets out how our Directors were paid for the period ended 31 March 2022. There will be an advisory shareholder vote on this section of the report at our 2022 AGM.

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**  
Chair

20 July 2022

# Directors' Remuneration Report

## Directors' Remuneration Policy

### Approval of Remuneration Policy

The Company's Remuneration Policy was last approved on 23 July 2020 at the AGM.

### 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. There are no planned changes to the Remuneration Policy last approved by shareholders at the 2020 AGM.

### 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 AGM 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 Chair is paid more than the other Directors to reflect the additional responsibilities of the role. The below annual fees for the Directors are fixed.

	Date of Contract	Unexpired Term of Contract	Annual Rate of Directors' Fees £	Policy on Payment For Loss of Office
David Frank, Chair	11-Nov-10	none	24,000	none
Simon Acland	12-Mar-09	none	21,000	none
Michael Stanes	21-Nov-12	none	21,000	none

### Single Total Figure (audited information)

The fees paid to Directors in respect of the year ended 31 March 2022 and the prior year are shown below:

	Emoluments for the year ended 31 March 2022	Change from prior year	Emoluments for the year ended 31 March 2021	Emoluments for the year ended 31 March 2020	Emoluments for the year ended 31 March 2019	Emoluments for the year ended 31 March 2018
	£		£	£	£	£
David Frank	24,000	0%	24,000	20,000	20,000	20,000
Simon Acland	21,000	0%	21,000	17,500	17,500	17,500
Michael Stanes	21,000	0%	21,000	17,500	17,500	17,500
	66,000	0%	66,000	55,000	55,000	55,000
Employers' NI contributions	1,448	-1.50%	1,470	1,016	1,102	1,210
Total Emoluments	67,448	-0.03%	67,470	56,016	56,102	56,210

The Company has no executive Directors or employees.

Directors' emoluments compared to payments to Shareholders:

Unaudited	31 March 2022	31 March 2021
	£'000	£'000
Total Dividends paid:	22,396	3,037
Directors' emoluments	66	67



## Directors' Remuneration Report

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### Directors' Share Interests (audited information)

At 31 March 2022, the Directors held no shares in the Company (2021: Nil). Simon Acland's wife held 48,750 D Class Shares (2021: 48,750).

There are no other connected parties to the Directors that held any shares at 31 March 2022. There are no requirements or restrictions on Directors holding shares in the Company.

### 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 2022 with the Total Return from notional investments in the FTSE SmallCap Index and FTSE All Share Index over the same period. The indices chosen are considered to be the most appropriate broad equity markets for comparative purposes.

Shareholders should be reminded that shares in VCTs 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.

# Directors' Remuneration Report

These charts have been prepared in accordance with Part 3 to Schedule 8 of the CA 2006. The Company measures its performance against its target returns as detailed in the Strategic Report on pages 6 to 43.

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

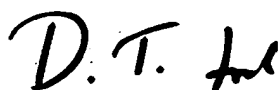
## Statement of Voting at the Annual General Meeting

The resolutions to approve the Directors' Remuneration Report was passed at the AGM on 28 July 2021 and the Directors' Remuneration Policy was passed at the AGM on 23 July 2020 on a show of hands. Details of the proxy votes in respect of the resolution are as set out below:

	Voting for	Voting Against	Votes Withheld
Remuneration Report	99.91%	0.09%	24,278
Remuneration Policy	97.56%	2.44%	24,277

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

On behalf of the Board,



**David Frank**  
Chair

20 July 2022

# Directors' Report

The Directors are pleased to present the Directors' Report for the year ended 31 March 2022.

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 46 to 49 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, controlled environment agriculture, 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 62.

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

Further details of post balance sheet events can be seen in note 23 to the Financial Statements.

## Directors' and Officers' Liability Insurance

The Company has, as permitted by Section 233 of the CA 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 (2021: 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 Company 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 AGM 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.

## Streamlined Energy and Carbon Reporting

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 CA 2006 (Strategic Report and Directors' Reports) Regulations 2013. The Company has outsourced operations to third parties, there are no significant greenhouse gas emissions to report from the operations of the Company. The Group qualifies as a low energy user at under 40,000 kWh and is therefore exempt from disclosures on greenhouse gas emissions and energy consumption.

To note, the Company has invested in renewable energy, through its portfolio of hydroelectric companies. It has also invested in a company that operates a gas fired energy centre. 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 growing ever more reliant on renewable energy sources, as the nation shifts towards a low-carbon economy.

The Company also has an investment in a controlled environment agriculture business. Controlled environment agriculture 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 controlled environment agriculture 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 benefit as it can substantially reduce transportation costs, CO2 emissions and reduce the need for refrigerated storage.

More information on the Company's hydroelectric portfolio, gas fired energy centres, rooftop solar panels and the controlled environment agriculture facility can be found in the Investment Manager's Review on pages 30 to 39.

## Share Capital

As at 31 March 2022 the Company's issued shares amounted to 55,957,801 consisting of 13,413,088 C Shares of 1p each, 13,604,637 D Shares of 1p each and 28,940,076 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 impaired 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.

## Dividends

During the year the directors identified an accounting issue in respect of the payment of certain interim dividends to shareholders between 30 July 2021 to 14 January 2022 which were made otherwise than in accordance with the CA 2006. As part of the process of rectifying the dividend the Company is entering into a deed of release with the Directors to release all liabilities. The entering into of the deed of release constitutes a related party transaction for the purposes of the Listing Rules, and therefore, the circular will be approved by the Financial Conduct Authority. The Company will propose resolutions at a general meeting to be held on 2 September 2022 to rectify the payment of the unlawful distributions as follows: (i) to appropriate the newly created distributable reserves to the payment of the unlawful distributions, (ii) to release the directors of the Company at the time the unlawful distributions were made from any and all potential liability arising from the unlawful distributions, and (iii) to release the shareholders (and if deceased, their successors in title) who received the unlawful distributions from any and all potential liability arising from the unlawful distributions. Further information is included on pages 28 and 100.

## Annual General Meeting

The 2022 AGM will be held on 2 September 2022.

## 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 AGM of the Company following his or her appointment. Thereafter all Directors are subject to re-election at each AGM 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 CA 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' Report

## 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 CA 2006 a resolution to reappoint BDO LLP as auditor and to authorise the Directors to fix their remuneration will be proposed at the forthcoming AGM.

## 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.

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. Further information on the going concern of the Company can be found in the Strategic report on pages 24 and 25.

## 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 2022 are received and adopted by the Shareholders. A resolution concerning this will be proposed at the forthcoming AGM.

## 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.

## 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.

## 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.

## Co-Investment

The Company co-invests with other venture capital trusts 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	8 to 12

On behalf of the Board.



**David Frank**  
Chair

20 July 2022

# Directors' Responsibility Statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Company financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' report, a strategic report and directors' remuneration report which comply with the requirements of the CA 2006.

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 comply with the CA 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.


The Directors have delegated the hosting and maintenance of the Company's website content to TPIM and its materials are published on the TPIM website [www.triplepoint.co.uk](http://www.triplepoint.co.uk). Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

## Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- the annual report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board.



**David Frank**  
Chair

20 July 2022

# **INDEPENDENT AUDITOR'S REPORT**



# Independent auditor's report

to the members of Triple Point Income VCT Plc

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Triple Point Income VCT Plc for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Shareholders' Equity, Statement of Cash Flows and notes to the financial statements, including summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

## Basis for opinion

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

## Independence

Following the recommendation of the audit committee, we were appointed by the directors on 9 November 2017 to audit the financial statements for the year ended 31 March 2018 and subsequent financial periods. We were re-appointed by shareholders at the AGM held on 14 June 2021 to audit the financial statements for the year ending 31 March 2022. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the years ending 31 March 2018 to 31 March 2022. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports (prepared by management's experts) during the year and as at year end reviewing the calculations therein to ensure that the Company was meeting its requirements to retain VCT status.
- Consideration of the Company's expected future compliance with VCT legislation, the absence of bank debt, contingencies and commitments and any market or reputational risks.
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts, and assessing them for reasonableness. In particular, we considered the available cash resources relative to forecast expenditure which was assessed against the prior year for reasonableness.
- Evaluating directors' method of assessing the going concern in light of market volatility and the present uncertainties in economic recovery created by the ongoing Covid-19 pandemic, war in Ukraine and high inflation.
- Calculating financial ratios to ascertain the financial health of the Company.
- Performing stress testing of extreme downside scenarios and cash flow forecasts, as well as conducting a robust review of the Company's liquidity position.

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

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

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

## Overview

Key audit matters	2022	2021
Valuation of unquoted investments	Yes	Yes
<b>Materiality</b>	<b>Company financial statements</b> £486k (2021: £960k) based on 2% of net assets (2021: 2% of the value of the Investment portfolio).	

# Independent auditor's report

to the members of Triple Point Income VCT Plc

## An overview of the scope of our audit

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

## Key audit matters

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

Key audit matter	How the scope of our audit addressed the key audit matter
<p><b>Valuation of Investments</b></p> <p>See note 12 and accounting policy on page 86</p> <p>The investments balance is a significant balance in the financial statements with 100% of the underlying investment portfolio represented by unquoted equity and loan stock.</p> <p>These investments have been classified within level 3 as they are not traded and contain certain unobservable inputs and there is a high level of estimation uncertainty involved in determining the unquoted equity and loan investments.</p> <p>The Investment Manager's fee is based on the value of the net assets of the VCT.</p> <p>The Investment Manager is responsible for preparing the valuation of investments which are reviewed and approved by the Board. Notwithstanding this review, there is a potential risk of misstatement in the investment valuations.</p> <p>We, therefore, have determined the valuation of investments to be a key audit matter.</p>	<p>In respect of the investments valued using discounted cash flow models ("DCF") (representing 55% of the portfolio), we have tested all the investments and performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Considered the appropriateness of overall fair value and valuation movement in the period;</li> <li>• Reviewed and challenged the key assumptions including discount factors, inflation, asset life, energy yield and power price applied by benchmarking to available industry data and verifying these to supporting evidence;</li> <li>• Consulted with our internal valuations specialists on the appropriateness of the assumptions including the discount rate, inflation, power price and asset life;</li> <li>• Used spreadsheet analysis tools to assess the integrity of the models;</li> <li>• Performed sensitivity analyses by adjusting certain key inputs in order to calculate a reasonable range of possible valuations where appropriate, and</li> <li>• Considered the accuracy of forecasting by comparing previous forecasts to actual results.</li> <li>• For those investments valued using methodology other than a DCF method (i.e. remaining 45% of the portfolio), we have performed the following procedures:</li> <li>• Agreed inputs to valuations to third party data such as board packs of underlying investee companies where appropriate;</li> <li>• Considered whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and IFRS 13 – Fair Value Measurement ("IFRS 13");</li> <li>• Re-performed the calculation of the value attributable to the company;</li> <li>• Verified and benchmarked key inputs and estimates to independent information and our own research;</li> <li>• Reviewed and challenged the inputs to the valuation and assessed the impact of the estimation uncertainty concerning these assumptions;</li> <li>• Where appropriate, performed sensitivity analysis on the valuation calculations where there is sufficient evidence to suggest reasonable alternative inputs might exist; and</li> <li>• Considered the economic environment in which the investment operates to identify factors that could impact the investment valuation.</li> </ul> <p><b>Key Observations:</b></p> <p>Based on the procedures performed, we did not identify any indicators that would suggest the valuation of investments were materially misstated.</p>

# 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. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

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

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

	2022	2021
<b>Materiality</b>	£486,000	£960,000
<b>Basis for determining materiality</b>	2% of net assets	2% of the value of the investment portfolio
<b>Rationale for the benchmark applied</b>	<ul style="list-style-type: none"> <li>In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of net assets (2021: 2% of the investment portfolio).</li> <li>This was changed from the prior year's benchmark of gross investment value to align with a standardised benchmark across the investment company sector.</li> </ul>	
<b>Performance materiality</b>	£365,000	£720,000
<b>Basis for determining performance materiality</b>	75% of Materiality Risk assessment of the control environment and consideration of the number of historical errors identified.	75% of Materiality Risk assessment of the control environment and consideration of the number of historical errors identified.

## Specific materiality

We also determined that for items impacting realised return, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items to be £75,000 based on 5% of total expenditure excluding expenditure one-off in nature i.e. performance fees (2021: 40,000 based on 10% of revenue return before tax). We further applied a performance materiality level of 75% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

## Reporting Threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £9,700 (2021: £18,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# Independent auditor's report

to the members of Triple Point Income VCT Plc

## Corporate governance statement

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

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

<b>Going concern and, longer-term viability</b>	<ul style="list-style-type: none"> <li>• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 24 to 25; and</li> <li>• The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate set out on page 25.</li> </ul>
<b>Other Code provisions</b>	<ul style="list-style-type: none"> <li>• Directors' statement on fair, balanced and understandable set out on page 64;</li> <li>• Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 25;</li> <li>• The section of the annual report that describes the review of the effectiveness of risk management and internal control systems set out on pages 48 to 49; and</li> <li>• The section describing the work of the audit committee set out on page 51.</li> </ul>

# Independent auditor's report

to the members of Triple Point Income VCT Plc

## Other Companies Act 2006 reporting

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

<b>Strategic report and Directors' report</b>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> <li>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</li> <li>the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.</li> </ul> <p>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.</p>
<b>Directors' remuneration</b>	<p>In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.</p>
<b>Matters on which we are required to report by exception</b>	<p>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:</p> <ul style="list-style-type: none"> <li>adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or</li> <li>the Company's financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or</li> <li>certain disclosures of Directors' remuneration specified by law are not made; or</li> <li>we have not received all the information and explanations we require for our audit.</li> </ul>

## Responsibilities of Directors

As explained more fully in the Directors' Responsibility 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.

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

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

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Association of Investment Companies' Statement of Recommended practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") and updated in February 2018 with consequential amendments, requirements of s1158 of the Corporation Tax Act and the applicable financial reporting framework. We also considered the risk that the valuation of the investment portfolio was subject to bias from the Investment Manager, as described in the Key Audit Matter section above. Lastly, we considered the Company's qualification as a VCT under UK tax legislation.

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

# Independent auditor's report

to the members of Triple Point Income VCT Plc

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of directors and those charged with governance of their knowledge of actual or suspected fraud or instances of non-compliance with laws and regulations;
- Obtaining the VCT compliance reports prepared by management's experts during the year and at year-end reviewing their calculations to check that the Company was meeting its requirements to meet VCT status; and
- Review of minutes of board meetings and legal correspondence and invoices throughout the period to identify any instances of non-compliance with laws and regulations and corroborate our above enquiries.

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

Our tests included, but were not limited to:

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

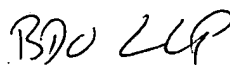
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Peter Smith**  
(Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor  
London, United Kingdom  
20 July 2022

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

# FINANCIAL STATEMENTS

# Statement of Comprehensive Income

Year ended 31 March 2022					Year ended 31 March 2021		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Income</b>							
Investment income	4	1,488	–	1,488	2,274	–	2,274
Gain/(loss) arising on the disposal of investments during the year	12	–	1,254	1,254	–	(204)	(204)
Gain/(loss) arising on the revaluation of investments at the year end	12	–	683	683	–	(173)	(173)
<b>Investment return/(loss)</b>		<b>1,488</b>	<b>1,937</b>	<b>3,425</b>	<b>2,274</b>	<b>(377)</b>	<b>1,897</b>
Investment management fees	5	616	205	821	708	236	944
Performance Fees	6	–	1,732	1,732	–	5	5
Other expenses	6	575	–	575	402	–	402
Finance costs	7	116	–	116	104	–	104
		1,307	1,937	3,244	1,214	241	1,455
<b>Profit/(loss) before taxation</b>		<b>181</b>	<b>–</b>	<b>181</b>	<b>1,060</b>	<b>(618)</b>	<b>442</b>
Taxation	10	(30)	23	(7)	(125)	46	(79)
<b>Profit/(loss) after taxation</b>		<b>151</b>	<b>23</b>	<b>174</b>	<b>935</b>	<b>(572)</b>	<b>363</b>
Other comprehensive income		–	–	–	–	–	–
<b>Total comprehensive income/(loss)</b>		<b>151</b>	<b>23</b>	<b>174</b>	<b>935</b>	<b>(572)</b>	<b>363</b>
<b>Basic and diluted earnings/(loss) per share (pence)</b>							
C Share	11	(0.92p)	(0.40p)	(1.32p)	2.27p	(0.34p)	1.93p
D Share	11	0.45p	(4.62p)	(4.17p)	2.35p	(0.27p)	2.08p
E Share	11	0.73p	2.44p	3.17p	1.08p	(1.69p)	(0.61p)

The total column of this statement is the Statement of Comprehensive Income of the Company prepared in accordance with UK-adopted International Accounting Standards (IFRS). The supplementary revenue return and capital columns have been prepared in accordance with the Association of Investment Companies Statement of Recommended Practice (AIC SORP) in so far as it does not conflict with IFRS.

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

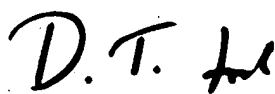
This Statement of Comprehensive Income includes all recognised gains and losses. The accompanying notes are an integral part of these statements.



# Balance Sheet

		31 March 2022	31 March 2021
	Note	£'000	£'000
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	12	20,134	48,022
<b>Current assets</b>			
Receivables	13	725	984
Cash and cash equivalents	14	3,831	521
		4,556	1,505
<b>Total Assets</b>		<b>24,690</b>	<b>49,527</b>
<b>Current liabilities</b>			
Payables and accrued expenses	16	248	452
Current taxation payable		11	93
Short-term debt facility		–	2,300
		259	2,845
<b>Net Assets</b>		<b>24,431</b>	<b>46,682</b>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	18	560	560
Share redemption reserve		1	1
Share premium		–	28,661
Special distributable reserve		23,628	10,555
Capital reserve		7,505	6,891
Revenue reserve		(7,263)	14
<b>Total equity</b>		<b>24,431</b>	<b>46,682</b>
<b>Shareholders' funds</b>			
C Share	20	7.75p	83.30p
D Share	20	8.67p	59.59p
E Share	20	76.76p	94.59p

The statements were approved by the Directors and authorised for issue on 20 July 2022 and are signed on behalf of the Board by:



**DAVID FRANK**  
Chair

20 July 2022

The accompanying notes on pages 85 to 100 are an integral part of this statement.

## Statement of Changes in Shareholders' Equity

	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 2022</b>							
Opening balance	560	1	28,661	10,555	6,891	14	46,682
Purchase of own shares	-	-	-	-	-	(29)	(29)
Cancellation of share premium	-	-	(28,661)	28,661	-	-	-
Dividends paid	-	-	-	(15,588)	-	(6,808)	(22,396)
Transfer from revenue to unrealised*	-	-	-	-	591	(591)	-
Transactions with owners	-	-	(28,661)	13,073	591	(7,428)	(22,425)
(Loss)/profit for the year	-	-	-	-	23	151	174
Other comprehensive income	-	-	-	-	-	-	-
(Loss)/profit and total comprehensive income for the year	-	-	-	-	23	151	174
<b>Balance at 31 March 2022</b>	<b>560</b>	<b>1</b>	<b>-</b>	<b>23,628</b>	<b>7,505</b>	<b>(7,263)</b>	<b>24,431</b>

Capital reserve consists of:

Investment holding gains

Other realised gains

3,762

3,743

7,505

### Year ended 31 March 2021

Opening balance	561	-	28,661	12,960	6,844	381	49,407
Purchase of own shares	(1)	1	-	-	-	(51)	(51)
Dividends paid	-	-	-	(2,405)	-	(632)	(3,037)
Transfer from revenue to unrealised*	-	-	-	-	619	(619)	-
Transactions with owners	(1)	1	-	(2,405)	619	(1,302)	(3,088)
(Loss)/profit for the year	-	-	-	-	(572)	935	363
Other comprehensive income	-	-	-	-	-	-	-
(Loss)/profit and total comprehensive income for the year	-	-	-	-	(572)	935	363
<b>Balance at 31 March 2021</b>	<b>560</b>	<b>1</b>	<b>28,661</b>	<b>10,555</b>	<b>6,891</b>	<b>14</b>	<b>46,682</b>

Capital reserve consists of:

Investment holding gains

Other realised losses

9,825

(2,934)

6,891

\*Transfer from revenue reserve to capital reserve relates to capitalised interest on investment loans which is unrealised to unrealised relates to capitalisation of accrued interest on investment loans.

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 2022 the total reserves available for distribution are £20,108,000 (2021: £7,635,000).

This consists of the special distributable reserve net of the realised capital loss and revenue reserve. To maintain VCT status amounts, the special distributable reserves are not distributable until after the third accounting period following the relevant allotments of share capital.

# Statement of Cash Flows

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
<b>Cash flows from operating activities</b>		
Profit before taxation	181	442
<b>Adjustments for:</b>		
Add back financing costs	116	104
Movement in accrued income recognised as an unrealised gain	(591)	(619)
(Loss)/gain arising on the disposal of investments during the period	(1,254)	204
(Loss)/gain arising on the revaluation of investments at the period end	(683)	173
Cashflow generated by operations	(2,231)	304
Decrease/(Increase) in receivables	256	(198)
(Decrease)/increase in payables	(204)	22
Cash flows generated from operating activities	(2,179)	128
Tax paid	(89)	(98)
Net cash flows (used in)/generated from operating activities	(2,268)	30
<b>Cash flow from investing activities</b>		
Proceeds of sale of financial assets at fair value through profit or loss	30,419	2,982
Net cash flows generated from investing activities	30,419	2,982
<b>Cash flows from financing activities</b>		
Repayment of capital	(29)	(51)
Dividends paid	(22,396)	(3,037)
Repayment of loan	(2,300)	-
Financing costs	(116)	(104)
Net cash flows used in financing activities	(24,841)	(3,192)
Net increase/(decrease) in cash and cash equivalents	3,310	(180)
<b>Reconciliation of net cash flow to movements in cash and cash equivalents</b>		
Opening cash and cash equivalents	521	701
Net increase/(decrease) in cash and cash equivalents	3,310	(180)
Closing cash and cash equivalents	3,831	521

The accompanying notes are an integral part of these statements.

# **UNAUDITED NON-STATUTORY ANALYSIS**

# Unaudited Non-Statutory Analysis of

The C Shares

## Statement of Comprehensive Income

	Year ended 31 March 2022			Year ended 31 March 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	175	–	175	602	–	602
Realised gain on investments	–	1,277	1,277	–	–	–
Unrealised loss on investments	–	–	–	–	–	–
<b>Investment return</b>	<b>175</b>	<b>1,277</b>	<b>1,452</b>	<b>602</b>	<b>–</b>	<b>602</b>
Investment management fees	(180)	(1,331)	(1,511)	(217)	(56)	(273)
Other expenses	(120)	–	(120)	(62)	–	(62)
<b>(Loss)/profit before taxation</b>	<b>(125)</b>	<b>(54)</b>	<b>(179)</b>	<b>323</b>	<b>(56)</b>	<b>267</b>
Taxation	–	–	–	(20)	11	(9)
<b>(Loss)/profit after taxation</b>	<b>(125)</b>	<b>(54)</b>	<b>(179)</b>	<b>303</b>	<b>(45)</b>	<b>258</b>
(Loss)/profit and total comprehensive (loss)/income for the period	(125)	(54)	(179)	303	(45)	258
<b>Basic and diluted (loss)/earnings per share</b>	<b>(0.92p)</b>	<b>(0.40p)</b>	<b>(1.32p)</b>	<b>2.27p</b>	<b>(0.34p)</b>	<b>1.93p</b>

## Balance Sheet

	31 March 2022	31 March 2021
	£'000	£'000
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss	–	11,244
<b>Current assets</b>		
Receivables	255	252
Cash and cash equivalents	835	120
	1,090	372
<b>Current liabilities</b>		
Payables	(55)	(113)
Corporation tax	–	(9)
Short-term debt facility	–	(300)
<b>Net assets</b>	<b>1,035</b>	<b>11,194</b>
<b>Equity attributable to equity holders</b>	<b>1,035</b>	<b>11,194</b>
Net asset value per share	7.75p	83.30p

## Statement of Changes in Shareholders' Equity

	31 March 2022	31 March 2021
	£'000	£'000
Opening Shareholders' funds	11,194	11,406
Purchase of shares	(21)	–
(Loss)/profit for the period	(179)	258
Dividends paid	(9,959)	(470)
<b>Closing Shareholders' funds</b>	<b>1,035</b>	<b>11,194</b>

# Unaudited Non-Statutory Analysis of

The C Shares

## Investment Portfolio

	31 March 2022				31 March 2021			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Unquoted qualifying holdings	–	–	–	–	7,384	98.40	11,244	98.95
Unquoted non-qualifying holdings	–	–	–	–	–	–	–	–
Financial assets at fair value through profit or loss	–	–	–	–	7,384	98.40	11,244	98.95
Cash and cash equivalents	835	100.00	835	100.00	120	1.60	120	1.05
	835	100.00	835	100.00	7,504	100.00	11,364	100.00
<b>Qualifying Holdings</b>								
<b>Unquoted</b>								
<i>Hydroelectric Power</i>								
Green Highland Allt Choire A Bhalachain (255) Limited	–	–	–	–	2,466	32.86	2,965	26.09
Green Highland Allt Phocachain (1015) Limited	–	–	–	–	1,576	21.00	2,136	18.80
Achnacarry Hydro Ltd	–	–	–	–	3,342	44.54	6,143	54.06
	–	–	–	–	7,384	98.40	11,244	98.95

# Unaudited Non-Statutory Analysis of

The D Shares

## Statement of Comprehensive Income

	Year ended 31 March 2022			Year ended 31 March 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	337	–	337	676	–	676
Realised loss on investments	–	(153)	(153)	–	–	–
Unrealised gain on investments	–	7	7	–	–	–
<b>Investment return</b>	<b>337</b>	<b>(146)</b>	<b>191</b>	<b>676</b>	<b>–</b>	<b>676</b>
Investment management fees	(115)	(483)	(598)	(236)	(46)	(282)
Other expenses	(161)	–	(161)	(45)	–	(45)
<b>Profit/(loss) before taxation</b>	<b>61</b>	<b>(629)</b>	<b>(568)</b>	<b>395</b>	<b>(46)</b>	<b>349</b>
Taxation	–	–	–	(75)	9	(66)
<b>Profit/(loss) after taxation</b>	<b>61</b>	<b>(629)</b>	<b>(568)</b>	<b>320</b>	<b>(37)</b>	<b>283</b>
Profit/(loss) and total comprehensive income/(loss) for the period	61	(629)	(568)	320	(37)	283
<b>Basic and diluted earnings/(loss) per share</b>	<b>0.45p</b>	<b>(4.62p)</b>	<b>(4.17p)</b>	<b>2.35p</b>	<b>(0.27p)</b>	<b>2.08p</b>

## Balance Sheet

	31 March 2022	31 March 2021
	£'000	£'000
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss	509	10,036
<b>Current assets</b>		
Receivables	258	206
Cash and cash equivalents	431	17
	689	223
<b>Current liabilities</b>		
Payables	(20)	(86)
Corporation tax	–	(67)
Short-term debt facility	–	(2,000)
<b>Net assets</b>	<b>1,178</b>	<b>8,106</b>
<b>Equity attributable to equity holders</b>	<b>1,178</b>	<b>8,106</b>
Net asset value per share	8.67p	59.59p

## Statement of Changes in Shareholders' Equity

	31 March 2022	31 March 2021
	£'000	£'000
Opening shareholders' funds	8,106	8,559
Purchase of own shares	–	(51)
(Loss)/profit for the period	(568)	283
Dividends paid	(6,360)	(685)
<b>Closing Shareholders' funds</b>	<b>1,178</b>	<b>8,106</b>

# Unaudited Non-Statutory Analysis of

The D Shares

## Investment Portfolio

	31 March 2022				31 March 2021			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Unquoted qualifying holdings	761	63.84	509	54.15	8,247	99.80	10,036	99.83
Unquoted non-qualifying holdings	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	761	63.84	509	54.15	8,247	99.80	10,036	99.83
Cash and cash equivalents	431	36.16	431	45.85	17	0.20	17	0.17
	1,192	100.00	940	100.00	8,264	100.00	10,053	100.00
<b>Qualifying Holdings</b>								
<b>Unquoted</b>								
<i>Hydroelectric Power</i>								
Elementary Energy Limited	-	-	-	-	337	4.08	380	3.78
Green Highland Allt Ladaidh (1148) Limited	-	-	-	-	3,374	40.83	4,622	45.98
Green Highland Allt Luaidhe (228) Limited	-	-	-	-	1,918	23.21	2,341	23.29
Green Highland Allt Phocachain (1015) Limited	-	-	-	-	1,857	22.47	2,191	21.79
Green Highland Shenval Limited	761	63.84	509	54.15	761	9.21	502	4.99
	761	63.84	509	54.15	8,247	99.80	10,036	99.83



# Unaudited Non-Statutory Analysis of

The E Shares

## Statement of Comprehensive Income

	Year ended 31 March 2022			Year ended 31 March 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	976	–	976	996	–	996
Realised gain/(loss) on investments	–	130	130	–	(204)	(204)
Unrealised gain/(loss) on investments	–	676	676	–	(173)	(173)
<b>Investment return</b>	<b>976</b>	<b>806</b>	<b>1,782</b>	<b>996</b>	<b>(377)</b>	<b>619</b>
Investment management fees	(448)	(123)	(571)	(502)	(139)	(641)
Other expenses	(283)	–	(283)	(152)	–	(152)
<b>Profit/(loss) before taxation</b>	<b>245</b>	<b>683</b>	<b>928</b>	<b>342</b>	<b>(516)</b>	<b>(174)</b>
Taxation	(30)	23	(7)	(30)	26	(4)
<b>Profit/(loss) after taxation</b>	<b>215</b>	<b>706</b>	<b>921</b>	<b>312</b>	<b>(490)</b>	<b>(178)</b>
Profit/(loss) and total comprehensive income/(loss) for the period	215	706	921	312	(490)	(178)
<b>Basic and diluted earnings/(loss) per share</b>	<b>0.73p</b>	<b>2.44</b>	<b>3.17p</b>	<b>1.08p</b>	<b>(1.69p)</b>	<b>(0.61p)</b>

## Balance Sheet

	31 March 2022	31 March 2021
	£'000	£'000
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss	19,625	26,742
<b>Current assets</b>		
Receivables	212	526
Cash and cash equivalents	2,565	384
	2,777	910
<b>Current liabilities</b>		
Payables	(173)	(253)
Corporation tax	(11)	(17)
<b>Net assets</b>	<b>22,218</b>	<b>27,382</b>
<b>Equity attributable to equity holders</b>	<b>22,218</b>	<b>27,382</b>
Net asset value per share	76.76p	94.59p

## Statement of Changes in Shareholders' Equity

	31 March 2022	31 March 2021
	£'000	£'000
Opening shareholders' funds	27,382	29,442
Purchase of own share	(8)	–
Profit/(Loss) for the period	921	(178)
Dividends paid	(6,077)	(1,882)
<b>Closing Shareholders' funds</b>	<b>22,218</b>	<b>27,382</b>

# Unaudited Non-Statutory Analysis of

The E Shares

## Investment Portfolio

	31 March 2022				31 March 2021			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Unquoted qualifying holdings	11,241	61.88	14,870	67.01	15,305	66.70	19,369	71.41
Quoted non-qualifying holdings	—	—	—	—	570	2.48	558	2.06
Unquoted non-qualifying holdings	4,365	24.03	4,755	21.42	6,690	29.16	6,815	25.13
Financial assets at fair value through profit or loss	15,606	85.91	19,625	88.43	22,565	98.34	26,742	98.60
Cash and cash equivalents	2,565	14.09	2,565	11.57	384	1.66	384	1.40
	18,171	100.00	22,190	100.00	22,949	100.00	27,126	100.00
<b>Qualifying Holdings</b>								
<b>Unquoted</b>								
<i>Solar</i>								
Digima Limited	1,262	6.95	2,139	9.64	1,262	5.50	1,716	6.33
Digital Screen Solutions Limited	2,020	11.12	3,061	13.79	2,020	8.80	2,776	10.23
Green Energy for Education Limited	400	2.20	1,435	6.47	475	2.07	1,404	5.18
<i>Hydroelectric Power</i>								
Elementary Energy Limited	—	—	—	—	1,723	7.51	2,081	7.67
Green Highland Shenval Limited	359	1.98	241	1.09	359	1.56	237	0.87
Green Highland Allt Choire A Bhalachain (255) Limited	—	—	—	—	664	2.89	798	2.94
Green Highland Allt Ladaidh (1148) Limited	—	—	—	—	126	0.55	149	0.55
Green Highland Allt Luaidhe (228) Limited	—	—	—	—	77	0.34	84	0.31
Green Highland Allt Phocachain (1015) Limited	—	—	—	—	498	2.17	662	2.44
Achnacarry Hydro Ltd	—	—	—	—	901	3.93	1,654	6.10
<i>Gas Fired Energy Centre</i>								
Green Peak Generation Limited	2,200	12.11	1,206	5.43	2,200	9.59	1,339	4.94
<i>Controlled Environment Agriculture</i>								
Perfectly Fresh Cheshire Limited	5,000	27.52	6,788	30.59	5,000	21.79	6,469	23.85
	11,241	61.88	14,870	67.01	15,305	66.70	19,369	71.41
<b>Non-Qualifying Holdings</b>								
<b>Quoted</b>								
<i>Investment Property</i>								
Triple Point Social Housing REIT plc Equity	—	—	—	—	570	2.48	558	2.06
	—	—	—	—	570	2.48	558	2.06
<b>Unquoted</b>								
<i>Crematorium Management</i>								
Furnace Managed Services Limited	488	2.69	60	0.27	488	2.13	113	0.42
<i>Hydroelectric Power</i>								
Elementary Energy Limited	—	—	—	—	140	0.61	140	0.52
<i>SME Funding</i>								
<i>Hydroelectric Power:</i>								
Broadpoint 2 Limited	1,159	6.38	1,379	6.21	1,334	5.81	1,449	5.34
<i>Other:</i>								
Funding Path Limited	2,200	12.11	2,672	12.04	2,200	9.59	2,501	9.22
Aeris Power Limited	518	2.85	644	2.90	518	2.26	602	2.22
Broadpoint 3 Limited	—	—	—	—	2,010	8.76	2,010	7.41
	4,365	24.03	4,755	21.42	6,690	29.16	6,815	25.13



## Unaudited Non-Statutory Analysis of

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# NOTES TO THE FINANCIAL STATEMENTS

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# Notes to the Financial Statements

## 1. Corporate Information

The Financial Statements of the Company for the year-ended 31 March 2022 were authorised for issue in accordance with a resolution of the Directors on 20 July 2022.

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

The financial statements have been prepared in accordance with UK-adopted international accounting standards and the applicable legal requirements of the CA 2006.

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 month. During the year, the Company repaid its drawdown £2.3 million loan from TPLP, a separate fund which is managed by the Investment Manager.

The impact on the business of the Ukraine-Russia war is set out further in the Chair's Statement and Investment Managers Review on pages 8 to 13 and 30 to 39.

The Financial Statements of the Company for the year to 31 March 2022 have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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 April 2021.

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 12; 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.

Useful lives of the Company's hydroelectric and gas fired energy centre portfolio are based on the Investment Manager's estimates of the period over which the assets will generate revenue which are periodically reviewed for continued appropriateness.

Climate Change may have an impact on the estimated useful life of these assets. As discussed in the Strategic Report, the increasing emergence of battery technologies and the UK Government's desire to phase out fossil fuels has affected the forecasted useful life of the gas fired energy centre company. The actual useful lives may be a shorter or longer period depending on the actual operating conditions experienced by the asset. The valuations of the Company's renewable assets currently incorporate the expected impact of climate change through the use of power prices. Increasing ambient temperatures will have a negative impact on the efficiency and operating performance of both the gas fired energy centre and the solar PV systems. The controlled environment agriculture asset is protected from the impact of climate change as the climate is controlled and grown indoors in a sealed environment. The ambient CO2 levels are controlled and the facility inside is not impacted by floods or droughts.

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

### New and amended standards and interpretations applied

The Interest Rate Benchmark Reform (Phase II) – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 was effective for annual periods beginning on or after 1 January 2021, and provide a number of reliefs, all of which apply to all hedging relationships that are directly affected by interest rate benchmark reform. These amendments have had no impact on the financial statements of the Company.

# Notes to the Financial Statements

A number of new standards and amendments to standards are effective for the annual periods beginning after 1 January 2022. None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Company. The Company intends to adopt the standards and interpretations in the reporting period when they become effective and the Board does not anticipate that the adoption of these standards and interpretations in future periods will materially impact the Company's financial results in the period of initial application although there may be revised presentations to the financial statements and additional disclosures.

## New and amended standards and interpretations not applied

The relevant new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. These standards are not expected to have a material impact on the entity in future reporting periods and on foreseeable future transactions.

### *Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

### *Reference to the Conceptual Framework – Amendments to IFRS 3*

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

### *Definition of Accounting Estimates – Amendments to IAS 8*

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates". The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

### *Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2*

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023.

## 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 8 to 43 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 April 2021. 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 IFRS 11 "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.

# Notes to the Financial Statements

## 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 April 2021.

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 becomes a party to the contractual provisions of the instrument. At 31 March 2022 and 31 March 2021, 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.

The Company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

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.

# Notes to the Financial Statements

## 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.

## 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 representing cash available at less than 3 months' notice are classified as Financial Assets at amortised cost under IFRS 9.

## Reserves

The revenue reserve (retained earnings) and capital reserve reflect the guidance in the AIC SORP April 2021. 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".

## 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.

# Notes to the Financial Statements

## 4. Investment Income

	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2022</b>				
Loan stock interest	169	337	916	1,422
Dividends receivable	6	–	60	66
Other Investment Income	–	–	–	–
Property Income	–	–	–	–
	175	337	976	1,488
	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2021</b>				
Loan stock interest	382	676	860	1,918
Dividends receivable	220	–	99	319
Other Investment Income	–	–	22	22
Property Income	–	–	15	15
	602	676	996	2,274

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% of any upside above 100 pence per share. 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% of any upside above 100 pence per share. 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% of any upside above 100 pence per share. This does not include the initial tax relief available to investors.

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 £127,000 (2021: £143,000).

	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2022</b>				
Management Fees	200	128	493	821
Performance Fees	1,281	451	–	1,732
Investment Management Fees	1,481	579	493	2,553
<b>Year ended 31 March 2021</b>				
Investment Management Fees	225	163	556	944
Performance Fees	–	5	–	5
Investment Management Fees	225	168	556	949

Disclosure by share class is unaudited



# Notes to the Financial Statements

## 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 2022			Year ended 31 March 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
TPIM: Accrued performance fee	–	1,732	1,732	–	5	5
Financial and regulation costs	57	–	57	59	–	59
General administration	143	–	143	182	–	182
Fees payable to the Company's auditor for audit services	40	–	40	39	–	39
Company secretarial services	18	–	18	18	–	18
Other professional fees	208	–	208	38	–	38
Directors fees	66	–	66	66	–	66
Bad debt expenses	43	–	43	–	–	–
	575	1,732	2,307	402	5	407

The Ongoing Charges Ratio for the Company for the year to 31 March 2022 was 3.48 % (2021: 2.88%). The calculation excludes the performance fees due to the Manager and costs associated with the sale of the hydroelectric portfolio. Total annual running costs are capped at 3.5% of the Company's net assets.

The Company's 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.

## 7. Finance Costs

The Company re-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%. During the year, interest of £116,198 (2021: £103,500) was charged and paid by the Company.

## 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 £'000	D Shares £'000	E Shares £'000	Total £'000
<b>Year ended 31 March 2022</b>				
Fees payable to the Company's auditor:				
– for the audit of the financial statements	9	6	25	40
	9	6	25	40
<b>Year ended 31 March 2021</b>				
Fees payable to the Company's auditor:				
– for the audit of the financial statements	9	7	23	39
	9	7	23	39

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

Disclosure by share class is unaudited

# Notes to the Financial Statements

## 9. Directors' Remuneration

	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2022</b>				
David Frank	6	3	15	24
Simon Acland	5	3	13	21
Michael Stanes	5	3	13	21
	16	9	41	66
<b>Year ended 31 March 2021</b>				
David Frank	6	4	14	24
Simon Acland	5	4	12	21
Michael Stanes	5	3	13	21
	16	11	39	66

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*

## 10. Taxation

	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
<b>Year ended 31 March 2022</b>				
Profit on ordinary activities before tax	(179)	(568)	928	181
Corporation tax @ 19%	(34)	(108)	176	34
Effect of:				
Capital (gains)/losses not taxable	(243)	28	(154)	(369)
Income received not taxable	(1)	–	(11)	(12)
Prior year adjustment	–	–	(4)	(4)
Excess management expense on which deferred tax not recognised	278	80	–	358
Tax charge	–	–	7	7
<b>Year ended 31 March 2021</b>				
Profit on ordinary activities before tax	267	349	(174)	442
Corporation tax @ 19%	51	66	(33)	84
Effect of:				
Capital (gains) not taxable	–	–	72	72
Income received not taxable	(42)	–	(19)	(61)
Prior year adjustment	–	–	(16)	(16)
Tax charge	9	66	4	79

Capital gains and losses are exempt from corporation tax due to the Company's status as a VCT. Per IAS 12, deferred tax asset of £nil (2021: £nil) has been recognised in the year and a write down of deferred tax asset from prior periods of £4,902 as there is no probable future taxable profit against which the deductible temporary difference can be utilised. The tax loss carried forward is £nil (2021: £nil). With effect from 1 April 2023 the corporation tax rate will increase to 25%.

*Disclosure by share class is unaudited*

# Notes to the Financial Statements

## 11. Earnings/(loss) per Share

The loss per C Share is (1.32p) (2021: 1.93p) based on the loss after tax of £179,000 (2021: £258,000) and on the weighted average number of shares in issue during the period of 13,413,088 (2021: 13,441,438).

The loss per D Share is (4.17p) (2021: 2.08p) based on the loss after tax of £568,000 (2021: £283,000) and on the weighted average number of shares in issue during the period of 13,604,637 (2021: 13,636,793).

The profit per E Share is 3.17p (2021: (0.61p)) based on the profit after tax of £921,000 (2021: (£178,000)) and on the weighted average number of shares in issue during the period of 28,940,076 (2021: 28,949,575).

The total loss per Share is (0.31p) (2021: 0.66p) based on the profit after tax of £174,000 (2021: £363,000) and on the weighted average number of shares in issue during the period of 55,966,511 (2021: 56,027,806).

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.

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 and which was fully disposed during the year. Further details of the types of investments are provided in the Investment Manager's Review on pages 30 to 39.

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 while PFC being valued by calibrating to the initial cost with management's judgement for the adjustment of the fair value based on the investee company's performance, liquidity stage and other economic factors.

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%.

## Notes to the Financial Statements

### 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% (2021: 6.75%).</li> <li>Inflation rate: OBR 5-year forecast, 2.75% long term (2021: 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 Fired Energy Centre	<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 12.1% (2021: 14.9%).</li> <li>Inflation rate: OBR 5-year forecast, 2.75% long term (2021: 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 5.50% (2021: 6.00%).</li> <li>Inflation rate: OBR 5-year forecast, 2.75% long term (2021: 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 controlled environment agriculture investment in PFC is valued on the basis of (i) a restructuring which is in the process of documentation, and which relates to PFC's priority share in the value of the Perfectly Fresh business, and (ii) the value at which the management expects to be able to raise funds later this year.

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 to the hydroelectric portfolio, the aggregate change in value of the unquoted investments would be a reduction in the value of the portfolio of £17,534 or 2.3%. Using the upside alternative, the aggregate value of the hydroelectric portfolio would be an increase of £18,304 or 2.4%.
- For the upside case relating to the Company's investment in Green Peak, the assumptions were flexed 2% and for the downside scenarios the assumptions were flexed by 1% representing the conservative discount rates applied. Using the upside alternative, the aggregate value of the investments would be an increase of £186,008 or 15.1%. Applying the downside alternative, the aggregate change in value of the unquoted investments would be a reduction in the value of the portfolio of £80,227 or 6.5%.
- For the upside case relating to the Company's solar assets, the assumptions were flexed 1% for both the upside and downside cases. Using the upside alternative, the aggregate value of the investments would increase by £323,220 or 5.0%. Using the downside alternative, the aggregate value of the investments would fall £293,718 or 4.6%.
- Due to the nature and structure of the investment in PFC, there has been no sensitivity performed on any inputs into the valuation. There are limited data points to reference in the controlled environment agriculture sector making alternative inputs difficult to apply. The potential future returns on the investment are calculated in accordance with agreements between the Company and PFC.

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.

# Notes to the Financial Statements

Movements in investments held at fair value through the profit or loss during the year to 31 March 2022 were as follows:

Level 1 Quoted Investments				
	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
Opening cost	-	-	570	570
Opening investment holding losses	-	-	(12)	(12)
<b>Opening fair value</b>	-	-	558	558
Disposal proceeds	-	-	(574)	(574)
Realised loss	-	-	4	4
Investment holding gains	-	-	12	12
<b>Closing fair value at 31 March 2022</b>	-	-	-	-
Closing cost	-	-	-	-
Closing investment holding losses	-	-	-	-

Level 3 Unquoted Investments				
	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
Opening cost	7,384	8,247	21,995	37,626
Opening investment holding gains	3,861	1,789	4,188	9,838
<b>Opening fair value</b>	11,245	10,036	26,183	47,464
Transfers from revenue reserve to unrealised	-	-	591	591
Disposal proceeds	(12,521)	(9,382)	(7,942)	(29,845)
Realised gains	5,137	1,898	1,556	8,591
Investment holding losses	(3,861)	(2,040)	(766)	(6,667)
<b>Closing fair value at 31 March 2022</b>	-	512	19,622	20,134
Closing cost	-	761	15,606	16,367
Closing investment holding gains	-	(249)	4,016	3,767

Level 1 Quoted Investments				
	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
Opening cost	-	-	3,319	3,319
Opening investment holding losses	-	-	(392)	(392)
<b>Opening fair value</b>	-	-	2,927	2,927
Disposal proceeds	-	-	(2,546)	(2,546)
Realised loss	-	-	(204)	(204)
Investment holding gains	-	-	381	381
<b>Closing fair value at 31 March 2021</b>	-	-	558	558
Closing cost	-	-	570	570
Closing investment holding losses	-	-	(12)	(12)

## Notes to the Financial Statements

	Level 3 Unquoted Investments			
	C Shares	D Shares	E Shares	Total
	£'000	£'000	£'000	£'000
Opening cost	7,640	8,357	22,065	38,062
Opening investment holding gains	3,862	1,789	4,122	9,773
<b>Opening fair value</b>	<b>11,502</b>	<b>10,146</b>	<b>26,187</b>	<b>47,835</b>
Transfers from revenue reserve to unrealised	–	–	619	619
Disposal proceeds	(257)	(110)	(69)	(436)
Investment holding losses	–	–	(554)	(554)
<b>Closing fair value at 31 March 2021</b>	<b>11,245</b>	<b>10,036</b>	<b>26,183</b>	<b>47,464</b>
Closing cost	7,384	8,247	21,995	37,626
Closing investment holding gains	3,861	1,789	4,188	9,838

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 the Investment Portfolio Summary on pages 30 to 39 and 40 to 41, 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 2022</b>				
Other debtors	245	233	200	678
Prepayments and accrued income	10	25	12	47
	255	258	212	725
<b>31 March 2021</b>				
Other debtors	247	202	467	916
Prepayments and accrued income	5	4	59	68
	252	206	526	984

Other debtors relate to interest receivable on investment loans which is classified as financial assets through profit and loss.

### 14. Cash and Cash Equivalents

Cash and cash equivalents comprise deposits with The Royal Bank of Scotland plc with a rating of A-2 (short term) and Cater Allen Private Bank with a rating of A-1.

# 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	250 Fowler Avenue, Farnborough, Hampshire, GU14 7JP	100.00%
Broadpoint 2 Limited	1 King William Street, London, EC4N 7AF	49.00%
Digima Limited	250 Fowler Avenue, Farnborough, Hampshire, GU14 7JP	30.87%
Digital Screen Solutions Limited	250 Fowler Avenue, Farnborough, Hampshire, GU14 7JP	35.36%
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 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 £'000	D Shares £'000	E Shares £'000	Total £'000
<b>31 March 2022</b>				
Payables	44	12	147	203
Other taxes and Social Security	2	1	4	7
Accrued expenses	9	7	22	38
	55	20	173	248
<b>31 March 2021</b>				
Payables	99	71	218	388
Other taxes and Social Security	2	1	4	7
Accrued expenses	12	9	31	52
	113	81	253	447

*Disclosure by share class is unaudited*

## 17. Borrowings

The Company repaid its £2.3 million loan from TPLP on 1 February 2022.

During the year, interest of £116,198 (2021: £103,500) was charged and paid by the Company.

There are no loan covenants applicable to the above described loan.

# Notes to the Financial Statements

## 18. Share Capital

Unaudited 31 March 2022				
	C Shares	D Shares	E Shares	Total
	£'000 £0.01 each	£'000 £0.01 each	£'000 £0.01 each	£'000 £0.01 each
<b>Ordinary shares</b>				
Allotted and fully paid up				
Brought forward	134	136	290	560
Shares issued	–	–	–	–
Shares repurchased	–	–	–	–
Carried forward	134	136	290	560

Unaudited 31 March 2021				
	C Shares	D Shares	E Shares	Total
	£'000 £0.01 each	£'000 £0.01 each	£'000 £0.01 each	£'000 £0.01 each
<b>Ordinary shares</b>				
Allotted and fully paid up				
Brought forward	135	136	290	560
Shares issued	–	–	–	–
Shares repurchased	–	–	–	–
Carried forward	135	136	290	560

Each share class has full voting, dividend and capital distribution rights.

In the year, Triple Point Income VCT plc repurchased 28,350 C shares and 9,499 E shares at 10% discount to NAV totalling £37.8k representing 0.07%.

The rights attached to each class of share are disclosed in the Directors' Report on pages 60 to 63.

## 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 8 and 43.

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 2022</b>				
<b>Assets:</b>				
Financial assets at fair value through profit or loss	20,134	-	-	20,134
Receivables	678	-	-	678
Cash and cash equivalents	3,831	3,831	-	-
	24,643	3,831	-	20,812
<b>Liabilities:</b>				
Other payables	203	-	203	-
Accrued expenses	38	-	38	-
	241	-	241	-
<b>31 March 2021</b>				
<b>Assets:</b>				
Financial assets at fair value through profit or loss	48,022	-	-	48,022
Receivables	916	-	-	916
Cash and cash equivalents	521	521	-	-
	49,459	521	-	48,938
<b>Liabilities:</b>				
Other payables	388	-	388	-
Loan facility	2,300	-	2,300	-
Accrued expenses	57	-	57	-
	2,745	-	2,745	-

## 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 40 to 41.

## 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 £5,399,000 (2021: £11,365,000) and is subject to fixed interest rates 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 £4,221,000 (2021: £5,842,000) which carry fixed rates of interest.

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

	31 March 2022	31 March 2021
	£'000	£'000
Cash on deposit	3,831	521
	3,831	521

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 2022. The Board believes that in the current economic climate a movement of 1% is a reasonable illustration.

# 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 2022	31 March 2021
	£'000	£'000
Qualifying Investment loans	5,399	11,365
Non-Qualifying Investment loans	4,221	5,842
Cash on deposit	3,831	521
Receivables	678	916
	14,129	18,644

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 page 24.

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

The Company's ongoing cash flows are sufficient to meet the ongoing liquidity needs and therefore the Board believe liquidity risk is minimal.

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 2022 cash amounted to £3,831,000 (2021: £521,000).

## 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 7.75p (2021: 83.30p) and is based on Net Assets of £1,039,000 (2021: £11,194,000) divided by the 13,413,088 (2021: 13,441,438) C Shares in issue.

The Net Asset Value per D Share is 8.67p (2021: 59.59p) and is based on Net Assets of £1,179,000 (2020: £8,106,000) divided by the 13,604,637 (2021: 13,604,637) D Shares in issue.

The Net Asset Value per E Share is 76.76p (2021: 94.59p) and is based on Net Assets of £22,213,000 (2021: £27,382,000) divided by the 28,940,076 (2021: 28,949,575) E Shares in issue.

## 21. Relationship with Investment Manager

During the period, TPIM received £821,385 which has been expensed (2021: £943,367) for providing management and administrative services to the Company. At 31 March 2022, £177,302 was owing to TPIM (2021: £382,129).

During the year, the Company bought back and cancelled 28,350 C Ordinary Shares at a price of 74.97 pence per share, and 9,499 E Ordinary Shares at a price of 85.13 pence per share. As a result of this buy back, and the return of 125.73 pence per share to the Shareholders.

In line with the Investment Management Agreement between the Company and the Manager, a performance fee of £1,731,713 has been accrued and paid during the year.

During the year, the Company repaid its £2.3 million loan from TPLP who is also managed by the investment manager on 1 February 2022.

Interest of £116,198 (2021: £103,500) was charged on amounts drawn during the period.

## 22. Related Party Transactions

The Directors' Remuneration Report on pages 55 to 59 discloses the Directors' remuneration and shareholdings.

During the year, the Company completed the sale of a substantial part of its hydroelectric power portfolio held in the C, D and E Ordinary Share Classes for a total consideration of £31,419,183, being £12,292,483 for the C Ordinary Share Class, £9,409,513 for the D Ordinary Share Class and £9,717,187 for the E Ordinary Share Class to TEEC of whom is also managed by Triple Point Investment Management LLP. The transaction followed a full conflicts process, with two separate teams within the Investment Manager dealing with the sale and purchase. The two teams were segregated, with distinct independent reporting lines and separate access to the electronic files relevant to the transaction.

## 23. Post Balance Sheet Events

There are no events to disclose post the balance sheet date.

# Notes to the Financial Statements

## 24. Dividends

### C Shares:

During the year, the Company paid three interim dividends to C Class Shareholders. £234,729 equal to 1.75p per share was paid on 30 July 2021 to C Shareholders on the register on 16 July 2021, £4,359,254 equal to 32.5p per share was paid on 23 December 2021 to C Shareholders on the register on 10 December 2021, and £5,365,235 equal to 40p per share was paid on 14 January 2022 to C Shareholders on the register on 24 December 2021.

### D Shares:

During the year, the Company paid two interim dividends to D Class Shareholders. £238,081 equal to 1.75p per share was paid on 30 July 2021 to C Shareholders on the register on 16 July 2021, and £6,122,087 equal to 45p per share was paid on 23 December 2021 to D Shareholders on the register 10 December 2021.

### E Shares:

During the year the Company paid three interim dividends to E Class Shareholders. £1,012,903 equal to 3.5p per share was paid on 30 July 2021 to E Shareholders on the register on 16 July 2021, £3,472,809 equal to 12p per share was paid on 23 December 2021 to E Shareholders on the register of 10 December 2021 and £1,591,704 equal to 5.5p per share was paid on 14 January 2022 to E Shareholders on the register on 24 December 2021.

During the year the directors identified an accounting issue in respect of the payment of certain interim dividends to shareholders between 30 July 2021 to 14 January 2022 which were made otherwise than in accordance with the CA 2006. While the Company had more than sufficient reserves to pay the dividends, it was discovered during the year that not all of those reserves were "distributable" reserves for the purposes of the CA 2006. Therefore, the proportion of the dividends paid that were not "distributable" reserves at the time they were paid and are technically unlawful distributions for the purposes of the CA 2006. The total amount of unlawful distributions amount to £11,841,932.

The Company has since created sufficient "distributable" reserves to cover the payment of the unlawful distributions by cancelling its share premium account in accordance with the CA 2006 which was approved by Shareholders at a General Meeting on 28 February 2022 and sanctioned by the Court on 28 March 2022. The Company will propose resolutions at a general meeting on 2 September 2022 to rectify the payment of the unlawful distributions as follows: (i) to appropriate the newly created distributable reserves to the payment of the unlawful distributions, (ii) to release the Directors of the Company at the time the unlawful distributions were made from any and all potential liability arising from the unlawful distributions, and (iii) to release the shareholders (and if deceased, their successors in title) who received the unlawful distributions from any and all potential liability arising from the unlawful distributions.

## Details of Advisers

### 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  
55 Baker Street  
London  
W1U 7EU

### 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
Annual General Meeting	2 September 2022
Financial Half Year End	31 August 2022
Announcement of Half-yearly Results	15 November 2022
Financial Year End	31 March 2023

Something happens when people come together.  
From the connections we make spring ideas. Fresh solutions to big problems, from how to improve global communications and heat our homes, to how to support businesses and drive the economy. And from solutions like these flow opportunities to create value.\*

We call it the Triple Point. It's the place where people, purpose, and profit meet. Since 2004, we've been targeting this Triple Point in areas like digital infrastructure, energy efficiency and social housing, unlocking investment opportunities that make a difference.

**Big problems create strong demand.  
Strong demand drives good investments.  
Good investments solve big problems.**

It means that investors never have to choose between financial returns and social impact. You achieve one by achieving the other.

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**For more information about Triple Point  
please contact a member of the Team**

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**Advisor and Investor Enquiries**

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