



TriplePoint

FINANCIAL STATEMENTS  
TP70 2010  
VCT PLC

FOR THE YEAR ENDED  
28 FEBRUARY  
2013

## General Information / Financial Statements

For the year ended 28 February 2013

### Secretary and Registered Office

Triple Point Investment Management LLP  
4-5 Grosvenor Place  
London  
SW1X 7HJ

### Registered Number

7039066

### Investment Manager and Administrator

Triple Point Investment Management LLP  
4-5 Grosvenor Place  
London  
SW1X 7HJ

### Independent Auditor

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditor  
3140 Rowan Place  
John Smith Drive  
Oxford Business Park South  
Oxford, OX4 2WB

### Solicitors

Howard Kennedy LLP  
19a Cavendish Square  
London  
W1A 2AW

### Registrars

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

### VCT Tax Advisers

PriceWaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RN

### Bankers

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

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## Financial Summary / Financial Statements

For the year ended 28 February 2013

	<b>Year ended 28 February 2013</b>	<b>Year ended 29 February 2012</b>
	£'000	£'000
Net assets	7,601	7,532
Net asset value per share	86.91p	86.12p
Net profit/(loss) before tax	69	(545)
Profit/(loss) per share	0.79p	(6.24p)

For a £1 investment per share investors, with a sufficient income tax liability in the relevant year, will have already received 30p tax relief which, taken together with the current NAV of 86.91p, totals 116.91.

TP70 2010 VCT plc ("the Company") is a Venture Capital Trust ("VCT"). The Investment Manager is Triple Point Investment Management LLP ("TPIM"). The Company was launched in October 2009 and raised £8.3 million (net of expenses), through an offer for subscription which closed on 31 May 2010.

The Directors' Report on pages 13 to 16 and the Directors' Remuneration Report on page 17 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 TP70 2010 VCT plc.

The Directors submit to the members their Annual Report and Financial Statements for the Company for the year ended 28 February 2013. The Report of the Directors includes the Financial Summary, Chairman's Statement, Details of Advisers, Shareholder Information, Directors' Report, Directors' Remuneration Report and the Corporate Governance Statement.

I am writing to present the Financial Statements for TP70 2010 VCT plc ("the Company") for the year ended 28 February 2013.

#### Portfolio Construction

During the year the Company secured its VCT qualifying status by satisfying the test of being 70% invested in VCT qualifying investments, which now represent 75% of total investments. The qualifying investment portfolio has been constructed a year ahead of the target date outlined in its investment strategy.

In selecting its qualifying investments the Company has been able to take advantage of a number of attractive investment opportunities. The portfolio comprises investments in the renewable energy sector and cinema digitisation, further details of which are included in the Investment Manager's Review.

More information on the Company's investment portfolio is given in the Investment Manager's Review.

#### Net Asset Value

During the year the Company made a profit of £69,000 or 0.79p per share. This has been driven by the performance of the GAM investments and the solar companies. As at 28 February 2013 the NAV per share stood at 86.91p.

#### Risks

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

- investment risk associated with exposure to GAM;
- investment risk associated with VCT qualifying investments; and
- failure to maintain approval as a VCT.

The Board believes these risks are manageable and, with the Investment Manager, continues to work to minimise both the likelihood or potential impact of these risks, within the scope of the Company's established investment strategy. Further details of how these risks are managed are provided within the Directors' Report and the notes to the Financial Statements.

#### Outlook

The Board is pleased that the Company has secured its VCT qualifying status and has in place a diversified portfolio of stable investments.

If you have any queries or comments, please do not hesitate to telephone Triple Point Investment Management LLP on 020 7201 8989.



**CHARLES METCALFE**

Chairman

3 June 2013

## Details of Directors / Financial Statements

For the year ended 28 February 2013

### **Charles Metcalfe**

Charles started his career at JPMorgan, first within the commodities area and then emerging markets corporate finance. After nine years he moved to investment management, first at Merrill Lynch and later Goldman Sachs, focusing on institutional clients in Europe and the Middle East. After an entrepreneurial spell running a start up e-commerce investment firm, he was appointed as Deputy CEO of Hermes Investment Management and later became CEO of First State Investments, the Emerging Market specialist house. He is currently CEO of Nikko Asset Management Europe, an Asia focused investment business. Charlie is a Trustee to Leukaemia & Lymphoma Research and to the Sainsbury family Kay Kendal Leukaemia Fund. He is also an adviser to Auden Capital, a boutique corporate finance firm within the investment industry. He is a graduate of Yale University.

### **Simon Acland**

Simon has over twenty years' experience in venture capital, primarily at Quester, where he became Managing Director. When Quester was sold in 2007 it had £200m under management and was one of the leading UK venture capital and VCT investment managers. Simon was a director of over 20 companies within Quester's portfolio, several of which achieved successful exits through flotation or trade sales. Simon is also a director of Triple Point Income VCT plc, Elektron Technology plc and various other private companies and charities.

### **Professor Elroy Dimson**

Professor Dimson is Emeritus Professor at London Business School, Visiting Professor at Cambridge Judge Business School, and Chairman of the Strategy Council for the Norwegian Government Pension Fund. He previously served London Business School as Professor of Finance, Faculty Governor, Chair of the Finance and of the Accounting areas, and Dean of MBA Programmes. He has held a variety of board and investment committee positions in listed investment companies, pension funds, and charitable endowments.

### The Company

TP70 2010 VCT plc is a Venture Capital Trust. The Investment Manager is Triple Point Investment Management LLP ("TPIM"). The Company was incorporated on 13 October 2009. A Prospectus offering for subscription up to 50,000,000 Ordinary Shares of £1 each was issued on 2 February 2010. The offer closed on 31 May 2010 with £8.3m having been raised after initial costs.

The Company's strategy is to offer combined exposure to a GAM managed portfolio of hedge funds and to venture capital investments focused on companies with contractual revenues from financially secure counterparties. By the end of the third year it was intended that at least 70% of the fund would be committed to VCT qualifying holdings with up to 30% remaining exposed to GAM funds.

### Venture Capital Trusts

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

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

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

### Financial Calendar

The Company's financial calendar is as follows:

11 July 2013	Annual General Meeting
October 2013	Interim report despatched for the six months ending 31 August 2013
June 2014	Results for the year to 28 February 2014 announced; Annual Report and Financial statements published.

### Share Price

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

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

## Investment Manager's Review / Financial Statements

For the year ended 28 February 2013

During the year the Company was able to make further investments into qualifying businesses, investing a net £2.4 million, so that as at 28 February 2013, qualifying investments represented 75% of net assets.

We are pleased that this programme ensured that the Company satisfied the requirement to be 70% invested in qualifying investments.

The portfolio of small, unquoted investments is split between 14 companies across two sectors: cinema digitisation and renewable electricity generation from solar PV, anaerobic digestion and landfill gas.

Each of these investments meets Triple Point's investment criteria, with projected revenues generated by good quality customers and the potential for steady returns. Investments in each sector have been made with the benefit of rigorous selection criteria, including extensive due diligence and expert technical assessment.

### SECTOR ANALYSIS

The unquoted investment portfolio can be analysed as follows:

Industry Sector	Cinema Digitisation	Electricity Generation			Total Unquoted Investments
		Solar PV	Anaerobic Digestion	Landfill Gas	
	£'000	£'000	£'000	£'000	£'000
Investments at 29 February 2012	-	3,300	500	-	3,800
Investments disposed of during the year	-	-	(500)	-	(500)
Investments made during the year	1,000	-	725	640	2,365
Revaluation of Investments at 28 February 2013	-	92	-	-	92
<b>Investments at 28 February 2013</b>	<b>1,000</b>	<b>3,392</b>	<b>725</b>	<b>640</b>	<b>5,757</b>
<b>Qualifying Investments %</b>	<b>17.37%</b>	<b>58.92%</b>	<b>12.59%</b>	<b>11.12%</b>	<b>100.00%</b>
<b>Number of Companies</b>	<b>1</b>	<b>10</b>	<b>1</b>	<b>2</b>	<b>14</b>

### VCT SECTOR REVIEW

#### Cinema Digitisation

The business in the portfolio that owns, maintains and operates digital equipment in cinemas in the UK and Continental Europe continues to perform in line with their objectives. Digital cinema projection conversion is paid for under the globally recognised Virtual Print Fee model, through which film studios pay for the cost of the deployment over a number of years. The majority of the revenues come from the six major investment grade Hollywood Studios. Film booking rates are significantly ahead of base line projections.

#### Solar PV

The Company's investment portfolio includes 10 holdings in businesses generating renewable electricity from residential solar PV panels. Each company maintains relationships with specialist partners for technical and legal advice and operational maintenance. The solar businesses derive their revenues from the payment of index-linked Feed-In Tariffs (FITs), which are paid by the utility company E.ON. The performance of each of these businesses is closely monitored by Triple Point. We are pleased to report that the valuation review resulted in a modest uplift for the sector as a whole.

#### Anaerobic Digestion

The Company also has an investment in a renewable energy generating venture which operates a 1 MW anaerobic digestion plant. The plant uses agricultural feed stocks to generate electricity for sale to a utility company. The electricity generation also attracts the Feed-in Tariff which provide RPI linked revenues for a 20 year period. The extraordinary high rainfall in 2012 contributed to a series of problems. The commissioning of the plant took place later than planned and the poor harvest has had an impact on feed stock quality. Whilst construction was completed, it has since been operating below optimum efficiency.

#### Landfill Gas

The Company was able to take advantage of the opportunity to fund businesses seeking to generate renewable electricity from landfill gas from sites owned by public bodies in Northern Ireland. The gas is extracted from capped sites; these enterprises are at different stages of maturity, with the first having started to generate electricity for export to the National Grid in December 2012. These businesses give access to long term, reliable cash flows generated from strong counterparties through Government enshrined legislation Renewable Obligation Certificates (ROCs), the sale of electricity to a utility company and the potential for sale of electricity to local authorities.

Further details of the Company's ten largest unquoted investments are given on pages 8 to 12.

### GAM REVIEW

GAM reported as follows for the period under review:

GAM Trading II GBP Open returned 3.7% in the twelve month period 29 February 2012 to 28 February 2013. Over the same period, the fund out-performed the HFRI/HFRX Global Hedge Fund Index that was up 2.8%.

As the first half of 2012 came to a close, the similarities with 2011 were fairly striking. Just as the early part of 2011 favoured risk assets only to eventually be offset by concerns in Europe, such was also the case for 2012. This broadly resulted in losses for equities and commodities, while government bonds rallied along with the US dollar. As a result, the fund experienced losses up until June driven primarily by managed futures trend strategies.

Going into the third quarter of 2012, risk assets generally performed well following accommodative policy announcements coming from the Fed and ECB. Equity markets closed up for the quarter, with most of the gains occurring in August and September, as markets turned positive in reaction to ECB President Mario Draghi's July comments about preserving the euro, and then continued to rally through mid-September when the Fed delivered further quantitative easing. Fixed income yields traded within a range but fell following the Federal Open Market Committee announcement. Trading strategies had a strong quarter with all sub-strategies posting positive returns. The portfolio finished the year with a positive fourth quarter, largely on the back of moves in currencies and, to a lesser extent, select risk assets.

As we head into 2013 we continue to believe that the outlook is promising for GAM Trading II as a result of both an improved opportunity set as well as changes we have made to the portfolio. Markets are no longer solely focused upon the sustainability of US growth or the depth of problems in Europe. While these issues remain outstanding and should provide a source of returns for our managers, opportunities have also surfaced in Japan, as well as the emerging markets, neither of which have existed for quite some time. This has been augmented by changes we have made in the portfolio over the past two years to increase our exposure to managers with non-directional expertise, add commodity specialists and engage in the use of customised solutions. We believe that the portfolio is in a better position to deliver higher returns. This can be most easily measured by examining the amount of risk within the portfolio, which has increased over the past two quarters to levels we believe to be necessary to deliver upon the its return goals.

### OUTLOOK

Having established the VCT's investment portfolio, our attention is focussed on ensuring it continues to perform in line with expectations. The businesses into which your Company invested are designed to provide it with stable performance over the longer term. This combined with GAM Trading forms the investment strategy for the Company.

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



**CLAIRE AINSWORTH**  
Managing Partner

for Triple Point Investment Management LLP  
3 June 2013

## Investment Portfolio / Financial Statements

For the year ended 28 February 2013

	Year ended 28 February 2013				Year ended 29 February 2012			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
<b>Unquoted Investments</b>								
Qualifying Holdings	5,665	73.94	5,757	75.18	3,800	49.24	3,800	50.46
Non Qualifying Holdings:								
Money Market funds	-	-	-	-	900	11.67	900	11.94
GAM Exposure								
GAM Trading II GBP 1.25XL	711	9.28	743	9.70	1,238	16.03	1,244	16.52
Derivative	1,230	16.06	1,104	14.42	1,230	15.93	1,032	13.71
Financial Assets at fair value through profit or loss	7,606	99.28	7,604	99.30	7,168	92.87	6,976	92.63
Cash and cash equivalents	52	0.72	52	0.70	554	7.13	554	7.37
	7,658	100.00	7,656	100.00	7,722	100.00	7,530	100.00

<b>Unquoted Qualifying Holdings</b>								
<i>Cinema Digitisation</i>								
DLN Digital Ltd	1,000	13.06	1,000	13.06	-	-	-	-
<i>Electricity Generation</i>								
<i>Solar</i>								
AH Power Ltd	400	5.22	385	5.03	400	5.18	400	5.31
Arraze Ltd	500	6.53	523	6.83	500	6.48	500	6.64
Bandspace Ltd	500	6.53	542	7.08	500	6.48	500	6.64
Bridge Power Ltd	250	3.26	261	3.41	250	3.24	250	3.32
Core Generation Ltd	250	3.26	261	3.41	250	3.24	250	3.32
Druman Green Ltd	250	3.26	259	3.38	250	3.24	250	3.32
Fellman Solar Ltd	250	3.26	256	3.34	250	3.24	250	3.32
Haul Power Ltd	250	3.26	264	3.45	250	3.24	250	3.32
Helioflair Ltd	400	5.22	383	5.00	400	5.18	400	5.31
Trym Power Ltd	250	3.26	258	3.37	250	3.24	250	3.32
<i>Anaerobic Digestion</i>								
Katharos Organic Ltd	725	9.47	725	9.47	-	-	-	-
Nanuq Power Ltd	-	-	-	-	500	6.48	500	6.64
<i>Landfill Gas</i>								
Aeris Power Ltd	400	5.22	400	5.22	-	-	-	-
Craigahulliar Energy Ltd	240	3.13	240	3.13	-	-	-	-
	5,665	73.94	5,757	75.18	3,800	49.24	3,800	50.46

<b>Unquoted Non Qualifying Holdings</b>								
<i>Money Market Funds</i>								
Deutsche Global Liquidity Managed Sterling Fund	-	-	-	-	300	3.89	300	3.98
Ignis Sterling Liquidity Fund Share	-	-	-	-	300	3.89	300	3.98
Insight GBP Liquidity Fund	-	-	-	-	300	3.89	300	3.98
	-	-	-	-	900	11.67	900	11.94

Investments are measured at fair value through profit or loss. The initial best estimate of fair value of these investments that are either quoted or not quoted on an active market is the transaction price (i.e. cost). The fair value of these investments is subsequently measured by reference to the enterprise value of the investee company, which is deemed best to reflect the

fair value. Where the Board considers the investee company's enterprise value to remain unchanged since acquisition, investments continue to be held at cost less any loan repayments received. Where the Board considers the investee company's enterprise value has changed since acquisition, investments are held at a value measured using a discounted cash flow model.

**Additional Information on the Ten Largest VCT Unquoted Investments****DLN DIGITAL LTD**

Date of first investment	Cost	Valuation	Valuation Method	Income recognised by TP70 2010 for the year	Equity Held by TP70 2010	Equity Held by TPIM managed funds*
	£	£		£,000	%	%
30 March 2012	1,000,000	1,000,000	Enterprise Value	32	19.31	98.04

**Summary of Information from Investee Company Financial Statements ending in 2012:** £'000

Turnover	945
Earnings before interest, tax, amortisation and depreciation (EBITDA)	638
Profit/(loss) before tax	(287)
Net assets before VCT loans	4,570
Net assets	853

DLN Digital Ltd owns, maintains and operates digital equipment at 29 cinemas in the UK, Ireland and Italy. It continues to perform in line with its objectives. Digital cinema projection conversion is paid for under the globally recognised Virtual Print Fee model, through which film studios pay for the cost of the deployment over a number of years with the majority of the company's revenues derived from the six major investment grade Hollywood Studios. During the year it acquired the whole of the share capital of a smaller company, Two For Joy Digital Ltd, all of whose installations are in Ireland. The figures from the financial statements reflect the position before that acquisition.

**AH POWER LTD**

Date of first investment	Cost	Valuation	Valuation Method	Income recognised by TP70 2010 for the year	Equity Held by TP70 2010	Equity Held by TPIM managed funds*
	£	£		£,000	%	%
05 Decemeber 2011	400,000	385,000	Enterprise Value	14	19.61	98.05

**Summary of Information from Investee Company Financial Statements ending in 2012:** £'000

Turnover	83
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(3)
Profit/(loss) before tax	(74)
Net assets before VCT loans	1,925
Net assets	525

AH Power Limited is a small venture capital funded business with an established portfolio of roof mounted, residential solar PV panels which have been generating electricity since 2011. Its revenues are generated from the sale of the electricity and the receipt of the Feed-in Tariffs.

## Investment Portfolio (continued) / Financial Statements

For the year ended 28 February 2013

### Additional Information on the Ten Largest VCT Unquoted Investments

#### ARRAZE LTD

Date of first investment	Cost	Valuation	Valuation Method	Income recognised by TP70 2010 for the year	Equity Held by TP70 2010	Equity Held by TPIM managed funds*
	£	£		£,000	%	%
30 March 2011	500,000	523,000	Enterprise Value	18	15.92	98.7

**Summary of Information from Investee Company Financial Statements ending in 2012:** £'000

Turnover	97
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(46)
Profit/(loss) before tax	(136)
Net assets before VCT loans	2,963
Net assets	1,033

Arraze Limited generates renewable electricity from its portfolio of residential roof mounted solar PV panels, which it owns and operates at sites across the UK. It has a reliable, long term index-linked revenue stream supported by receipt of the Feed-in Tariffs. After its initial purchase of panels in November 2011, the business expanded its portfolio of solar panels in both 2012 and 2013.

#### BANDSPACE LTD

Date of first investment	Cost	Valuation	Valuation Method	Income recognised by TP70 2010 for the year	Equity Held by TP70 2010	Equity Held by TPIM managed funds*
	£	£		£,000	%	%
30 March 2011	500,000	542,000	Enterprise Value	17	15.43	98.75

**Summary of Information from Investee Company Financial Statements ending in 2012:** £'000

Turnover	149
Earnings before interest, tax, amortisation and depreciation (EBITDA)	30
Profit/(loss) before tax	(71)
Net assets before VCT loans	3,128
Net assets	888

Bandspace Ltd is a small business that has owned a portfolio of roof mounted solar PV panels which generate renewable electricity since 2011. It has a reliable, long term index-linked revenue stream supported by receipt of the Feed-in Tariffs.

**Additional Information on the Ten Largest VCT Unquoted Investments****BRIDGE POWER LTD**

Date of first investment	Cost	Valuation	Valuation Method	Income recognised by TP70 2010 for the year	Equity Held by TP70 2010	Equity Held by TPIM managed funds*
	£	£		£,000	%	%
04 April 2011	250,000	261,000	Enterprise Value	9	9.04	98.53

**Summary of Information from Investee Company Financial Statements ending in 2012:** £'000

Turnover	100
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(26)
Profit/(loss) before tax	(114)
Net assets before VCT loans	2,611
Net assets	943

Bridge Power generates renewable electricity from its portfolio of residential roof mounted solar PV panels, which it owns and operates at sites across the UK. It has a reliable, long term index-linked revenue stream supported by receipt of the Feed-in Tariffs. After its initial purchase of panels in November 2011, the business expanded its portfolio of solar panels in both 2012 and 2013.

**CORE GENERATION LTD**

Date of first investment	Cost	Valuation	Valuation Method	Income recognised by TP70 2010 for the year	Equity Held by TP70 2010	Equity Held by TPIM managed funds*
	£	£		£,000	%	%
04 April 2011	250,000	261,000	Enterprise Value	9	9.47	98.46

**Summary of Information from Investee Company Financial Statements ending in 2012:** £'000

Turnover	100
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(26)
Profit/(loss) before tax	(112)
Net assets before VCT loans	2,487
Net assets	907

Core Generation Ltd has been operating in the residential solar PV market since 2011, when it purchased a portfolio of roof mounted panels, which provide it with a reliable, long term index-linked revenue stream supported by receipt of the Feed-in Tariffs. It augmented its original asset base in both 2012 and 2013, purchasing additional panels.

**Additional Information on the Ten Largest VCT Unquoted Investments**

**HAUL POWER LTD**

Date of first investment	Cost	Valuation	Valuation Method	Income recognised by TP70 2010 for the year	Equity Held by TP70 2010	Equity Held by TPIM managed funds*
	£	£		£,000	%	%
04 April 2011	250,000	264,000	Enterprise Value	9	12.25	98

**Summary of Information from Investee Company Financial Statements ending in 2012:** £'000

Turnover	100
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(26)
Profit/(loss) before tax	(90)
Net assets before VCT loans	1,909
Net assets	509

Haul Power Ltd has been generating renewable electricity from its portfolio of roof mounted solar PV panels since 2011. Generating electricity provides the company with a reliable, long term index-linked revenue stream with the support of the Feed-in Tariffs.

**HELIOFLAIR LTD**

Date of first investment	Cost	Valuation	Valuation Method	Income recognised by TP70 2010 for the year	Equity Held by TP70 2010	Equity Held by TPIM managed funds*
	£	£		£,000	%	%
05 December 2011	400,000	383,000	Enterprise Value	14	19.61	98.04

**Summary of Information from Investee Company Financial Statements ending in 2012:** £'000

Turnover	62
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(21)
Profit/(loss) before tax	(67)
Net assets before VCT loans	1,932
Net assets	532

Helioflair Limited generates renewable electricity from its portfolio of residential roof mounted solar PV panels, which it owns and operates at sites across the UK. It has a reliable, long term index-linked revenue stream supported by receipt of the Feed-in Tariffs. Helioflair established its network of panels in 2011, since when it the business has expanded with further purchases in both 2012 and 2013.

**Additional Information on the Ten Largest VCT Unquoted Investments****KATHAROS ORGANIC LTD**

Date of first investment	Cost	Valuation	Valuation Method	Income recognised by TP70 2010 for the year	Equity Held by TP70 2010	Equity Held by TPIM managed funds*
	£	£		£,000	%	%
30 March 2012	725,000	725,000	Enterprise Value	23	19.38	98.68

**Summary of Information from Investee Company Financial Statements ending in 2012: £'000**

Turnover	-
Earnings before interest, tax, amortisation and depreciation (EBITDA)	(169)
Profit/(loss) before tax	(172)
Net assets before VCT loans	2,348
Net assets	563

Katharos has funded the construction of a farm based 1 MW Anaerobic Digestion plant in Essex. The plant is now operational and generating electricity, which is sold to a major utility company. The plant uses agricultural feed stocks which are converted to a methane rich biogas. Katharos' deriving its revenues from the sale of the electricity supported by the Feed-in Tariff regime which will provide the company with a 20 year RPI linked cash flow. The Company's plant has recently operated below potential as a result of a shortage of quality feedstock after unusually wet conditions during the year 2012.

**AERIS POWER LTD**

Date of first investment	Cost	Valuation	Valuation Method	Income recognised by TP70 2010 for the year	Equity Held by TP70 2010	Equity Held by TPIM managed funds*
	£	£		£,000	%	%
04 April 2012	400,000	400,000	Enterprise Value	1	19.64	98.19

**Summary of Information from Investee Company Financial Statements ending in 2012: £'000**

None filed

Aeris Power Ltd was established to take advantage of the opportunity to generate renewable electricity by extracting landfill gas at former local authority landfill sites in Northern Ireland, with revenues supported by ROCs.

The basis of valuation for all investments is enterprise value.

The investments are a combination of debt and equity.

\* Equity holding is equal to the voting rights

## Directors' Report / Financial Statements

For the year ended 28 February 2013

The Directors present their Report and the audited Financial Statements for the year ended 28 February 2013.

The business review below has been prepared in accordance with the requirements of S417 of the Companies Act 2006 and forms part of the Report of the Directors to shareholders. The Company's independent auditor is required by law to report on whether the information given in the Directors' Report (including the business review) is consistent with the Financial Statements. The auditor's opinion is given on page 22.

### Activities and Status

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

The Directors are required by S417 of the Companies Act 2006 to provide a review of the business. The business review is set out below with which should be included the Chairman's Statement on page 2 and Investment Manager's Review on pages 5 to 7.

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

The Company has been managed with the intention of maintaining its status as an approved Venture Capital Trust for the purposes of S274 of the Income Tax Act 2007. 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.

There have been no significant post balance sheet events.

### Business Review and Key Performance Indicators

The Board has a number of performance measures to assess the Company's success in meeting its objectives. These include the net asset value, revenue and capital return, dividend per share and the percentage of VCT qualifying investments. Further details are provided within the Financial Summary and Chairman's Statement on page 2 and the Investment Manager's Review on pages 5 and 6. The Board is pleased to report that the Company has now satisfied all the VCT qualifying conditions laid down by HM Revenue & Customs.

The Board carries out a regular review of the environment in which the Company operates. The main areas of risk identified by the Board, along with the risks to which the Company is exposed through its operational and investing activities, are detailed on page 14 under the heading "Financial Risk Management Objectives and Policies" and in note 17, "Financial Instruments and Risk Management".

### Investment Policy

To comply with VCT rules, the Company must within a three year period have (and subsequently maintain) at least 70% by value of its investments represented by qualifying investments. The Company's objective was to invest at least 70% of the net proceeds of the offers in qualifying investments, typically in investments ranging between £500,000 and £2,000,000, in less than three years. Prior to investment in qualifying investments, approximately 70% of the value of its investments was to be held in cash, liquid investments and investments similar to the qualifying investments. No single investment by the Company represents more than 15% by value of the Company's investments at the time of the investment.

### Qualifying Investments

TPIM pursued investments in a range of businesses but those targeted were subject to the specific investment criteria discussed below. The objective was to build a reasonably diversified portfolio of young, 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 businesses, TP70 2010's portfolio comprises companies with certain characteristics, for example clear, commercial and financial objectives, strong customer relationships and where possible tangible assets with value. TPIM focused 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 were also considered. The objective is to reduce the risk of losses through reliability of cash flow or quality of asset backing and to provide investors with a potentially attractive income stream and modest but accessible capital growth.

### Non Qualifying Investments

Prior to the third anniversary after which the Company may have no more than 30% of the net proceeds of the offers in non qualifying investments, the Company may invest up to 49% of the Net Asset Value in a portfolio comprising directly or indirectly, GAM Trading 1.25x GBP, GAM Multi-Focused Macro SP USD Open, GAM Multi-Systematic Trading USD Open and a derivative in respect of GAM Trading II GBP Open with 2.5 times leverage (the "Index"). The Index, through its components, provides exposure similar to that of GAM Trading II Inc.'s fund of hedge funds, GAM Trading II- GBP Open, leveraged one and a half times with the objective of providing capital appreciation with diversification of risk.

The non qualifying investments not invested in the above portfolio consist of cash and liquid investments.

The Directors intend to return cash raised from exits promptly to shareholders, who will be given the opportunity to vote for the Company's discontinuation after six years.

TPIM aimed to achieve the Company's objectives (relatively low risk of capital loss, low correlation to traditional asset classes and a rapid exit after five years) in part by investing on the basis of certain conservative principles in both fund of hedge funds and venture capital investments:

Fund of hedge funds ("non-qualifying" investments under the tax rules applying to VCTs):

- in appointing GAM as its sub-adviser to select funds of hedge funds, TPIM selected one of the acknowledged leaders in the fund of hedge fund management industry.

In respect of Venture Capital Investments (which represent qualifying investments under the tax rules applying to VCTs) TPIM sought:

- investments in which robust due diligence has been undertaken into target investments;
- investments in which there is a high level of access to regular material financial and other information;
- investments in which the risk of capital losses is minimised through careful analysis of the collateral available to investee companies; and
- investments in which there is a strong relationship with the key decision makers.

### Directors

The Directors of the Company during the year were:

Charles Metcalfe (Chairman)  
Simon Acland  
Elroy Dimson

At 28 February 2013 Charles Metcalfe held 100,000 ordinary shares of 1p each (2012: 100,000). There have been no changes in the holdings of the Directors between 28 February 2013 and the date of this report.

Simon Acland being a Director of one other TPIM advised VCT is not considered independent. Therefore he will retire and offer himself for re-election at the Annual General Meeting to be held on 11 July 2013. At least one other Director has to be re-elected every three years. Therefore Charles Metcalfe will retire and offer himself for re-election at the forthcoming Annual General Meeting.

The Board has considered the provisions B.7.2 of the UK Corporate Governance Code (June 2010) and believes that all the Directors continue to be effective and demonstrate commitment to their roles, the Board and the Company.

### Directors' and Officers' Liability Insurance

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

### Management

TPIM acts as Investment Manager to the Company. The principal terms of the Company's management agreement with TPIM are set out in note 6 to the Financial Statements.

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

### Substantial Shareholdings

As at the date of this report no disclosures of major shareholdings had been made to the Company under Disclosure and Transparency Rule 5 (Vote Holder and Issuer Notification Rules).

### Annual General Meeting

Notice convening the 2013 Annual General Meeting of the Company and a form of proxy in respect of that meeting can each be found at the end of this document.

### Financial Risk Management Objectives and Policies

As a Venture Capital Trust 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 Venture Capital Trusts.

The Board carries out a regular review of the environment in which the Company operates. The main areas of risk identified by the Board are as follows:

- Financial instrument risk, market risk and liquidity risk as described in note 17.

### Financial Risk Management Objectives and Policies (continued)

- 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 retained PricewaterhouseCoopers LLP to undertake an independent VCT status monitoring role.

### Environmental, Social and Employee Issues

Due to the nature of the Company's activities, employee issues do not apply to it directly and therefore no disclosures in respect of these matters have been included in the Financial Statements. Its investment in companies engaged in energy generation from renewable sources means it will contribute to the reduction in carbon emissions.

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

The Company's share capital is £600,000 divided into 60,000,000 shares of 1p each, of which 8,746,340 shares were in issue at 28 February 2013. As at that date none of the issued shares was held by the Company as treasury shares. Subject to any suspension or abrogation of rights pursuant to relevant law or the Company's articles of association, the shares confer on their holders (other than the Company in respect of any treasury shares) the following principal rights:

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

or represented and voting has one vote and on a poll every member present or represented and voting has one vote for every share of which that member is the holder; the validly executed appointment of a proxy must be received not less than 48 hours before the time of the holding of the relevant meeting or adjourned meeting or, in the case of a poll taken otherwise than at or on the same day as the relevant meeting or adjourned meeting, be received after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll.

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

Shareholders, either alone or with other shareholders, have other rights as set out in the Company's articles of association and in company law (principally the Companies Act 2006).

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

### Amendment of Articles of Association

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

### Appointment and Replacement of Directors

A person may be appointed as a Director of the Company by the shareholders in general meeting by ordinary resolution (requiring a simple majority of the persons voting on the relevant resolution) or by the Directors; no person, other than a Director retiring by rotation or otherwise, shall be appointed or re-appointed a Director at any general meeting unless he or she is recommended by the Directors or, not less than 7 nor more than 42 clear days before the date appointed for the meeting, notice is given to the Company of the intention to propose that person for appointment or re-appointment in the form and manner set out in the Company's articles of association.

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

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

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

### Powers of the Directors

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

### Auditor

Grant Thornton UK LLP offers itself for reappointment as auditor. In accordance with S489(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditor and to authorise the Directors to fix their remuneration at the forthcoming Annual General Meeting.

On behalf of the Board.



**CHARLES METCALFE**  
Chairman

3 June 2013

## Directors' Remuneration Report / Financial Statements

For the year ended 28 February 2013

### Introduction

This report is submitted in accordance with schedule 8 of the Large and Medium Sized Companies and Companies (Accounts and Reports) Regulations 2008, in respect of the year ended 28 February 2013. The information included in this report is not subject to audit except where specified. This report also meets the Financial Services Authority's Listing Rules and describes how the Board has applied the principles relating to Directors' remuneration set out in the UK Corporate Governance code (June 2010).

### Consideration by the Directors of Matters Relating to Directors' Remuneration

The Board as a whole considers Directors' remuneration and has not appointed a separate committee in this respect. The Board has not sought advice or services from any person in respect of its consideration of Directors' remuneration during the year.

### Statement of the Company's Policy on Directors' Remuneration

The Board consists entirely of Non-Executive Directors, who meet at least four times a year and on other occasions as necessary, to deal with the Company's affairs. Directors are appointed with the expectation that they will serve for the five to six year expected life of the Company.

Each Director has a service contract. Each Director has a notice period of three months and a Director may resign by notice in writing to the Board at any time. None of the Directors is entitled to compensation payable upon early termination of their contract other than in respect of any unexpired notice period.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable candidates of high calibre to be recruited.

The information within this table is audited:

	Date of Contract	Unexpired Term of Contract 28 Feb 2013	Annual rate of Directors' fees	Emoluments for the year ended 28 Feb 2013	Emoluments for the year ended 29 Feb 2012
			£	£	£
Charles Metcalfe, Chairman	02-Feb-10	none	15,000	15,000	15,000
Simon Acland	02-Feb-10	none	12,500	12,500	12,500
Prof. Elroy Dimson	27-Apr-11	none	12,500	12,500	10,530
Chris Tottle	06-Sep-10	none	12,500	-	1,970
				40,000	40,000
Employer's NI contributions				2,420	2,377
				42,420	42,377

The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrear, to the Directors personally. The fees are not specifically related to the Directors' performance, either individually or collectively. There are no long-term incentive schemes, share option schemes or pension schemes in place. No other remuneration or compensation was paid or payable by the Company during the year to any of the Directors.

Insurance cover has been provided by the Company to indemnify the Directors against certain liabilities which may be incurred by the Directors in relation to the Company's affairs.

### Remuneration Committee

Since the Board consists solely of Non-Executive Directors, a Remuneration Committee is not considered necessary.

### Share Dealings

There have been no trades in the Company's shares to date. Therefore, no performance graph comparing the share price of the Company for the year ended 28 February 2013 with the total return from a notional investment in the FTSE All-Share index for the same year has been included.

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

On behalf of the Board



**CHARLES METCALFE**

Chairman

3 June 2013

The Board of TP70 2010 VCT plc has considered the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (AIC Code) by reference to the Association of Investment Companies Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code (June 2010), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against principles and recommendations of the AIC Code, by reference to the AIC Guide (which incorporates the UK Corporate Governance Code (June 2010)), will provide better information to shareholders.

The Company is committed to maintaining high standards in corporate governance and has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code (June 2010), except as set out at the end of this report in the Compliance Statement.

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

#### Board of Directors

The Company has a Board of three Non Executive Directors. Since all Directors are Non-Executive and day-to-day management responsibilities are sub-contracted to the Investment Manager, the Company does not have a Chief Executive Officer. The Directors have a range of business and financial skills which are relevant to the Company; these are described on page 3 of this report. Directors are provided with key information on the Company's activities, including regulatory and statutory requirements by the Investment Manager. The Board has direct access to company secretarial advice and compliance services provided by the Manager, which is responsible for ensuring that Board procedures are followed and applicable regulations complied with. All Directors are able to take independent professional advice in furtherance of their duties.

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

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

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

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

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda, and has no involvement in the day to day business of the Company. He facilitates the effective contribution of the Directors and ensures that they receive accurate, timely and clear information and that they communicate effectively with shareholders.

The Chairman does not have significant commitments conflicting with his obligations to the Company.

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

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

The Company's articles of association require that one third of the Directors should retire by rotation each year and seek re-election at the Annual General Meeting, and that Directors newly appointed by the Board should seek re-appointment at

## Corporate Governance / Financial Statements

For the year ended 28 February 2013

the next Annual General Meeting. The Board complies with the requirement of the UK Corporate Governance Code (June 2010) that all Directors are required to submit themselves for re-election at least every three years.

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

Directors present	4 Full Board Meetings	2 Audit Committee Meetings
Charles Metcalfe, Chairman	3 (of 4)	1 (of 2)
Simon Acland	4	2
Elroy Dimson	4	2

### Audit Committee

The Board has appointed an Audit Committee of which Charles Metcalfe is Chairman, which deals with matters relating to audit, financial reporting and internal control systems. The committee meets as required and has direct access to Grant Thornton UK LLP, the Company's Auditor. The Audit Committee safeguards the objectivity and independence of the auditor by reviewing the nature and extent of non-audit services supplied by the external auditors of the Company, seeking to balance objectivity and value for money.

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

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

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

The Board considers that the members of the committee are independent and collectively have the skills and experience required to discharge their duties effectively, and that the Chairman of the committee meets the requirements of the UK Corporate Governance Code (June 2010) as to relevant financial experience.

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

In respect of the year ended 28 February 2013, the Audit Committee discharged its responsibilities by:

- reviewing and approving the external auditor's terms of engagement and remuneration;
- reviewing the external auditor's plan for the audit of the Financial Statements, including identification of key risks and confirmation of auditor independence;
- reviewing TPIM's statement of internal controls operated in relation to the Company's business and assessing those controls in minimising the impact of key risks;
- reviewing periodic reports on the effectiveness of TPIM's compliance procedures; and
- reviewing the appropriateness of the Company's accounting policies.

### Internal Control

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

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

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

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

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

#### Going Concern

After making the necessary enquiries, the Directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. The Board receives regular reports from the 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. There are no borrowings or banking facilities in place nor are they anticipated to be required in future.

#### Relations with Shareholders

The Board recognises the value of maintaining regular communications with shareholders. In addition to the formal business of the Annual General Meeting, an opportunity is given to all shareholders to question the Board and the Investment Manager on matters relating to the Company's operation and performance. Proxy voting figures for each resolution will be announced at the Annual General Meeting. The Board and the Investment Manager will also respond to any written queries made by shareholders during the course of the year and both can be contacted at 4-5 Grosvenor Place, London, SW1X 7HJ or on 020 7201 8989.

#### Compliance Statement

The Listing Rules require the Board to report on compliance with the UK Corporate Governance Code (June 2010) throughout the accounting period. With the exception of the limited items outlined below, the Directors consider that the Company has complied throughout the year under review with the provisions set out in UK Corporate Governance Code (June 2010).

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

On behalf of the Board



**CHARLES METCALFE**  
Chairman

3 June 2013

## Directors' Responsibility Statement / Financial Statements

For the year ended 28 February 2013

The Directors are responsible for preparing the Report of the Directors and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that 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 applicable IFRSs have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements and the Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

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

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

To the best of our knowledge:

- the Financial Statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Report of the Directors includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board



**CHARLES METCALFE**

Chairman

3 June 2013

We have audited the Financial Statements of TP70 2010 VCT plc for the year ended 28 February 2013 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

#### Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 21, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### Scope of the audit of the Financial Statements

A description of the scope of an audit of Financial Statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2013 and of the profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion:

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

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

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

Under the Listing Rules, we are required to review:

- the Directors' statement, set out on page 20, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code (June 2010) specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

#### TRACEY JAMES

##### Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

OXFORD

3 June 2013

## Statement of Comprehensive Income / Financial Statements

For the year ended 28 February 2013

	Note	Year ended 28 February 2013			Year ended 29 February 2012		
		Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>							
Investment income	4	177	-	177	50	-	50
Loss arising on the disposal of investments during the year	5	-	(31)	(31)	-	(125)	(125)
Gain/(loss) arising on the revaluation of investments at the year end	5	-	196	196	(213)	(213)	
Investment return		177	165	342	50	(338)	(288)
<b>Expenses</b>							
Investment management fees	6	124	41	165	39	118	157
Financial and regulatory costs		20	-	20	20	-	20
General administration		11	-	11	10	-	10
Legal and professional fees	7	37	-	37	30	-	30
Directors' remuneration	8	40	-	40	40	-	40
Operating expenses		232	41	273	139	118	257
Operating profit/(loss) before taxation		(55)	124	69	(89)	(456)	(545)
Taxation	9	-	-	-	-	-	-
Operating profit/(loss) after taxation		(55)	124	69	(89)	(456)	(545)
Profit and total comprehensive profit/(loss) for the year		(55)	124	69	(89)	(456)	(545)
Basic & diluted earnings/(loss) per share	10	(0.62p)	1.40p	0.79p	(1.04p)	(5.20p)	(6.24p)

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards ("IFRS"). The supplementary revenue and capital columns are prepared in accordance with the Association of Investment Companies Statement of Recommended Practice (AIC SORP).

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

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

The accompanying notes are an integral part of this statement.

## Balance Sheet / Financial Statements

as at 28 February 2013

	Year ended 28 February 2013	Year ended 29 February 2012
	<i>£'000</i>	<i>£'000</i>
<b>Non current assets</b>		
Financial assets at fair value through profit or loss	11	6,976
	7,604	6,976
<b>Current assets</b>		
Receivables	12	56
Cash and cash equivalents	13	554
	120	610
Total assets	7,724	7,586
<b>Current liabilities</b>		
Payables and accrued expenses	14	54
	123	54
Net assets	7,601	7,532
<b>Equity attributable to equity holders</b>		
Share capital	15	87
Special distributable reserve		8,225
Capital reserve		(569)
Revenue reserve		(211)
Total equity	7,601	7,532
Net asset value per share (pence)	18	86.12p

The statements were approved by the Directors and authorised for issue on 3 June 2013 and are signed on their behalf by:



**CHARLES METCALFE**

**Chairman**

3 June 2013

Company registration number: 7039066

The accompanying notes are an integral part of this statement.

## Statement of Changes in Shareholders' Equity/ Financial Statements

For the year ended 28 February 2013

	Issued Capital	Share Premium	Special Distributable Reserve	Capital Reserve	Revenue Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Year ended 28 February 2013</b>						
Balance at 1 March 2012	87	-	8,225	(569)	(211)	7,532
Profit/(loss) after tax	-	-	-	124	(55)	69
Total comprehensive profit/(loss) for the year	-	-	-	124	(55)	69
<b>Balance at 28 February 2013</b>	<b>87</b>	<b>-</b>	<b>8,225</b>	<b>(445)</b>	<b>(266)</b>	<b>7,601</b>

Capital reserve consists of:

Investment holding losses	(2)
Other realised losses	(443)
	<u>(445)</u>

### Year ended 29 February 2012

Balance at 1 March 2011	87	8,225	-	(113)	(122)	8,077
Cancellation of share premium	-	(8,225)	8,225	-	-	-
Transactions with owners	-	(8,225)	8,225	-	-	-
Loss after tax	-	-	-	(456)	(89)	(545)
Total comprehensive loss for the year	-	-	-	(456)	(89)	(545)
<b>Balance at 29 February 2012</b>	<b>87</b>	<b>-</b>	<b>8,225</b>	<b>(569)</b>	<b>(211)</b>	<b>7,532</b>

Capital Reserve consists of:

Investment holding losses	(265)
Other realised losses	(304)
	<u>(569)</u>

The share premium represents the excess of the issue price net of issue costs over the par value of the shares. The capital reserve represents the proportion of Investment Management fees charged against capital and realised or unrealised gains or losses on investments credited/charged to capital reserve in the current or previous year. Neither the share premium or capital reserve are distributable. The special distributable reserve was created on court cancellation of the share premium account. The revenue and special distributable reserve are distributable by way of dividend.

The accompanying notes are an integral part of these statements.

## Statement of Cash Flows / Financial Statements

For the year ended 28 February 2013

	Year ended 28 February 2013	Year ended 29 February 2012
	£'000	£'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	69	(545)
Loss arising on the disposal of investments in the year	31	100
(Gain)/loss arising on the revaluation of investments at the year end	(196)	199
Cash absorbed by operations	(96)	(246)
(Increase) in receivables	(12)	(25)
Decrease in forward contracts	-	17
Increase/(decrease) in creditors	69	(20)
Net cash flows from operating activities	(39)	(274)
<b>Cash flow from investing activities</b>		
Purchase of financial assets at fair value through profit or loss	(3,076)	(4,773)
Disposal proceeds of financial assets at fair value through profit or loss	2,613	1,493
Net cash flows from investing activities	(463)	(3,280)
Net decrease in cash and cash equivalents	(502)	(3,554)
<b>Reconciliation of net cash flow to movements in cash and cash equivalents</b>		
Cash and cash equivalents at 1 March 2012	554	4,108
Net decrease in cash and cash equivalents	(502)	(3,554)
Cash and cash equivalents at 28 February 2013	52	554

The accompanying notes are an integral part of this statement.

# Notes to the Financial Statements

For the year ended 28 February 2013

## 1. CORPORATE INFORMATION

The Financial Statements of the Company for the year ended 28 February 2013 were authorised for issue in accordance with a resolution of the Directors on 3 June 2013.

The Company applied for listing on the London Stock Exchange on 1 April 2010.

TP70 2010 VCT plc was incorporated and is domiciled in Great Britain. The address of TP70 2010 VCT plc's registered office, which is also its principal place of business, is 4-5 Grosvenor Place, London, SW1X 7HJ.

TP70 2010 VCT plc's Financial Statements are presented in Pounds Sterling (£) which is also the functional currency of the Company, rounded to the nearest thousand.

The principal activity of the Company is investment. The Company's investment strategy is to offer combined exposure to GAM Trading strategy and venture capital investments focused on companies with contractual revenues from financially secure counterparties.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

### Basis of preparation

After making the necessary enquiries, the Directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. The Board receives regular reports from the 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. There are no borrowings or banking facilities in place nor are they anticipated to be required in future.

The Financial Statements of the Company for the year ended 28 February 2013 have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use in the European Union. They therefore 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 January 2009, in so far as this does not conflict with IFRS.

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

Consolidated Financial Statements are no longer prepared due to the voluntary liquidation of the Company's subsidiary during the year.

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. Further details are provided in the "non-current asset investments" section below.

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

- the valuation of unlisted financial investments held at fair value through profit or loss, which are valued on the basis noted below (in the section headed non-current asset investments);
- the recognition or otherwise of accrued income on loan notes and similar instruments granted to investee companies, which 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. 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 11.

These accounting policies have been applied consistently in preparing these Financial Statements and remain unchanged from the prior year.

### Standards Issued but not yet Effective

The following new standards, amendments to standards and interpretations are not yet effective for the year ended 28 February 2013, and have not been applied in preparing these Financial Statements:

- IFRS 9 Financial Instruments (effective 1 January 2015)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- IAS 27 (Revised), Separate Financial Statements (effective 1 January 2013)
- Presentation of Items of Other Comprehensive Income - Amendments to IAS 1 (effective 1 July 2012)
- Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7 (effective 1 January 2013)

- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32 (effective 1 January 2014)
- Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7 (effective 1 January 2015)
- Annual Improvements 2009-2011 Cycle (effective 1 January 2013)
- Transition Guidance - Amendments to IFRS 10, IFRS 11 and IFRS 12 (effective 1 January 2013)
- Investment Entities - Amendments to IFRS 10, IFRS 12 and IAS 27 (effective 1 January 2014)

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

#### Presentation of the Statement of Comprehensive Income

In order better to reflect the activities of a Venture Capital Trust, and in accordance with the guidance issued by the Association of Investment Companies, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Income Statement. Prior to 6 April 2012 in accordance with the Company's status as a UK Investment Company under S833 of the Companies Act 2006, net capital returns could not be distributed by way of dividend.

#### Capital Management

The Company's objectives when managing capital are:

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

The Company has no external debt; consequently all capital is represented by the value of share capital, distributable and other reserves. Total Shareholder Equity at 28 February 2013 was £7.6million.

The Company has met its objectives in achieving the exposure to GAM as detailed in the circular issued 14 September 2010. The funds have now been deployed into qualifying investments and its focus is to manage these investments.

#### 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 Directors' Report on page 14, and information about the portfolio is provided internally on that basis to the Company's Board of Directors. Accordingly upon initial

recognition the investments are designated by the Company as "at fair value through profit or loss" in accordance with IAS39 "Financial Instruments Recognition and Measurement". They are included initially at fair value, which is taken to be their cost (excluding expenses incidental to the acquisition which are written off in the Statement of Comprehensive Income and allocated to "capital" at the time of acquisition). Subsequently the investments are valued at "fair value", which is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. This is measured as follows:

- Unlisted investments are fair valued by the Directors in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Fair value is established by using measurements of value such as price of recent transactions, earnings multiples and net assets.
- Listed investments are fair valued at bid price on the relevant date.

Where securities are designated upon initial recognition as at fair value through profit or loss, gains and losses arising from changes in fair value are included in the statement of comprehensive income for the year as capital items in accordance with the AIC SORP. 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 derivative, providing leveraged exposure to GAM Trading is classified at fair value through profit or loss.

Whether gains or losses on derivative transactions fall to be treated as capital or revenue will depend on the nature of the transaction. Both the underlying motives for the transaction and its circumstances are considered to be important in determining whether changes in its value are of a capital or revenue nature. In some circumstances gains or losses may have to be apportioned between capital and revenue to reflect the nature of the transaction.

#### Income

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

Fixed returns on investment loans, debt and money market funds 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.

## Notes to the Financial Statements

For the year ended 28 February 2013

### Expenses

All expenses are accounted for on the accruals basis. Expenses are charged to revenue with the exception of the investment management fee, which this year has been charged 75% to the revenue account and 25% to the capital account (2012: 25% revenue, 75% capital) to reflect, in the Directors' opinion, the expected long term split of returns in the form of income and capital gains respectively from the investment portfolio. The impact of this change reduces the revenue reserve and increases the capital reserve.

### Taxation

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

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

### Issued Share Capital

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

### Cash and Cash Equivalents

Cash and cash equivalents represent cash available at less than 3 months' notice are classified as loans and receivables under IAS39.

### Reserves

The revenue reserve (retained earnings) and capital reserve reflect the guidance in the AIC SORP. The share premium represents the excess of the issue price net of issue costs over the par value of the shares. The capital reserve represents the proportion of Investment Management fees charged against capital and realised or unrealised gains or losses on investments credited/charged to capital reserve in the current or previous year. Neither the share premium or capital reserve are distributable. The special distributable reserve was created on court cancellation of the share premium account. The revenue and special distributable reserve are distributable by way of dividend.

## 3. SEGMENTAL REPORTING

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

**4. INVESTMENT INCOME**

	Year ended 28 February 2013			Year ended 29 February 2012		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest receivable on bank balances	1	-	1	7	-	7
Loan interest receivable	175	-	175	37	-	37
Dividends on money market funds	1	-	1	6	-	6
	177	-	177	50	-	50

**5. GAINS/(LOSS) ON INVESTMENTS**

	Year ended 28 February 2013			Year ended 29 February 2012		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Realised loss on forward contract	-	-	-	-	(39)	(39)
Loss arising on the disposal of investments in the year	-	(31)	(31)	-	(100)	(100)
Gain/(loss) arising on the revaluation of investments at the year end	-	196	196	-	(199)	(199)
	-	165	165	-	(338)	(338)

**6. INVESTMENT MANAGEMENT FEES**

Triple Point Investment Management LLP provides investment management and administration services to the Company under an Investment Management Agreement effective 2 February 2010. The agreement provides for an administration and investment management fee of 2.25% per annum of net assets, subject to a cap of 3.50% per annum on overall running costs as a percentage of net assets. It is calculated and payable quarterly in arrear and runs for a period of 5 years and may be terminated at any time thereafter by not less than twelve months' notice given by either party. Should such notice be given, the Investment Manager would perform its duties under the Investment Management Agreement and receive its contracted fee during the notice period.

**7. LEGAL AND PROFESSIONAL FEES**

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

	Year ended 28 February 2013			Year ended 29 February 2012		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fees payable to the Company's auditor:						
for the audit of the Company accounts	19	-	19	12	-	12
for taxation compliance services	4	-	4	-	-	-
	23	-	23	12	-	12

## Notes to the Financial Statements

For the year ended 28 February 2013

### 8. DIRECTORS' REMUNERATION

The only remuneration received by the Directors was their Directors' fees. The Company has no employees other than the Non-Executive Directors. The average number of Non-Executive Directors in the year was three. The Directors are considered to be the entity's key management personnel. Full disclosure of key management personnel's remuneration is included in the Directors' Remuneration report.

	Year ended 28 February 2013			Year ended 29 February 2012		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Charles Metcalfe, Chairman	15	-	15	15	-	15
Simon Acland	13	-	13	13	-	13
Prof. Elroy Dimson	12	-	12	10	-	10
Chris Tottle	-	-	-	2	-	2
	40	-	40	40	-	40

### 9. TAXATION

	Year ended 28 February 2013			Year ended 29 February 2012		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
(Loss)/profit on ordinary activities before tax	(55)	124	69	(89)	(456)	(545)
Corporation tax @ 20%	(11)	25	14	(18)	(91)	(109)
Effect of:						
Utilisation of tax losses brought forward	-	(25)	(25)	-	-	-
Non taxable (gains)/losses	-	(33)	(33)	-	68	68
Unrelieved tax losses arising in the year	11	33	44	18	23	41
Tax charge/credit for the period	-	-	-	-	-	-

Capital gains and losses are exempt from corporation tax due to the Company's status as a Venture Capital Trust. Excess management charges of £558,000 (2012: £447,000) have been carried forward at 28 February 2013 and are available for offset against future taxable income subject to arrangement with HM Revenue & Customs.

### 10. EARNINGS/(LOSS) PER SHARE

The earnings per share is based on a profit from ordinary activities after tax of £69,081 (2012: loss of £545,372), and on the weighted average number of shares in issue during the year of 8,746,340 (2012: 8,746,340)

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

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### Investments

#### Fair Value Hierarchy

**Level 1:** instruments traded on active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price.

**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 market data where it is available 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 in an active market (for example, investments in unquoted companies) is determined by using valuation techniques such as earnings multiples and discounted cash flows. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers between these classifications in the year and the movement in Level 3 instruments is disaggregated below. Any change in fair value is recognised through the Statement of Comprehensive Income.

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

All items held at fair value through profit or loss were designated as such upon initial recognition.

Level 3 valuations include assumptions based on non-observable data, such as discounts applied either to reflect impairment of financial assets held at a price of recent investments, or to adjust earnings multiples. This includes valuations of investments based on their net asset values.

Movements in investments held at fair value through profit or loss during the year ended 28 February 2013 were as follows:

#### YEAR ENDED 28 FEBRUARY 2013

	Level 1 Quoted Investments	Level 2 Derivative	Level 3 Unquoted Investments	Total
	£'000	£'000	£'000	£'000
Opening cost	900	1,230	5,111	7,241
Opening investment holding losses	-	(198)	(67)	(265)
Purchases at cost	900	1,032	5,044	6,976
Disposal proceeds	711	-	2,365	3,076
Losses arising from the disposal of investment	(900)	-	(1,713)	(2,613)
Investment holding gains	-	-	(31)	(31)
Investment holding gains	32	72	92	196
<b>Closing fair value at 28 February 2013</b>	<b>743</b>	<b>1,104</b>	<b>5,757</b>	<b>7,604</b>
Closing cost	711	1,230	5,665	7,606
Closing investment holding gains/(losses)	32	(126)	92	(2)

## Notes to the Financial Statements

For the year ended 28 February 2013

### 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

#### YEAR ENDED 29 FEBRUARY 2012

	Level 1 Quoted Investments	Level 2 Derivative	Level 3 Unquoted Investments	Total
	£'000	£'000	£'000	£'000
Opening cost	1,520	1,230	1,311	4,061
Opening investment holding losses	(38)	(14)	(14)	(66)
Purchases at cost	1,482	1,216	1,297	3,995
Disposal Proceeds	973	-	3,800	4,773
Losses arising from the disposal of investment	(1,493)	-	-	(1,493)
Investment holding gains/(losses)	(100)	-	-	(100)
	38	(184)	(53)	(199)
<b>Closing fair value at 29 February 2012</b>	<b>900</b>	<b>1,032</b>	<b>5,044</b>	<b>6,976</b>
Closing cost	900	1,230	5,111	7,241
Closing investment holding losses	-	(198)	(67)	(265)

All investments are designated as 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. Details of the nature of the investments are given in the Investment Manager's Review on pages 5 to 6.

Money market funds are offshore funds which invest in money markets and distribute all net income. The value of the investments remains constantly at par and they are realisable on demand. There were no money market funds held at the year end 29 February 2013.

The initial best estimate of fair value for the investments made during the year is the transaction price which is cost. The Investment Manager has considered the impact of the reasonably possible movement in key inputs on the fair value of its investments and the impact on Solar companies has been recognised but on the other investment companies the impact on the value was not material and therefore no adjustment has been made.

### 12. RECEIVABLES

	28 February 2013	29 February 2012
	£'000	£'000
Accrued income	-	1
Prepaid expenses	5	9
Other debtors	63	46
	68	56

### 13. CASH AND CASH EQUIVALENTS

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

### 14. PAYABLES

	28 February 2013	29 February 2012
	£'000	£'000
Payables	1	26
Deferred income	16	-
Taxation	7	-
Accrued expenses	99	28
	123	54

### 15. SHARE CAPITAL

	28 February 2013		29 February 2012	
	Authorised	Issued & fully Paid	Authorised	Issued & fully Paid
Ordinary Shares of 1p				
Number of shares	60,000,000	8,746,340	60,000,000	8,746,340
Par Value £'000	600	87	600	87

### 16. SUBSIDIARY

On 11 October 2012 the Company's subsidiary holding in Starshell Limited was put into liquidation and its assets transferred to the Company. After the transfer the valuation of Starshell Limited at 28 February 2013 was therefore £nil (2012: £1,265,000).

**17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments comprise VCT qualifying investments, exposure to a hedge fund, money market instruments, cash balances and liquid resources including debtors and creditors. The Company holds financial assets in accordance with its investment policy detailed in the Directors' Report on page 10.

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

	Total value	Loan and receivables	Financial liabilities held at amortised cost	Fair value through profit or loss
<b>Year ended 28 February 2013</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss	7,604	-	-	7,604
Receivables	63	63	-	-
Cash and cash equivalents	52	52	-	-
	7,719	115	-	7,604
<b>Liabilities</b>				
Other payables	1	-	1	-
Taxation	7	-	7	-
Accrued expenses	99	-	99	-
	107	-	107	-
<b>Year ended 29 February 2012</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss	6,976	-	-	6,976
Receivables	46	46	-	-
Accrued income	1	1	-	-
Cash and cash equivalents	554	554	-	-
	7,577	601	-	6,976
<b>Liabilities</b>				
Other payables	26	-	26	-
Accrued expenses	28	-	28	-
	54	-	54	-

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

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

**Market Risk**

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

## Notes to the Financial Statements

For the year ended 28 February 2013

carrying out rigorous due diligence procedures and by maintaining a spread of holdings in terms of industry sector and geographical location. The Board reviews the investment portfolio with the Investment Manager on a regular basis. Details of the Company's investment portfolio at the balance sheet date are set out on page 7.

The Company has an investment in a leveraged note issued by Exane (an associate of BNP Paribas with a rating of A2) which, after leverage delivers exposure to GAM Trading. This exposure is subject to market fluctuations affecting the underlying hedge fund investments. In turn the effect of such fluctuations is magnified by the leverage in the note. Both the Board and the Investment Manager receive regular written reports and oral briefings from GAM.

The Company has a direct holding in GAM Trading II GBP 1.25XL which carries equivalent risks.

An increase of 1% in the value of investments would increase the capital profits for the period and the net asset value at 28 February 2013 by £76,000. A decrease of 1% would reduce the capital profits and net asset value by the same amount. A movement of 1% is used as it is easy to use this as a multiple to demonstrate the impact of varying changes on the capital profits and net asset value of the Company.

At 28 February 2013 VCT qualifying investments accounted for 75% of the Company's investments and the investment exposure in GAM Trading accounted for 24%, and with leverage, exposure was 49%.

### 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 due to 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 £3,966,000 (2012: £2,660,000) is subject to fixed interest rates for the five year loan terms and therefore other than the fair value risk of the value of the investments diminishing, there is not an interest rate risk associated with these loans.

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

	28 February 2013	29 February 2012
	£'000	£'000
Cash on Deposit	52	554
Money market funds	-	900
	52	1,454

An increase in interest rates of 1% per annum would not have a material effect on the revenue profits for the period and the net asset value at 28 February 2013. The Board believes that in the current economic climate a movement of 1% per annum is a reasonable illustration.

### Credit Risk

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

	28 February 2013	29 February 2012
	£'000	£'000
Qualifying Investments - loans	3,966	2,660
Cash on Deposit	52	554
Receivables	63	47
Money market funds	-	900
GAM Trading II GBP 1.25XL	743	1,265
Exane Note	1,104	1,032
	5,928	6,458

The Company's bank accounts are maintained with the Royal Bank of Scotland ("RBS"). Should the credit quality or financial position of RBS deteriorate significantly, the Investment Manager would endeavour to move the cash holdings to another bank.

Credit risk relating to listed money market funds is mitigated by the funds themselves investing in a portfolio of investment instruments of high credit quality.

The Company is exposed to the credit risk of Exane through the leveraged note. Should the credit quality or financial position of Exane deteriorate significantly the Investment Manager could (subject to notice periods) terminate the note.

Credit risk arising on unquoted loan stock held within unlisted investment 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.

The Company's money market funds are considered to be readily realisable as they are of high credit quality as outlined above.

The GAM exposure may have redemption periods that result in investments being illiquid and not readily realisable.

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

The Board maintains a liquidity management policy under which sufficient investments in cash and readily realisable money market funds will be available to pay expenses. At 28 February 2013 cash amounted to £52,000 (29 February 2012: £1,454,000).

#### **Foreign Currency Risk**

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

### **18. NET ASSET VALUE PER SHARE**

The calculation of Company's net asset value per share is based on net assets of £7,661,289 (2012: £7,532,208) divided by the 8,746,340 (2012: 8,746,340) shares in issue.

### **19. COMMITMENTS AND CONTINGENCIES**

The Company has no outstanding commitments or contingent liabilities.

### **20. RELATIONSHIP WITH INVESTMENT MANAGER**

During the year, TPIM received £162,668 (2012: £155,498), which has been expensed, for providing management and administrative services to the Company. At 28 February 2013 £69,450 was owing to TPIM (2012: £5,972).

### **21. RELATED PARTY TRANSACTIONS**

There are no related party transactions, which require disclosure.

On 11 October 2012 the investment in GAM Trading II GBP 1.25XL was transferred from its subsidiary Starshell Limited to the Company for £711,000. Starshell Limited was subsequently put into Members Voluntary Liquidation.

### **22. POST BALANCE SHEET EVENTS**

There are no post balance sheet events.



## Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of TP70 2010 VCT plc will be held at 4-5 Grosvenor Place, London, SW1X 7HJ at 10.00am on Thursday 11 July 2013 for the following purposes:

### Ordinary Business

1. To receive, consider and adopt the Report of the Directors and Financial Statements for the year ended 28 February 2013.
2. To approve the Directors' Remuneration Report for the year ended 28 February 2013.
3. To re-elect Simon Acland as a Director.
4. To re-elect Charles Metcalfe as a Director.
5. To re-appoint Grant Thornton UK LLP as auditor and authorise the Directors to agree its remuneration.
6. That, the Company be and is hereby authorised in accordance with S701 of the Companies Act 2006 (the "Act") to make one or more market purchases (as defined in S693(4) of the Act) of Ordinary shares of 1 pence each in the Company provided that:
  - (i) the maximum aggregate number of Ordinary shares authorised to be purchased is an amount equal to 10 per cent of the issued capital as at the date hereof;
  - (ii) the minimum price which may be paid for an Ordinary share is 1 pence; and
  - (iii) the maximum price, exclusive of expenses, that may be paid for an Ordinary share shall not be more than 105% of the average of the middle market prices for the Ordinary shares as derived from the Daily Official List of the UK Listing Authority for the five business days immediately preceding the day on which the Ordinary share is purchased.This authority shall expire at the conclusion of the next Annual General Meeting of the Company or 15 months following the date of the passing of this Resolution, whichever is the first to occur (unless previously renewed, varied or revoked by the Company in general meeting), provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority hereby conferred had not expired.
7. To authorise the provision of information to shareholders by electronic means.

By Order of the Board

**CHARLES METCALFE**  
**CHAIRMAN**

Registered Office:  
4-5 Grosvenor Place  
London, SW1X 7HJ

3 June 2013

### NOTES

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



Relating to the 2013 Annual General Meeting of TP70 2010 VCT plc

I/We \_\_\_\_\_

BLOCK CAPITALS PLEASE – Name in which shares registered

of \_\_\_\_\_

hereby appoint \_\_\_\_\_

or failing him/her the Chairman of the meeting to be my/our proxy and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10.00am on Thursday 11 July 2013, notice of which was sent to shareholders with the Directors' Report and the Financial Statements for the year ended 28 February 2013, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting:

Resolution	For	Against	Witheld
1. To receive, consider and adopt the report of the Directors and the Financial Statements for the year ended 28 February 2013			
2. To approve the Directors' Remuneration Report for the year ended 28 February 2013			
3. To re-elect Simon Acland as a Director			
4. To re-elect Charles Metcalfe as a Director			
5. To re-appoint Grant Thornton UK LLP as auditors and authorise the Directors to agree its remuneration			
6. To authorise the Directors to make market purchases of the Company's own shares			
7. To authorise the provision of information to shareholders by electronic means			

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

2013

NOTES

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











Triple Point

**TP70 2010 VCT plc**

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United Kingdom  
(Registered Office)

Company number: 7039066

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[www.triplepoint.co.uk](http://www.triplepoint.co.uk)