



TP10 VCT PLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2012

TP10



Triple Point

TP10 VCT PLC



CONTENTS

FINANCIAL SUMMARY	1
CHAIRMAN'S STATEMENT	2
DETAILS OF DIRECTORS	3
DETAILS OF ADVISERS	4
SHAREHOLDER INFORMATION	5
INVESTMENT MANAGER'S REVIEW	6
INVESTMENT PORTFOLIO	8
DIRECTORS' REPORT	11
DIRECTORS' REMUNERATION REPORT	16
CORPORATE GOVERNANCE	18
DIRECTORS' RESPONSIBILITY STATEMENT	22
INDEPENDENT AUDITOR'S REPORT	23
STATEMENT OF COMPREHENSIVE INCOME	24
BALANCE SHEET	25
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	26
STATEMENT OF CASH FLOWS	27
NOTES TO THE FINANCIAL STATEMENTS	28
NOTICE OF ANNUAL GENERAL MEETING	41
FORM OF PROXY	42

REPORT OF THE DIRECTORS – FINANCIAL SUMMARY

	Year ended 29-Feb-12	Period ended 28-Feb-11
	£'000	£'000
Net assets	27,573	27,991
Net loss before tax	(418)	(620)
Loss per share	(1.39p)	(2.24p)
Net asset value per share	91.37p	92.75p

For a £1 investment per share investors, with a sufficient income tax liability in the relevant year have already received a 30p tax credit which, taken together with the current NAV of 91.37p, totals 121.37p.

TP10 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 November 2009 and raised £28.6 million (net of expenses) through an offer for subscription which closed on 31 May 2010.

The Directors’ Report on pages 11 to 16 and the Directors’ Remuneration Report on pages 17 to 18 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 TP10 VCT plc.

The Directors submit to the members their Annual Report and Financial Statements for the Company for the year ended 29 February 2012. 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.

REPORT OF THE DIRECTORS – CHAIRMAN'S STATEMENT

I am writing to present the Financial Statements for TP10 VCT plc ("the Company") for the year ended 29 February 2012.

RESULTS

We are pleased to announce that following the year end in March the Company secured its VCT qualifying status by satisfying the test of being 70% invested in VCT qualifying investments, which at the year end represented 65% of net assets and has since increased to 80%. The Board is pleased that its investment portfolio has been constructed a year ahead of the target date for its investment strategy.

In selecting its qualifying investments the Company has been able to take advantage of a number of attractive investment opportunities. These include renewable electricity generated from roof mounted solar photovoltaic panels (investments which will benefit from long-term, index linked revenues) and cinema digitisation yielding high quality, predictable cash flows.

During the year non VCT qualifying investments of £1.4 million were made into Broadpoint Ltd, a finance company, and £550,000 as a short term loan to Biomass Future Generation Limited, a company constructing a plant to generate electricity from anaerobic digestion.

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

At 29 February 2012 the net asset value per share stood at 91.37p. Over the year the Company made a loss of 1.39p per share as the running costs of the Company exceeded the income on its investments. Now that the portfolio is established, this position is expected to reverse over the coming year.

RISKS

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

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

The Board believes these risks are manageable and, with the Investment Manager, continues to work to minimise either 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 detailed within the Directors' Report.

OUTLOOK

Despite the unpredictability of the short-term economic prospects, having secured its VCT qualifying portfolio and status, the Board is confident in its outlook and believes the Company is well placed to deliver returns to shareholders over the longer term.

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



**ROBIN MORRISON,
Chairman**

16 May 2012

REPORT OF THE DIRECTORS – DETAILS OF DIRECTORS

Robin Morrison

Robin is the Chairman of the Board of the Company. He graduated with a first in Economics and Management Studies from Cambridge. He also held a short service commission with the Royal Corps of Transport. He was 28 years with Mars Incorporated, based in the UK, France and the Czech Republic. He held both Global and Pan-European Vice President roles with responsibility for divisional teams of up to 3,700 people and eight manufacturing plants.

Robert Reid

Robert is the founder of an independent corporate finance and corporate development advisory business. After graduating from the European Business School he joined S.G. Warburg & Co. and has over 17 years corporate finance experience in both the corporate and advisory fields. His most recent roles include director of corporate finance at Avis Europe plc and director of corporate finance at Hurst Morrison Thomson, Chartered Accountants. Robert is a Director of TP5 VCT plc and was previously a Director of TP70 2008 (II) VCT plc.

Alexis Prenn

Alexis an experienced entrepreneur, worked for many years at LSE listed conglomerate Magellan plc where he held a number of senior roles and was managing director of several group subsidiaries. He left to participate in a Schroders backed management buy-in to Fii Group plc, one of the UK's largest listed shoe businesses. In recent years, he has invested in and developed companies in the fields of security equipment, IT training and event management software. He was also the lead investor behind the management buy-in to Sinclair Pharmaceuticals which floated in 2004. From 2005 to 2011, he was a Principal at Triple Point Investment Management LLP.

REPORT OF THE DIRECTORS – DETAILS OF ADVISERS

Secretary and Registered Office:

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

Solicitors

Howard Kennedy
19a Cavendish Square
London
W1A 2AW

Registered Number

06985211

Registrars

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

Investment Manager and Administrator

Triple Point Investment Management LLP
4-5 Grosvenor Place
London
SW1X 7HJ
Tel: 020 7201 8989

VCT Taxation Advisers

PriceWaterhouseCoopers
1 Embankment Place
London
WC2N 6RN

Independent Auditor

Grant Thornton UK LLP
3140 Rowan Place
John Smith Drive
Oxford Business Park South
Oxford
OX4 2WB

Bankers

Royal Bank of Scotland PLC
54 Lime Street
London
EC3M 7NQ

REPORT OF THE DIRECTORS – SHAREHOLDER INFORMATION

THE COMPANY

TP10 VCT plc is a Venture Capital Trust. The Investment Manager is Triple Point Investment Management LLP ("TPIM"). The Company was incorporated on 7 August 2009. A Prospectus offering for subscription up to 50,000,000 Ordinary Shares of £1 each was issued on 16 September 2009. The offer closed on 31 May 2010 with £28.6m having been raised after initial costs.

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

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 paid
- Exemption from capital gains tax on disposals of shares in VCTs.

The Company has been provisionally approved as a VCT by Her Majesty's Revenue and Customs. In order to secure final approval the Company must comply with certain requirements on a continuing basis. Within three years from the effective date of provisional approval or later allotment at least 70% of the Company's investments must comprise "qualifying holdings" of which at least 30% must be in eligible ordinary shares. This investment criterion has been achieved subsequent to the year end. A "qualifying holding" consists of up to £1 million invested in any one year in new shares or securities in an unquoted company (including companies listed on AIM) which is carrying on a qualifying trade and whose gross assets do not exceed £7 million.

FINANCIAL CALENDAR

The Company's financial calendar is as follows:

12 July 2012	Annual General Meeting
October 2012	Interim report for the six months ending 31 August 2012 despatched
June 2013	Results for the year to 28 February 2013 announced; Annual Report and Financial Statements published.

SHARE PRICE

There have been no trades in the Company's shares to date. We will be asking shareholders at the Annual General Meeting to give the Board power to purchase shares in the market for cancellation. The Company has introduced a share buy-back facility, committing to buy-back shares at no more than a 10% discount to the prevailing NAV.

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

We are pleased to report that during the year the Company continued to build its portfolio of VCT qualifying investments, investing £17.2million, so that as at 29 February 2012 qualifying investments represented 65% of net assets. Following the year end a further £6million was invested increasing the VCT qualifying portfolio to 83% of net assets. This investment programme means that the Company has satisfied the requirement of being 70% invested in qualifying investments a year ahead of its target date.

The portfolio of qualifying investments is split between 26 companies across cinema digitisation, project management, and electricity generation from solar PV, anaerobic digestion and landfill gas.

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

INVESTMENT PROGRAMME SUMMARY

The table below summarises the qualifying investments made in the portfolio during the year and following the year end.

	Cinema Digitisation £'000	Solar PV £'000	Anaerobic Digestion £'000	Landfill Gas £'000	Project Management £'000	Total Qualifying Investments £'000
Investments at 1 March 2011	600	-	-	-	-	600
Investments made during the year	4,800	9,600	2,500	-	363	17,263
Investments at 29 February 2012	5,400	9,600	2,500	-	363	17,863
Investments made since the year ended 29 February 2012	1,500	1,600	1,475	1,000	450	6,025
Investments disposed of since the year ended 29 February 2012	-	-	(1,000)	-	-	(1,000)
Investments at the date of this report	6,900	11,200	2,975	1,000	813	22,888

INVESTMENT MANAGER'S REVIEW *(continued)*

VCT INVESTMENT PORTFOLIO

Anaerobic Digestion

The Company has invested in three companies pursuing opportunities in the generation of electricity from farm based Anaerobic Digestion (AD), one of the most stable sub-sectors. AD is the production of biogas through the biological treatment of organic materials using naturally occurring organisms. The process takes place inside sealed tanks producing methane, which is burned to generate electricity, which is sold to utility companies via a National Grid connection, or to businesses located close to the generator. Income will be derived from the production and sale of electricity which will attract Feed-in Tariffs (FITs). The technology used in AD is tried and tested and the equipment is supplied by one of Europe's leading technology suppliers, Envitech.

Cinema Digitisation

The Company has invested in six companies that deploy, maintain and operate digital equipment in cinemas in the UK and Continental Europe. The digitisation of cinema projection equipment has enabled significant industry wide print and distribution cost savings and has enhanced box office receipts through 3D technology. 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.

Landfill Gas

Two investments were made after the year end in companies in Northern Ireland intending to generate electricity from landfill gas. The technology used to recover landfill gas is highly efficient and well-established. Landfill gas is recovered by drilling a series of wells into the waste in a grid pattern across a site. The gas then powers electricity generators and the electricity is exported to the Grid. The companies' revenues are derived from the generation of electricity supported by the Renewable Obligation incentive.

Project Management

The Company has invested in a project management business that manages the planning process and environmental impact studies for a portfolio of new small-scale hydro-electric power installations in Scotland. Initially it is seeking planning permission and grid connection offers for these sites, which have been selected after extensive due diligence including site surveys and feasibility analysis covering environmental impact, construction, design, grid connection and likely electricity output.

Solar PV

The Company has invested in 13 companies that own solar PV panels which are installed on residential properties. These were all installed and generating electricity before 12 December 2011, so they are in receipt of the higher Feed-in Tariffs (FITs) applicable to installations made before that date. These tariffs are index-linked and have been set for 25 years, providing the companies with a long term, predictable cash flow. The combined generation capacity of the companies is 5.6GWh per annum.

Other Investments

The Company also invested £1.4 million into Broadpoint Limited, a finance company, which aims to deliver returns greater than those available from funds held on deposit.

Outlook

With the VCT qualifying portfolio now in place, our focus turns to portfolio management, and we are confident that the Company is well positioned to benefit from the performance of the businesses in which it has invested.



CLAIRE AINSWORTH
Managing Partner

for Triple Point Investment Management LLP
16 May 2012

REPORT OF THE DIRECTORS – INVESTMENT PORTFOLIO

	29 February 2012				28 February 2011			
	Cost		Valuation		Cost		Valuation	
	£'000	%	£'000	%	£'000	%	£'000	%
Qualifying holdings	17,863	64.61	17,863	64.61	600	2.13	600	2.13
Non-qualifying holdings					-	-	-	-
Unquoted investments	1,965	7.11	1,965	7.11	24,130	85.63	24,130	85.63
Money Market funds	295	1.08	295	1.08	1,800	6.38	1,800	6.38
Short term cash investments	-	-	-	-	26,530	94.14	26,530	94.14
Financial assets at fair value through profit or loss	20,123	72.80	20,123	72.80	1,653	5.86	1,653	5.86
Cash and cash equivalents	7,535	27.20	7,535	27.20	28,183	100.00	28,183	100.00
	<u>27,658</u>	<u>100.00</u>	<u>27,658</u>	<u>100.00</u>	<u>28,183</u>	<u>100.00</u>	<u>28,183</u>	<u>100.00</u>
Qualifying Holdings (all Unquoted)								
<i>Cinema digitisation</i>								
21st Century Cinema Ltd	1,000	3.62	1,000	3.62	-	-	-	-
Big Screen Digital Ltd	400	1.45	400	1.45	-	-	-	-
Cinematic Services Ltd	1,000	3.62	1,000	3.62	600	2.13	600	2.13
Digima Ltd	1,000	3.62	1,000	3.62	-	-	-	-
Digital Screen Solutions Ltd	1,000	3.62	1,000	3.62	-	-	-	-
DLN Digital Ltd	1,000	3.62	1,000	3.62	-	-	-	-
<i>Hydro Project Management</i>								
Highland Hydro Services Ltd	363	1.31	363	1.31	-	-	-	-
<i>Electricity generation</i>								
<i>Solar</i>								
AH Power Ltd	800	2.89	800	2.89	-	-	-	-
Arraze Ltd	1,000	3.62	1,000	3.62	-	-	-	-
Bandspace Ltd	1,000	3.62	1,000	3.62	-	-	-	-
Bridge Power Ltd	750	2.71	750	2.71	-	-	-	-
Campus Link Ltd	100	0.36	100	0.36	-	-	-	-
Core Generation Ltd	750	2.71	750	2.71	-	-	-	-
Druman Green Ltd	750	2.71	750	2.71	-	-	-	-
Fellman Solar Ltd	750	2.71	750	2.71	-	-	-	-
Flowers Power Ltd	600	2.17	600	2.17	-	-	-	-
Haul Power Ltd	750	2.71	750	2.71	-	-	-	-
Helioflair Ltd	600	2.17	600	2.17	-	-	-	-
Ranmore Environmental Ltd	1,000	3.62	1,000	3.62	-	-	-	-
Trym Power Ltd	750	2.71	750	2.71	-	-	-	-
<i>Anaerobic digestion</i>								
Nanuq Power Ltd	1,000	3.62	1,000	3.62	-	-	-	-
GreenTec Energy Ltd	1,500	5.42	1,500	5.42	-	-	-	-
	<u>17,863</u>	<u>64.61</u>	<u>17,863</u>	<u>64.61</u>	<u>600</u>	<u>2.13</u>	<u>600</u>	<u>2.13</u>

REPORT OF THE DIRECTORS – INVESTMENT PORTFOLIO (continued)

	29 February 2012				28 February 2011			
	Cost £'000	Valuation £'000	Cost £'000	Valuation £'000				
	%	%	%	%				
Unquoted non qualifying holdings								
<i>Anaerobic digestion</i>								
Biomass Future Generation Ltd	550	1.99	550	1.99				
<i>Finance</i>								
Broadpoint Ltd	1,415	5.12	1,415	5.12	-	-	-	-
	<u>1,965</u>	<u>7.11</u>	<u>1,965</u>	<u>7.11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	29 February 2012				28 February 2011			
	Cost £'000	Valuation £'000	Cost £'000	Valuation £'000				
	%	%	%	%				
Money Market Funds								
Blackrock Institutional Sterling Liquidity Fund	115	0.42	115	0.42	3,019	10.71	3,019	10.71
Deutsche Global Liquidity Managed Sterling Fund 2	-	-	-	-	3,019	10.71	3,019	10.71
Deutsche Global Liquidity Managed Sterling Fund A	-	-	-	-	3,019	10.71	3,019	10.71
Goldman Sachs Sterling Liquid Reserves	-	-	-	-	1,616	5.73	1,616	5.73
Ignis Sterling Liquidity Fund Share Class 2	115	0.42	115	0.42	3,019	10.71	3,019	10.71
Insight ILF Sterling Liquidity Fund Share Class 3	-	-	-	-	,019	10.71	3,019	10.71
Prime Rate Sterling Liquidity 3	-	-	-	-	4,400	15.64	4,400	15.64
State Street Liquidity Fund Share Class 1	65	0.24	65	0.24	3,019	10.71	3,019	10.71
	<u>295</u>	<u>1.08</u>	<u>295</u>	<u>1.08</u>	<u>24,130</u>	<u>85.63</u>	<u>24,130</u>	<u>85.63</u>
Short term cash investments								
Abbey National	-	-	-	-	300	1.06	300	1.06
Cater Allan	-	-	-	-	1,500	5.32	1,500	5.32
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>6.38</u>	<u>1,800</u>	<u>6.38</u>

REPORT OF THE DIRECTORS – INVESTMENT PORTFOLIO ADDITIONAL INFORMATION

	Initial Investment Date	29 February 2012			Investee Company Financial Statements							
		Income recognised by TP10 VCT plc for the year	Equity held by TP10 VCT plc*	Equity held by all funds managed by TPIM LLP	Ending in 2011**			Ending in 2010**				
					Turnover	Profit/loss before interest and tax	Profit/loss before tax	Net assets before VCT loans	Net assets	Turnover		
		£'000	%	%	£'000	£'000	£'000	£'000	£'000	£'000		
21st Century Cinema Ltd	28-Dec-11	8	12.26	98.08	297	(338)	(550)	5,418	378	-	(725)	328
Big Screen Digital Ltd	28-Dec-11	3	5.75	97.76	275	(104)	(310)	5,379	1,179	-	(318)	888
Cinematic Services Ltd	24-Dec-10	45	14.38	97.77	354	(273)	(483)	6,439	839	-	(332)	721
Digima Ltd	10-Oct-11	18	12.26	98.08	380	(95)	(331)	5,355	1,155	-	(318)	888
Digital Screen Solutions Ltd	11-Oct-11	20	12.26	98.08	438	(66)	(303)	5,386	1,186	-	(165)	888
DLN Digital Ltd	18-Mar-11	30	29.84	98.78	-	(137)	(140)	3,170	853	n/a		
Nanuq Power Ltd	30-Mar-11	3	48.51	98.01				n/a		n/a		
AH Power Ltd	05-Dec-11	6	39.22	98.05				n/a		n/a		
Arraze Ltd	30-Mar-11	12	48.51	98.01				n/a		n/a		
Bandspace Ltd	30-Mar-11	12	48.51	98.01				n/a		n/a		
Bridge Power Ltd	04-Apr-11	9	36.75	98.00				n/a		n/a		
Campus Link Ltd	14-Nov-11	1	4.46	98.18				n/a		n/a		
Core Generation Ltd	04-Apr-11	9	36.75	98.00				n/a		n/a		
Druman Green Ltd	04-Apr-11	8	36.76	98.03				n/a		n/a		
Fellman Solar Ltd	14-Nov-11	8	36.76	98.03				n/a		n/a		
Flowers Power Ltd	14-Nov-11	6	29.41	98.04				n/a		n/a		
Haul Power Ltd	04-Apr-11	9	36.75	98.00				n/a		n/a		
Helioflair Ltd	05-Dec-11	5	41.67	97.23				n/a		n/a		
Ranmore Environmental Ltd	05-Dec-11	8	49.02	98.04				n/a		n/a		
Trym Power Ltd	04-Apr-11	9	36.75	98.00				n/a		n/a		
Highland Hydro Services Ltd	27-Oct-11	-	38.30	76.60				n/a		n/a		
GreenTec Energy Ltd	10-Oct-11	2	49.00	98.00				n/a		n/a		
Biomass Future Generations Ltd	20-Jan-12	6	N/A	N/A				n/a		n/a		
Broadpoint Ltd	14-Nov-11	17	33.10	66.20				n/a		n/a		

The basis of valuation for all investments is the transaction price. Financial assets are measured at fair value.

* The Equity held by the VCT is equal to their voting rights.

** Companies that were not incorporated until 2011 will not produce financial statements until accounting dates ending no earlier than in 2012.

REPORT OF THE DIRECTORS - DIRECTORS' REPORT

The Directors present their Report and the audited Financial Statements for the year ended 29 February 2012.

This report 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 Report of the Directors (including the business review) is consistent with the Financial Statements. The auditor's opinion is given on page 23.

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 make a review of the business. The business review is set out below to which should be included the Chairman's Statement on pages 1 to 2 and Investment Manager's Review on pages 6 to 10.

The Directors have managed the affairs of the Company with the intention of maintaining its status as an approved Venture Capital Trust for the purposes of S274 of the Income Tax Act 2007. In the opinion of the Directors, the Company has conducted its affairs so as to enable it to continue to obtain such approval. 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 other than those disclosed in note 19.

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 Chairman's Statement on pages 1 to 2 and the Investment Manager's Review on pages 6 to 10. The Board believes that the Company will continue to satisfy all the VCT qualifying conditions laid down by HM Revenue & Customs.

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. The Board believes that it is in the interests of shareholders as a whole, and of the Company, to continue the appointment of the Investment Manager for the forthcoming year.

INVESTMENT POLICY

The Company's investment exposure initially was to cash and similar liquid assets. To comply with VCT rules, the Company has acquired (and subsequently maintained) a portfolio of VCT qualifying company investments in unquoted companies equivalent to a minimum of 70 per cent of

the value of their investments, typically in investments ranging between £500,000 and £2,000,000 per company.

The unquoted investments encompass businesses with strong asset bases or, more typically, with contractual revenues from financially sound counterparties. The remaining net assets are exposed either to (1) cash or cash-based similar liquid investments or (2) investments originated in line with the Company's VCT qualifying investment policy but which do not qualify under the VCT rules for technical reasons. In order to limit the risk to the portfolio that is derived from any particular investment, no single investment by the Company represents more than 15% of the aggregate net asset value of the Company.

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

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

REPORT OF THE DIRECTORS - DIRECTORS' REPORT *(continued)*

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.

QUALIFYING INVESTMENTS

TPIM pursues investments in a range of industries but the type of business being targeted is subject to the specific investment criteria discussed below. The objective is to build a 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 industries, it is intended that TP10's portfolio will comprise companies with certain characteristics, for example clear commercial and financial objectives, strong customer relationships and, where possible, tangible assets with value. TPIM will focus on identifying businesses typically with contractual revenues from financially sound counterparties or a stream of predictable transactions with multiple clients. Businesses with assets providing valuable security may also be considered. The objective is to reduce the risk of losses through ensuring 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.

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

- an attractive valuation at the time of the investment;
- minimising the risk of capital losses;
- the predictability and reliability of the company's cash flows;
- the quality of the business' counterparties and suppliers;
- the sector in which the business is active. Key targets include health, leisure, environmentally responsible and social enterprise sectors;
- the quality of the company's assets;
- the opportunity to structure an investment that can produce distributable income; and
- the prospect of achieving an exit 5 years after capitalisation of TP10.

DIRECTORS

The Directors of TP10 VCT during the year were:

Robin Morrison (Chairman)
Robert Reid
Alexis Prenn

At 29 February 2012 Robin Morrison held 73,492 ordinary shares of 1p each (2011: 73,492 ordinary shares of 1p) and Alexis Prenn held 5,125 ordinary shares of 1p each (2011: 5,125 ordinary shares of 1p). There have been no changes in the holdings of the Directors between 29 February 2012 and the date of this report.

Robert Reid being a Director of another TPIM managed VCT is not considered independent, will retire and offer himself for re-election at the Annual General Meeting to be held on 12 July 2012.

A review was carried out of the composition of the boards of TPIM advised VCTs. Alexis Prenn was not deemed independent as he was a Principal of TPIM. He resigned as a principal of TPIM on 1 July 2011.

The Board has considered provision B.1.72 of the UK Corporate Governance Code (June 2010) and believes that all the Directors continue to be effective and to demonstrate commitment to their roles, the Board and the Company. They therefore recommend them for re-election at the forthcoming Annual General Meeting.

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 the Company.

POLICY ON PAYMENT OF PAYABLES

The Company's payment policy for the forthcoming financial year is to agree terms of payment before business is transacted and to settle accounts in accordance with those terms. The Company does not follow any code or standard with regard to supplier payment practice. There were no overdue trade payables at 29 February 2012.

REPORT OF THE DIRECTORS - DIRECTORS' REPORT *(continued)*

MANAGEMENT

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

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 2012 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.

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:

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

Credit risk: Financial Instrument risks are described in note 15.

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

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

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

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 the energy generation from renewable sources means it will contribute to the reduction in carbon emissions.

REPORT OF THE DIRECTORS - DIRECTORS' REPORT *(continued)*

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 30,178,014 shares were in issue at 29 February 2012. 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. A 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 and, so far as still applicable, the Companies Act 1985).

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.

REPORT OF THE DIRECTORS - DIRECTORS' REPORT *(continued)*

AMENDMENT OF ARTICLES OF ASSOCIATION

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

APPOINTMENT AND REPLACEMENT OF DIRECTORS

A person may be appointed as a Director of the Company by the shareholders in general meeting by ordinary resolution (requiring a simple majority of the persons voting on the relevant resolution) or by the Directors. No person, other than a Director retiring by rotation or otherwise, shall be appointed or re-appointed a Director at any general meeting unless he is recommended by the Directors or, not less than 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 will be proposed at the forthcoming Annual General Meeting.



**ROBIN MORRISON,
Chairman**

16 May 2012

REPORT OF THE DIRECTORS - DIRECTORS' REMUNERATION REPORT

INTRODUCTION

This report is submitted in accordance with schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, in respect of the year ended 29 February 2012. The information included in this report is not subject to audit except where specified. This report also meets the relevant rules of the Listing Rules of the Financial Services Authority and describes how the Board had applied the principles relating to Directors' remuneration.

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. Directors' appointments are reviewed formally every three years thereafter by the Board as a whole.

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 information in this table is audited:

	Date of Contract	Unexpired term of contract at 29 February 2012	Annual rate of directors' fees	Emoluments for the year ended 29 February 2012	Emoluments for the period ended 28 February 2011
Robin Morrison, Chairman	14-Sep-2009	N/A	15,000	15,000	15,000
Robert Reid	14-Sep-2009	N/A	12,500	12,500	12,500
Alexis Prenn	14-Sep-2009	N/A	12,500	12,500	12,500
Employer's NI contributions				40,000	40,000
Total Emoluments				2,592	3,280
				42,592	43,280

REPORT OF THE DIRECTORS - DIRECTORS' REMUNERATION REPORT *(continued)*

STATEMENT OF THE COMPANY'S POLICY ON DIRECTORS' REMUNERATION

(continued)

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 Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears, 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 current 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.

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 over the year ended 29 February 2012 with the total return from a notional investment in the FTSE All-Share index over the same period has been included.

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

On behalf of the Board



ROBIN MORRISON

Chairman

16 May 2012

REPORT OF THE DIRECTORS – CORPORATE GOVERNANCE

The Board of TP10 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 improved reporting to shareholders.

The Company is committed to maintaining high standards in corporate governance and has complied with the recommendations of the AIC Code 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.

There is a formal, rigorous and transparent procedure for the appointment of new directors to the board. The search for board candidates is conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the board, including gender. All directors are able to allocate sufficient time to the Company to discharge their responsibilities.

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

The Investment Manager has authority over the management of the investment portfolio,

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

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

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

REPORT OF THE DIRECTORS - CORPORATE GOVERNANCE *(continued)*

BOARD OF DIRECTORS *(continued)*

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

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

The Company's articles of association require that one third of the Directors should retire by rotation each year and seek re-election at the Annual General Meeting, and that Directors newly appointed by the Board should seek re-appointment at the next Annual General Meeting. The Board complies with the requirement of the UK Corporate Governance Code (June 2010) that all Directors are required to submit themselves for re-election at least every three years.

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

Directors present	4 Full Board Meetings	2 Audit Committee Meetings
Robin Morrison, Chairman	4	2
Robert Reid	4	2
Alexis Prenn	4	2

AUDIT COMMITTEE

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

The Audit Committee safeguards the objectivity and independence of the auditor by reviewing the nature and extent of non-audit services supplied by the external auditor 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.

REPORT OF THE DIRECTORS - CORPORATE GOVERNANCE *(continued)*

AUDIT COMMITTEE *(continued)*

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 it were, would recommend this to the Board.

In respect of the year ended 29 February 2012, 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;
- reviewing the appropriateness of the company's accounting policies; and
- reviewing the Company's half-yearly results statements prior to Board approval.

INTERNAL CONTROL

The Directors have overall responsibility for keeping under review the effectiveness of

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

The Directors have established an ongoing process designed to meet the particular needs of the Company in identifying, evaluating and managing risks to which it is exposed. The process adopted is one whereby the Directors identify 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 once a year.

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

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

RISK MANAGEMENT

TPIM carries out management of liquid funds in accordance with the policy guidelines laid down and regularly reviewed by the Board. The Board carries out a regular review of the risk environment in which the Company operates. The particular risks they have identified are detailed in the Directors' Report on page 13 and in note 15.

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 going forward.

REPORT OF THE DIRECTORS - CORPORATE GOVERNANCE *(continued)*

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) provisions throughout the accounting period. With the exception of the limited items outlined below, the Directors consider that the Company has complied throughout the period under review with the provisions set out in the UK Corporate Governance Code (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 have not been undertaken. Specific performance issues are dealt with as they arise (B.6, B.6.3).

3. The Company does not have a senior Independent Director. The Board does not consider such an appointment appropriate for the Company (A.4.1).
4. The Company conducts a formal review as to whether there is a need for an internal audit function. The Directors do not consider that an internal audit would be an appropriate control for a Venture Capital Trust (C3 .5).
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. A smaller company should have at least two independent non-executive directors. The Board regularly reviews the independence of its members. (B.1.2)

On behalf of the Board



ROBIN MORRISON

Chairman

16 May 2012

REPORT OF THE DIRECTORS - DIRECTORS' RESPONSIBILITY STATEMENT

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 as adopted by the European Union (IFRSs). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that year. In preparing these Financial Statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the

Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements 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.

In 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 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. 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 the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; 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



ROBIN MORRISON
Chairman
16 May 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TP10 VCT PLC

We have audited the Financial Statements of TP10 VCT Plc for the year ended 29 February 2012 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 22, 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.

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 29 February 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS 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
16 May 2012

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 FEBRUARY 2012

	Note	Year ended 29 February 2012			Period ended 28 February 2011		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income							
Investment income	4	403	-	403	139	-	139
Investment return		403	-	403	139	-	139
Expenses							
Investment management fees	5	174	522	696	163	488	651
Financial and regulatory costs		24	-	24	26	-	26
General administration		14	-	14	14	-	14
Legal and professional fees	6	47	-	47	28	-	28
Directors' remuneration	7	40	-	40	40	-	40
Operating expenses		299	522	821	271	488	759
Profit/(loss) before taxation		104	(522)	(418)	(132)	(488)	(620)
Taxation	8	-	-	-	-	-	-
Profit/(loss) after taxation		104	(522)	(418)	(132)	(488)	(620)
Profit and total comprehensive income/(loss) for the year		104	(522)	(418)	(132)	(488)	(620)
Basic & diluted earnings/(loss) per share	9	0.33p	(1.72p)	(1.39p)	(0.48p)	(1.76p)	(2.24p)

The total column of this statement is the statement of comprehensive income of the Company prepared in accordance with International Financial Reporting Standards (IFRS). The supplementary revenue return and capital columns have been prepared in accordance with the Association of Investment Companies Statement of Recommended Practice (AIC SORP).

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

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

The accompanying notes are an integral part of these statements.

BALANCE SHEET

AT 29 FEBRUARY 2012

	Note	Year ended 29 February 2012 £'000	Year ended 28 February 2011 £'000
Non Current Assets			
Financial assets at fair value through profit or loss	10	20,123	26,530
Current assets			
Receivables	11	178	29
Cash and cash equivalents	12	7,535	1,653
		7,713	1,682
Total assets		27,836	28,212
Current liabilities			
Payables and accrued expenses	13	263	221
		263	221
Net Assets		27,573	27,991
Equity attributable to equity holders of the Company			
Share capital	14	302	302
Special distributable reserve		28,341	28,341
Capital reserve		(1,015)	(493)
Revenue reserve		(55)	(159)
Total equity		27,573	27,991
Net asset value per share	16	91.37p	92.75p

The statements were approved by the Directors and authorised for issue on 16 May 2012 and are signed on their behalf by:



ROBIN MORRISON,

Chairman

16 May 2012

Company registration number 6985211.

The accompanying notes are an integral part of this statement.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 29 FEBRUARY 2012

	Issued Capital £'000	Share Premium £'000	Special Distributable Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
Year ended 29 February 2012						
Balance at 28 February 2011	302	-	28,341	(493)	(159)	27,991
(Loss)/profit after tax	-	-	-	(522)	104	(418)
Total comprehensive (loss)/profit for the year	-	-	-	(522)	104	(418)
Balance at 29 February 2012	302	-	28,341	(1,015)	(55)	27,573
Capital reserve consists of:						
Other realised losses				(1,015)		
				<u>(1,015)</u>		
Year ended 28 February 2010						
Balance at 1 March 2010	47	4,375	-	(5)	(27)	4,390
Issue of share capital	255	25,238	-	-	-	25,493
Cost of issue of shares	-	(1,272)	-	-	-	(1,272)
Cancellation of share premium	-	(28,341)	28,341	-	-	-
Transactions with owners	255	(4,375)	28,341	-	-	24,221
Loss after tax	-	-	-	(488)	(132)	(620)
Total comprehensive loss for the year	-	-	-	(488)	(132)	(620)
Balance at 28 February 2011	302	-	28,341	(493)	(159)	27,991
Capital reserve consists of:						
Other realised losses				(493)		
				<u>(493)</u>		

The share premium represents the excess of the issue price net of issue costs over the par value of shares. The capital reserve represents the proportion of Investment Management fees charged against capital. There have been no realised or unrealised gains or losses on investments credited/charged to capital reserve in the current or previous year. Neither the share premium nor 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.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2012

	Year ended 29 February 2012 £'000	Year ended 28 February 2011 £'000
Cash flows from operating activities		
Loss before taxation	(418)	(620)
Cash absorbed by operations	(418)	(620)
(Increase) / decrease in receivables	(149)	172
Increase in payables and accruals	42	159
Net cash flow from operating activities	<u>(525)</u>	<u>(289)</u>
Cash flow from investing activities		
Purchase of financial assets at fair value through profit or loss	(19,228)	(26,530)
Sale of financial assets at fair value through profit or loss	25,635	-
Net cash flows from investing activities	<u>6,407</u>	<u>(26,530)</u>
Cash flows from financing activities		
Issue of shares	-	25,493
Cost of share Issue	-	(1,272)
Net cash flows from financing activities	<u>-</u>	<u>24,221</u>
Net increase/(decrease) in cash and cash equivalents	<u>5,882</u>	<u>(2,598)</u>
Reconciliation of net cash flow to movements in cash and cash equivalents		
Cash and cash equivalents at 28 February 2011	1,653	4,251
Net increase/(decrease) in cash and cash equivalents	5,882	(2,598)
Cash and cash equivalents at 29 February 2012	<u>7,535</u>	<u>1,653</u>

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Financial Statements of the Company for the year ended 29 February 2012 were authorised for issue in accordance with a resolution of the Directors on 16 May 2012.

The Company applied for listing on the London Stock Exchange on 29 January 2010.

TP10 VCT plc is incorporated and domiciled in Great Britain. The address of TP10 VCT plc's registered office, which is also its principal place of business, is 4-5 Grosvenor Place, London, SW1X 7HJ.

TP10 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 cash or cash based funds and venture capital investments focused on companies with contractual revenues from financially secure counterparties.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

After making the necessary enquiries, the Directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. The Board receives regular reports from the Investment Manager and the Directors believe that, as no material uncertainties leading to significant doubt about going concern have been identified, it is appropriate to continue to apply the going concern basis in preparing the Financial Statements. 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 to 29 February 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use in the European Union and complied with the Statement of Recommended Practice: "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (SORP) issued by the Association of Investment Companies (AIC) in January 2009, in so far as this does not conflict with IFRS.

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

The preparation of Financial Statements in conformity with IFRS requires management

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

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

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

The appropriateness of the allocation of management expenses between revenue and capital, which is based on the split of the long-term anticipated return between revenue and capital of net income will impact on the value of distributable reserves.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

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 effects both current and future periods. The carrying value of investments is disclosed in note 10.

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

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

These accounting policies have been applied consistently throughout the Company for the purposes of preparation of these Financial Statements.

Standards issued but not yet effective

The following new standards, amendments to standards and interpretations are not yet effective for the year ended 29 February 2012, and have not been applied in preparing these Financial Statements

- IFRS 9 Financial Instruments (effective 1 January 2015)
- IFRS 13 Fair Value Measurement (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)

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

Presentation of Statement of Comprehensive Income

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

revenue and capital nature has been presented alongside the Income Statement. 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. This restriction has been removed which means that distributions can now be made from capital returns.

Capital Management

Capital management is monitored and controlled using the internal control procedures set out on page 21. The capital being managed includes equity and fixed interest VCT qualifying investments, cash balances and liquid resources including debtors and creditors.

The Company's objectives when managing capital are:

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

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 29 February 2012 was £27.6 million (2011: £27.9 million).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

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 a documented investment strategy detailed in the Directors' Report on page 11, 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.

Money market instruments are designated as non-current asset investments at fair value through profit or loss due to the Company's long term investment policy of holding a combination of VCT qualifying holdings and monetary assets. Money market funds are valued based on the bid price quoted on the balance sheet 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.

Income

Investment income includes interest earned on bank balances and money market funds 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.

Expenses

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

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 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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

Financial instruments

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

Issued share capital

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

Cash and cash equivalents

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

Receivables

Receivables are classified as loans and receivables under IAS39 and are recognised at fair value on initial recognition and subsequently at amortised cost. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Trade and other payables

Trade and other payables are recognised at fair value on initial recognition and subsequently at amortised cost.

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 shares. The capital reserve represents the proportion of Investment Management fees charged against capital. There have been no realised or unrealised gains or losses on investments credited/charged to capital reserve in the current or previous year. Neither the share premium nor 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's segments are defined by the financial information provided to the chief operating decision maker. The company only has one class of business, being investment activity. All revenues and assets are generated and held in the UK.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4. INVESTMENT INCOME

	Year ended 29 February 2012			Year ended 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest receivable on cash and cash equivalents	16	-	16	30	-	30
Dividends receivable on money market funds	133	-	133	104	-	104
Loan stock interest	254	-	254	5	-	5
Total	403	-	403	139	-	139

5. INVESTMENT MANAGEMENT FEES

Triple Point Investment Management LLP provides investment management and administration services to the Company under an Investment Management Agreement effective 29 January 2010 which 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 and which provides for an administration and investment management fee of 2.50% per annum of net assets calculated and payable quarterly in arrears. Should such notice be given, the Investment Manager would perform its duties under the Investment Management Agreement and receive its management fee during the notice period.

6. LEGAL AND PROFESSIONAL FEES

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

	Year ended 29 February 2012			Year ended 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Fees payable to the Company's auditor:						
for the audit of the Company accounts	15	-	15	7	-	7
for other services related to taxation	3	-	3	1	-	1
Total	18	-	18	8	-	8

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

7. DIRECTORS' REMUNERATION

The only remuneration received by the Directors was their directors' fees. The Company has no employees other than the non-executive Directors. The average number of non-executive Directors in the year was three. 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 29 February 2012			Year ended 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Robin Morrison, Chairman	15	-	15	15	-	15
Robert Reid	13	-	13	13	-	13
Alexis Prenn	12	-	12	12	-	12
	40	-	40	40	-	40

8. TAXATION

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

	Year ended 29 February 2012			Year ended 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) on ordinary activities before tax	104	(522)	(418)	(132)	(488)	(620)
Corporation tax @ 20% (2011: 28%)	21	(104)	(83)	(37)	(137)	(174)
Effect of:						
Utilisation of tax losses b/fwd	(21)	-	(21)	-	-	-
Unrelieved tax losses arising in the year	-	104	104	37	137	174
Tax charge/credit for the period	-	-	-	-	-	-

Excess Management charges of £1,052,000 (2011: £652,000) have been carried forward at 29 February 2012 and are available for offset against future taxable income subject to agreement with HM Revenue & Customs.

9. LOSS PER SHARE

The loss per share is based on a loss from ordinary activities after tax of £418,765 (2011: £628,494), and on the weighted average number of shares in issue during the period of 30,178,014 (2011: 27,285,707).

NOTES TO THE FINANCIAL STATEMENTS *(continued)***10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS****Investments**

Fair value Hierarchy:

Level 1: quoted prices on active markets for identical assets or liabilities. The fair value of financial instruments traded on active markets is based on quoted market prices at the balance sheet date. A market is regarded as active 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. These instruments are included in level 1.

Level 2: the fair value of financial instruments that are not traded in 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 on an active market (for example, investments in unquoted companies) is determined by using valuation techniques such as earnings multiples. 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 period. The 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 the income statement were designated as such upon initial recognition.

Level 3 valuations include assumptions based on non-observable data, such as discounts applied either to reflect the revaluation of the Investee Company's financial assets, or the price of recent investments, or valuations of investments based on their net asset values.

NOTES TO THE FINANCIAL STATEMENTS (continued)**10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**

Movements in investments held at fair value through the profit or loss during the year to 29 February 2012 were as follows:

	Level 1 Quoted Investments £'000	Level 3 Unquoted Investments £'000	Total £'000
Year ended 29 February 2012			
Opening fair value at 1 March 2011	24,130	2,400	26,530
Purchases at cost	-	19,228	19,228
Disposal proceeds	(23,835)	(1,800)	(25,635)
Closing fair value at 29 February 2012	295	19,828	20,123
Closing cost	295	19,828	20,123
Closing investment holding gains/(losses)	-	-	-
Year ended 28 February 2011			
Purchases at cost	24,130	2,400	26,530
Disposal proceeds	-	-	-
Closing fair value at 28 February 2011	24,130	2,400	26,530
Closing cost	24,130	2,400	26,530
Closing investment holding gains/(losses)	-	-	-

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

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 in Cinema Digitisation, based on another Company managed by them realising their investment in the same companies. The impact on the value was not material and therefore no adjustment has been made.

An analysis of money market funds is shown on page 9 in the investment portfolio analysis. 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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

11. RECEIVABLES

	29 February 2012 £'000	28 February 2011 £'000
Receivables	161	-
Accrued income	-	25
Prepaid expenses	17	4
	<u>178</u>	<u>29</u>

12. CASH AND CASH EQUIVALENTS

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

13. PAYABLES AND ACCRUED EXPENSES

Trade and other payables

	29 February 2012 £'000	28 February 2011 £'000
Payables	71	36
Accruals and deferred income	192	185
	<u>263</u>	<u>221</u>

14. SHARE CAPITAL

	29 February 2012	28 February 2011
Ordinary Shares of 1p		
Authorised		
Number of shares	60,000,000	60,000,000
Par Value £'000	600	600
Issued & Fully Paid		
Number of shares	30,178,014	30,178,014
Par Value £'000	302	302

NOTES TO THE FINANCIAL STATEMENTS (continued)**15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments comprise VCT qualifying investments, 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 11.

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 £'000	Loan and receivables £'000	Financial liabilities held at amortised cost £'000	Fair value through profit or loss £'000
29 February 2012				
Assets:				
Financial assets at fair value through profit or loss	20,123	-	-	20,123
Receivables	161	161	-	-
Accrued income	-	-	-	-
Cash and cash equivalents	7,535	7,535	-	-
	<u>27,819</u>	<u>7,696</u>	<u>-</u>	<u>20,123</u>
Liabilities:				
Other payables	71	-	71	-
Accrued expenses	192	-	192	-
	<u>263</u>	<u>-</u>	<u>263</u>	<u>-</u>
28 February 2011				
Assets:				
Financial assets at fair value through profit or loss	26,530	-	-	26,530
Receivables	-	-	-	-
Accrued income	25	25	-	-
Cash and cash equivalents	1,653	1,653	-	-
	<u>28,208</u>	<u>1,678</u>	<u>-</u>	<u>26,530</u>
Liabilities:				
Other payables	36	-	36	-
Accrued expenses	185	-	185	-
	<u>221</u>	<u>-</u>	<u>221</u>	<u>-</u>

Fixed Asset Investments (see note 10) are valued at fair value. Unquoted investments are carried at fair value as determined by the Directors in accordance with current venture capital industry guidelines. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet. The Directors believe that the fair value of the assets at the year end is equal to their book value.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

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 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 8.

An increase of 1% in the value of investments would increase the capital profits for the period and the net asset value at 29 February 2012 by £178,000. 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.

Interest Rate Risk

Some of the Company's financial assets are interest bearing, of which some are 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 £11,353,000 and is subject to a fixed interest rate for five years and therefore other than fair value risk 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:

	29 February 2012	28 February 2011
	£'000	£'000
Cash on deposit	7,535	1,653
Money market funds	295	24,130
	7,830	25,783

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest Rate Risk (continued)

An increase in interest rates of 1% per annum would increase the revenue profits for the period and the net asset value at 29 February 2012 by £78,000. The Board believe that in the current economic climate a movement of 1% is a reasonable expectation.

Credit Risk

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

	29 February 2012	28 February 2011
	£'000	£'000
Qualifying Investments – loans	11,353	420
Cash on deposit	7,535	1,653
Receivables	161	-
Money market funds	295	24,130
	19,344	26,203

The Company's bank accounts are maintained with RBS Bank Plc ("RBS"). Should the credit quality or financial position of RBS deteriorate significantly, the Investment Manager will 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.

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

Liquidity Risk

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

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

Liquidity Risk (continued)

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 capital management policy where sufficient investments in cash and readily realisable money market funds will be available to pay expenses. At 29 February 2012 these amounted to £7,830,000 (28 February 2011: £25,783,000).

16. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on net assets of £27,573,000 (2011: £27,991,000) divided by the 30,178,014 (2011: 30,178,014) shares in issue.

17. COMMITMENTS AND CONTINGENCIES

The Company has no outstanding commitments or contingent liabilities other than the additional VCT qualifying investments detailed in the Investment Manager's Review on page 6.

18. RELATED PARTY TRANSACTIONS

Alexis Prenn, a director of the Company, was an equity Member of Triple Point LLP (TPLL), but withdrew from TPLL on 1 July 2011. TPLL in turn has a controlling interest in TPIM. During the year, TPIM received £696,346 which has been expensed (2011: £651,331), for providing management and administrative services to the Company. At 29 February 2012 £185,148 was owing to TPIM (2011: £208,018).

19. POST BALANCE SHEET EVENTS

The additional VCT qualifying investments detailed in the Investment Manager's Review on page 6 are the only post balance sheet events.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of TP10 VCT plc will be held at 4-5 Grosvenor Place, London, SW1X 7HJ at 11.30 am on Thursday, 12 July 2012 for the following purposes:

ORDINARY BUSINESS

1. To receive, consider and adopt the Report of the Directors and Financial Statements for the period ended 29 February 2012.
2. To approve the Directors' Remuneration Report for the period ended 29 February 2012.
3. To re-elect Robert Reid as a Director.
4. To re-appoint Grant Thornton UK LLP as auditor and authorise the Directors to agree their remuneration.
5. "That the Company be generally and unconditionally authorised, pursuant to S693(4) of the Act, to make market purchases of up to 10% of the ordinary share capital on such terms and in such manner as the Directors of the Company may from time to time determine, provided that the amount paid for each share (exclusive of expenses) shall not be less than 1 penny per Ordinary Share; and the authority herein contained 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, 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 pursuant of such contract as if the authority hereby conferred had not expired." *(Special Resolution)*
6. To authorise the provision of information to shareholders by electronic means.

By Order of the Board



ROBIN MORRISON
Director

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

16 May 2012

NOTES

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

FORM OF PROXY

Relating to the 2012 Annual General Meeting of TP10 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 on 11.30am on Thursday 12 July 2012, notice of which was sent to shareholders with the Directors' report and the accounts for the period ended 29 February 2012, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting:

RESOLUTION NUMBER	FOR	AGAINST	WITHHELD
1. To receive, consider and adopt the Report of the Directors and the Financial Statements for the period ended 29 February 2012			
2. To approve the Directors' Remuneration Report for the period ended 29 February 2012			
3. To re-elect Robert Reid as a Director			
4. To re-appoint Grant Thornton UK LLP as auditor and authorise the Directors to agree their remuneration			
5. To authorise the Directors to make market purchases of the Company's own shares (Special Resolution)			
6. To authorise the provision of information to shareholders by electronic means.			

Signed:

Dated:

2012

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.

TP10 VCT PLC



Triple Point

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