



ANNUAL REPORT **12**

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

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CORPORATE PROFILE

TVC Holdings plc ("TVC") is a publicly quoted investment holding company with its shares trading on the AIM market of the London Stock Exchange and the ESM market of the Irish Stock Exchange. The Company's objective is to achieve capital appreciation through both working actively with its current portfolio of investments in quoted and unquoted companies in order to maximise their value and identifying new investment opportunities across a range of business sectors, principally in Ireland and the UK.

Ticker Symbols

ESM: T1VC

AIM: TVCH

Website

www.tvc.com

Address

Block 2A Richview Office Park, Clonskeagh, Dublin 14, Ireland

EXECUTIVE CHAIRMAN'S STATEMENT

Overview of investment portfolio

In the year ended 31 March 2012, the Group achieved a gross portfolio return of €10.7 million despite an uncertain economic background and continuing market uncertainty. This figure comprised of realised gains on disposal of investments of €1.5 million, an increase of €8.1 million in the value of the Group's investment portfolio and portfolio income of €1.1 million.

During the year, our main focus has continued to be on managing our existing portfolio, tight management of our costs and pursuing our strategy of realising value from our unquoted technology investments. There were no new investments made during the year reflecting the underlying challenging economic environment and our selective approach in identifying new investment opportunities.

As at 31 March 2012, TVC's investment portfolio was comprised as follows:

	VALUE €'000	% INVESTMENTS	% INVESTMENTS + CASH
UTV Media plc	29,874	71%	26%
Unquoted Investments	12,236	29%	11%
Total Investments	42,110	100%	37%
Cash & Government Bonds	72,624		63%
Total Investments + Cash	114,734		100%

TVC's quoted investment in UTV Media plc was valued based on its closing bid price on 31 March 2012. The unquoted investments were valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines and the Group's accounting policies.

As at the reporting date, TVC had cash and government bonds of €72.6 million and no bank debt.

Realisations

In June 2011, TVC disposed of its interest in OpSource, Inc. as part of its acquisition by Dimension Data, a wholly owned subsidiary of NTT Holdings. The total cash proceeds payable to TVC amount to US\$1.8 million (€1.3 million) of which US\$1.6 million (€1.1 million) was received on completion of the transaction. An additional US\$0.2 million (€0.2 million) is payable subject to escrow.

The total consideration payable to TVC represents a return of 1.3 times original cost. The carrying value of TVC's investment in OpSource, Inc. at 31 March 2011 was €nil and a gain on the sale of this investment of €1.3 million was realised in the year ended 31 March 2012.

Net asset value ("NAV") per share

The Company's net assets per share of €1.14 at 31 March 2012 increased by 9% over the year from 31 March 2011 (€1.05). The movement in the NAV per share during the year ended 31 March 2012 was as follows:

	€'000	€'000	CENT PER SHARE
Net asset value at 31 March 2011		106,040	104.9
Realised gains on disposal of unquoted investments		1,460	1.4
Unrealised gains on investments			
- UTV Media plc	5,097		
- Unquoted investments	3,021	8,118	8.0
Net costs (excl. share based payment expenses) plus tax		(432)	(0.4)
Net asset value at 31 March 2012		115,186	113.9

The most significant components of our NAV progression during the year were an increase in the value of UTV Media of €5.1 million and an increase of €3.0 million in the value of our unquoted investments. Of the total unrealised portfolio gains of €8.1 million, €1.6 million related to currency movements.

Business strategy and outlook

TVC's strategy is, in the medium term, to have a core portfolio of three to four platform investments in quoted and unquoted companies across a number of business sectors, and to continue to realise significant value from the other companies in its portfolio. The Company had net assets of €115 million and no debt at 31 March 2012. TVC's cash and government bonds plus its quoted investment in UTV Media plc represent 89% of our net asset value at 31 March 2012. Four unquoted investments represent most of the remaining 11% of our net asset value at 31 March 2012.

We believe that there are restructuring opportunities in Ireland and the UK where trading companies with excessive debt need to raise new equity at attractive terms for new investors. TVC's management has extensive experience of complex restructuring and turnaround transactions and is well placed to capitalise on this environment. With cash and government bonds increased to €72.6 million, we believe that TVC is in a very strong position to continue to deliver on its strategy and maximise value for our shareholders.

Board, management and staff

I would like to thank TVC's Board, management and staff for their continued commitment and significant contribution to the successful outcome for the year.

Shane Reihill

Executive Chairman

14 May 2012

OPERATING AND FINANCIAL REVIEW

OPERATING REVIEW

As at 31 March 2012, TVC's investment portfolio consisted of a quoted investment in UTV Media plc together with a portfolio of unquoted investments. Details of TVC's principal portfolio companies are set out below.



www.utvmedia.com

	Change on prior year	DECEMBER 2011	DECEMBER 2010
Revenue	+2%	£121.6 m	£118.9 m
Operating profit	+3%	£26.7 m	£25.9 m
Operating profit by segment			
<i>Radio GB</i>		£12.3 m	£11.5 m
<i>Radio Ireland</i>		£6.4 m	£7.0 m
<i>Television</i>		£6.5 m	£5.5 m
<i>New Media</i>		£1.5 m	£1.9 m

TVC investment in UTV

TVC acquired its equity shareholding of 18.0% in UTV in 2008. At 31 March 2012, TVC valued its shareholding in UTV at €29.9 million (2011: €24.8 million) based on the closing bid price per share of £1.445 (2011: £1.27) and a Euro/Sterling exchange rate of £0.8339 (2011: £0.8837) at that date. TVC's investment in UTV represented 26% (2011: 23%) of the Group's net assets as at 31 March 2012.

Nature of business

UTV is a media business focused on the UK and Ireland incorporating radio, television and new media services. Its shares trade on the main market of both the London Stock Exchange and the Irish Stock Exchange.

UTV Radio comprises 21 radio stations in the UK and Ireland. UK radio assets include the national radio station, talkSPORT, which is the number one commercial talk radio station in the UK, and 13 local radio stations. In Ireland, UTV is one of the largest radio players with stations broadcasting from Dublin, Belfast, Cork, Limerick and Drogheda.

UTV holds the ITV franchise for Northern Ireland and the service is also available in 87% of homes in the Republic of Ireland.

Results for the year ended 31 December 2011

UTV performed well in the year to December 2011 despite challenging trading conditions. Radio GB reported growth in revenues and operating profit of 6% and 7% respectively despite challenging comparatives from the 2010 World Cup. The trading environment in Irish Radio continued to be difficult with revenues down 4% and operating profit down 8%. However, the group continued to outperform the overall Irish radio market. In Television, revenues and operating profit increased by 1% and 18% respectively helped by a recovery in the UK national advertising market.

The reduction in the company's net debt continued to £54.7 million at 31 December 2011, down 23% year-on-year. A final 2011 dividend of 4.5 pence per share has been declared resulting in an increase of 50% in the full year dividend to 6 pence.

Outlook

In the first four months of 2012, the group expects revenues to be in line with budget with Radio GB expected to increase by 8% year-on-year and Radio Ireland expected to decline by 4%. Both radio divisions are projected to continue to outperform their markets. Television revenues are expected to decline by 5% in line with the market. The group expects major 2012 sporting events (UEFA Euro championships and London Olympics) to have a positive impact later in the year.

Unquoted portfolio

The unquoted investments portfolio was valued at €12.2 million as at 31 March 2012 (2011: €9.2 million), representing 11% (2011: 9%) of the Group's net assets as at that date. The principal unquoted portfolio companies are as follows:



Channel Banking Innovation

www.cr2.com

Sector	Multi-channel banking software
Equity shareholding	25.0%
First investment	May 2005 to fund restructuring.
Nature of business	<p>CR2, established in 1997, is a leading global provider of self service banking software solutions. CR2's BankWorld solution empowers financial institutions with the ability to deliver a complete suite of integrated electronic self service channels including ATM, Internet, Mobile and Kiosk from a single self service platform. BankWorld provides a consolidated view of all of a customer's accounts and services across all channels, whilst allowing the bank to deliver segmented products and services at every point of customer contact.</p> <p>CR2 has more than 110 implementations across 60 countries and 4 continents. Customers include Standard Chartered Bank, ANZ, Barclays, Standard Bank South Africa and Diamond Bank.</p>



www.thetasgroup.com

Sector	Sales methodology software
Equity shareholding	28.0%
First investment	June 2006 to fund the acquisition by Select Selling Ltd (subsequently renamed The TAS Group) of the sales methodology and training division of Oracle (called OnTarget).
Nature of business	<p>The TAS Group is an on-demand Sales Performance Automation company that has helped over 650,000 sales professionals in medium and large-sized businesses achieve sustained, predictable revenue growth through its unique sales technology, methodology and process. The TAS Group works closely with clients to improve their sales performance. Customers include Autodesk, BT, HP, Microsoft and Xerox.</p> <p>The TAS Group has more than 150 customers worldwide. The TAS Group is headquartered in Seattle, USA, with international headquarters in Dublin, Ireland and Bracknell, UK.</p>



www.shenick.com

Sector	Telecommunications test equipment
Equity shareholding	37.1%
First investment	October 2003 to fund product development and sales/marketing.
Nature of business	<p>Founded in 2000, Shenick develops IP-based test & measurement systems focused primarily on security and voice & video testing. It has sold its diversifEye products throughout North America, Europe and Asia. Shenick's focus is increasingly on the test and validation of wireless and internet systems as these solutions require scale, security and absolute audio and video quality.</p> <p>Key customers include many of the world's leading communications equipment vendors such as Cisco, Ericsson and Juniper and network service providers such as AT&T, Verizon and NTT.</p>



www.dalatahotelgroup.com

Sector	Hotel operator
Equity shareholding	28.8%
First investment	August 2007 to fund the acquisition of the operating businesses of 11 Comfort Inn and Quality hotels in Ireland from Choice Hotels Ireland.
Nature of business	<p>In August 2007, TVC led a consortium of investors, including Pat McCann (ex Jury's Doyle Hotel Group plc, Chief Executive) and Davy Private Clients, to acquire the operating business of 11 Comfort Inn and Quality hotels in Ireland.</p> <p>The new brand, Maldron Hotels, was launched in September 2008, focused on the mid-market Irish and UK hospitality sector. The first hotel in the UK opened in May 2011 in Cardiff. The company also operates hotels under management contract. A new company, Dalata Hotel Group Limited, was set up to operate this business. The company employs, both directly and indirectly through managed contracts, circa 2,500 people and its 26 leased/managed hotel properties represent in excess of 4,600 rooms.</p>

FINANCIAL REVIEW

International Financial Reporting Standards

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Gross portfolio return

The principal components of TVC's gross portfolio return of €10.7 million for the year ended 31 March 2012 were:

- Realisations – gains of €1.5 million on realisation of investments including €1.3 million relating to the sale of the Group's investment in OpSource, Inc.
- Revaluations – Net unrealised gain of €8.1 million, comprised as follows:
 - UTV Media plc - increase in value of €5.1 million to reflect the movement in its share price from €1.27 to €1.4450 during the year, including an unrealised foreign exchange gain of €1.4 million due to the appreciation of Sterling against the Euro; and
 - Unquoted investments - increase in value of €3.0 million, including an unrealised foreign exchange gain of €0.2 million due to appreciation of the US Dollar against the Euro.
- Portfolio income – €1.1 million for the year including dividends of €0.9 million received from UTV Media plc.

Operating expenses

Operating expenses for the year to 31 March 2012, excluding share-based payment expenses, amounted to €2.4 million (2011: €2.8 million). The 14% decrease reflects the continuing tight management of our costs in the current challenging economic conditions.

Taxation

The tax charge for the year was €0.12 million (2011: €0.01 million). The Group has a very low effective tax rate as no current income tax or deferred tax charge generally arises in relation to the profits on the disposal or revaluation of its investments. This is because the Group meets the conditions whereby holding companies can qualify for a capital gains tax exemption under Section 626B of the Taxes Consolidation Act 1997 in respect of disposals of shares in its investee companies.

Investment portfolio

As at 31 March 2012, TVC's investment portfolio was valued at €42.1 million, of which €29.9 million related to a quoted investment and €12.2 million related to unquoted investments.

Funding position

Cash at bank and government bonds amounted to €72.6 million as at 31 March 2012 and the Group had no debt.

Share price

The Company's shares traded in the range of €0.70 to €0.8350 during the year ended 31 March 2012. The closing share price of the Company was €0.81 as at 31 March 2012.

BOARD OF DIRECTORS

The Board of TVC comprises three executive directors and three non-executive directors. Details of the directors and the company secretary are set out below.

EXECUTIVE DIRECTORS

Shane Reihill, *Executive Chairman* ⁽³⁾

Shane Reihill (46) is Executive Chairman of TVC. In 1997 Shane founded Trinity Venture Capital Limited. He is also currently the chairman of The Agency (Holdings) Limited. Formerly he was joint chief executive officer of Tedcastle Holdings Limited and worked for a number of years at Dillon Read Investment Bank in New York. Shane holds an MBA from Columbia Business School.

John Tracey, *Chief Executive Officer*

John Tracey (52) has been the Chief Executive Officer of the Group since its inception in 1997. He moved into venture capital in 1989 and spent eight years with ICC Venture Capital where he was investment director. John is an engineer and had previously worked in the semiconductor industry before joining Deloitte as a management consultant. He represents the Group on the boards of The TAS Group and Shenick. John is a past chairman and current council member of the Irish Venture Capital Association. John holds bachelor and masters degrees in engineering from University College Dublin.

Rory Quirke, *Director*

Rory Quirke (40) is a Director of TVC. He joined the Group at its start-up in 1997 after qualifying as a chartered accountant with KPMG. He is currently chairman of Dalata Hotel Group and he also represents the Group on the boards of CR2 and The TAS Group. Rory holds bachelor and masters degrees in economics from University College Dublin.



SHANE REIHILL



JOHN TRACEY



RORY QUIRKE

NON-EXECUTIVE DIRECTORS

John B McGuckian, *Non-Executive Director* ^{(1) (2)}

John B McGuckian (72) is a Non-Executive Director of TVC. John is an industrialist with a wide range of industrial and commercial experience. He is chairman of Irish Continental Group plc and Cooneen Textiles Limited. His other directorships include enterprises in the UK and the USA. John has served as chairman of the International Fund for Ireland and the Industrial Development Board for Northern Ireland and was formerly senior pro-chancellor and chairman of the Senate of the Queen's University of Belfast. John holds a BSc. (Econ) and is a Doctor of Laws.

Gavin O'Reilly, *Non-Executive Director* ^{(1) (2) (3)}

Gavin O'Reilly (45) is a Non-Executive Director of TVC. He is the former group chief executive officer of Independent News & Media PLC, the international media and communications group. Gavin is chairman of Dromoland Castle and a director of Jagran Prakashan Limited (India). He is a former president of WAN-IFRA, the World Association of Newspapers and News Publishers. Gavin is a graduate of Georgetown University Business School in Washington DC.

Pádraig Ó Ríordáin, *Non-Executive Director* ^{(1) (2) (3)}

Pádraig Ó Ríordáin (46) is a Non-Executive Director of TVC. Pádraig is a partner of Arthur Cox, a leading Irish law firm, and was formerly Managing Partner of the firm. He trained as a lawyer in University College Cork and Harvard Law School and has practiced in New York and Dublin. Pádraig advises public companies, private companies and State related entities on their transactional and business issues and has a specialist expertise in regulated industries. He is also chairman of the Dublin Airport Authority and a non-executive director of Paddy Power plc.

COMPANY SECRETARY

John Fagan, *Chief Financial Officer and Company Secretary*

John Fagan (50) is Chief Financial Officer and Company Secretary of TVC. John was appointed to the board of Trinity Venture Capital Limited in 2003. He is the former group financial controller and company secretary of Tedcastle Holdings Limited. John is also a director of a number of other private companies. John is a graduate of University College Dublin and a Fellow of the Institute of Chartered Accountants in Ireland.



JOHN B MCGUCKIAN



GAVIN O'REILLY



PÁDRAIG Ó RÍORDÁIN



JOHN FAGAN

(1) Member of audit committee

(2) Member of remuneration committee

(3) Member of nomination committee

DIRECTORS' REPORT

For the year ended 31 March 2012

The directors present their annual report together with the audited consolidated financial statements for the year ended 31 March 2012, which are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Principal activity and business review

TVC is a publicly quoted investment holding company with investments in quoted and unquoted portfolio companies. A detailed review of the performance of the portfolio is included in the Executive Chairman's statement and the operating and financial review on pages 4 to 11.

Results for the year

The results for the year are set out in the Group income statement on page 27.

Dividends

There were no dividends paid or proposed by the Company for the year ended 31 March 2012.

Future developments

The Group will continue to pursue new investment opportunities to enhance shareholder value, through a combination of new investments, follow-on investments and divestments.

Directors and company secretary and their interests

In accordance with the Articles of Association of the Company, Pádraig Ó Ríordáin and Rory Quirke retire from the Board and, being eligible, offer themselves for re-election.

The beneficial interests of the directors and secretary in office at 31 March 2012 in the ordinary share capital of the Company were as follows:

	ORDINARY SHARES IN TVC HOLDINGS PLC OF €0.01 EACH AT 31 MARCH 2012	AT 31 MARCH 2011
Shane Reihill	25,288,378	20,668,322
John Tracey	1,115,256	1,115,256
Rory Quirke	390,397	301,397
John B McGuckian	66,667	66,667
Gavin O'Reilly	166,667	166,667
Pádraig Ó Ríordáin	833,333	833,333
John Fagan	265,024	265,024

In addition to the above, the directors and company secretary hold options to purchase shares in TVC details of which are outlined on page 21.

Substantial holdings

At 14 May 2012, the Company had been notified of the following interests of 3% or more in its ordinary share capital:

SHAREHOLDER	NO. OF SHARES	PERCENTAGE
Shane Reihill	25,288,378	25.0%
European Investment Fund	9,590,461	9.5%
Polar Capital European Forager Fund Limited	8,225,000	8.1%
Allied Irish Banks, p.l.c. and Subsidiaries	8,089,002	8.0%
Enterprise Ireland	6,870,839	6.8%
Ennismore Fund Management Limited	3,587,735	3.5%

Key performance indicators (KPIs)

TVC considers net asset value per share as being the most important indicator of the underlying performance of the business. Details of the movements in net asset value per share are outlined on page 5.

Financial risk management

Details of TVC's financial risk management policies are outlined in note 22 to the financial statements.

Principal risks and uncertainties

Under Irish company law (Regulation 37 of the European Communities (Companies: Group Accounts) Regulations 1992, as amended) TVC is required to give a description of the principal risks and uncertainties which it faces.

There are a number of potential risks and uncertainties which could have a material impact on TVC's long-term performance which are:

CATEGORY	RISK
Business Structure	<ul style="list-style-type: none"> Underlying nature of the investment portfolio where investment valuations depend upon the performance of the portfolio companies and on a range of market and macroeconomic factors Illiquid nature of the unquoted portfolio companies
Investment	<ul style="list-style-type: none"> Ability to source and execute new investments Ability to realise divestments at strong valuations
Financial	<ul style="list-style-type: none"> Ability to raise funds in current depressed equity markets and tight credit markets Counterparty credit risk Exchange rate risk

TVC has adopted appropriate controls; established investment approval procedures and processes; and recruited management with skills and experience to manage and mitigate these risks where possible and thus enable execution of the Group's business strategy.

Accounting records

The directors believe that they have complied with the requirement of Section 202 of the Companies Act 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the Company are maintained at the Company's registered office at Block 2A Richview Office Park, Clonskeagh, Dublin 14, Ireland.

Going concern

The directors have made enquiries and are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider it appropriate to adopt the going concern basis in preparing the financial statements.

Political donations

TVC did not make any political donations during the year.

Events after the reporting date

No significant events have taken place since the reporting date that would result in an adjustment of the financial statements or inclusion of a note thereto.

Auditor

In accordance with Section 160(2) of the Companies Act 1963, the auditor, KPMG, Chartered Accountants, will continue in office.

Subsidiaries

Information on the Group's subsidiaries is set out in note 2 to the financial statements.

Annual General Meeting

Your attention is drawn to the notice of the Annual General Meeting ("AGM") of the Company which will be held at The Merrion Hotel, Upper Merrion Street, Dublin 2, Ireland on 6 July 2012 at 11:30am and is set out on pages 62 to 64. In addition to the usual business of the AGM (as set out in resolutions 1-3 in the notice of the meeting) there are two items of special business proposed for the AGM. The two items of special business relate to the share capital of the Company and concern matters which are now routine for most public companies. Your Board believes that the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders. Accordingly, your directors unanimously recommend you to vote in favour of the resolutions as they intend to do in respect of all the ordinary shares which can be voted by them.

Under the first item of special business (resolution 4(A)), shareholders are being asked to extend the authority granted at the last AGM to give the Company, or any of its subsidiaries, the authority to purchase up to 20% of its own shares. If adopted, this authority will expire on the earlier of the close of business on 6 October 2013 or the date of the AGM of the Company in 2013. The Board reviews the appropriateness of share repurchases on an ongoing basis and while the directors do not have any current intention to exercise this power in full, this authority is being sought as it is common practice for public companies. Furthermore such purchases would be made only at price levels which the directors considered to be in the best interests of the shareholders generally, after taking into account the Company's overall financial position.

In addition, the authority being sought from shareholders will provide that the minimum price which may be paid for such shares shall not be less than the nominal value of the shares and the maximum price will be 105% of the then market price of such shares.

Shareholders are also being asked under the second item of special business (resolution 4(B)) to pass a resolution authorising the Company to reissue such shares purchased by it and not cancelled as treasury shares. If granted, the minimum and maximum prices at which treasury shares may be reissued shall be set at 95% and 120%, respectively, of the then market price of such shares. This authority will expire on the earlier of the close of business on 6 October 2013 or the date of the AGM of the Company in 2013.

Biographies of the directors standing for re-election are included on pages 12 and 13.

Further action

A Form of Proxy for use at the AGM is enclosed. You are requested to complete, sign and return the Form of Proxy as soon as possible whether or not you propose to attend the meeting in person. To be valid, the Form of Proxy should be returned by hand or by post to the Registrar of the Company, Capita Registrars (Ireland) Limited, Unit 5 Manor Street Business Park, Manor Street, Dublin 7, Ireland or by facsimile transmission to the facsimile number printed on the Form of Proxy, to arrive not less than 48 hours before the time appointed for the holding of the meeting. The completion and return of a Form of Proxy will not preclude you from attending and voting at the meeting should you so wish.

On behalf of the Board

Shane Reihill
Director

John Tracey
Director

14 May 2012

DIRECTORS' STATEMENT ON CORPORATE GOVERNANCE

The Board of TVC is committed to maintaining high standards of corporate governance. While adherence to the UK Corporate Governance Code is not required of AIM and ESM listed companies, TVC supports the principles and provisions of the Code and has undertaken to apply these insofar as appropriate and practical for a company of its size. The key aspects of the Company's corporate governance are set out below.

The Board

The Company is controlled through its Board of Directors. The Board's main roles are to create value for shareholders, to provide leadership of the Company, to approve the Company's strategic objectives and to ensure that the necessary financial and other resources are made available to meet those objectives.

The Board is responsible for reviewing and approving TVC's strategy, budgets, new investments, follow-on investments in excess of certain limits, divestments in excess of certain limits and major items of capital expenditure. The Board has delegated responsibility for the day-to-day management of the Group, and follow-on investments and divestments below a certain threshold, to the Group's executive management.

The Executive Chairman is responsible for the operational efficiency of the Board and for ensuring that all directors have full and timely access to the information necessary to enable them to discharge their duties. Board meetings are held regularly throughout the year at which reports relating to TVC's operations, together with financial reports, are considered.

The directors have full access to the advice and services of the company secretary, who also acts as secretary to the audit committee. The company secretary is responsible to the Board for ensuring that Board procedures are followed and ensuring compliance with applicable rules and regulations. The directors also have access to independent professional advice, at the Group's expense, if and when required.

Directors' independence

The Board currently comprises three independent non-executive directors and three executive directors. The Board has determined that Pádraig Ó Ríordáin, Gavin O'Reilly and John B. McGuckian are independent within the meaning of the UK Corporate Governance Code and the Quoted Companies Alliance (QCA) Guidelines. The three executives on the Board are Shane Reihill, John Tracey and Rory Quirke.

The Board considered the independence of Pádraig Ó Ríordáin, given his role as a partner of Arthur Cox, one of the Group's legal advisors. The Board has concluded that, notwithstanding this relationship, Pádraig is independent in character and judgment and is accordingly an independent non-executive director within the spirit and meaning of the UK Corporate Governance Code and the QCA Guidelines. He has a demonstrated record of such independence, including his appointment in 2007 by the then Minister for Finance to the Irish Government's Advisory Forum on Financial Legislation, on which he served as Independent Chairman, his role as Managing Partner of Arthur Cox from 2003 to 2011, his appointment as a member of ILEG, the advisory body to the European

Commission on the future crisis management and resolution regime for the European banking sector and his appointment as chairman of the Dublin Airport Authority. The Board took account of the fees paid to Arthur Cox for its legal services and, in particular, considered the test of 'materiality', as set out by some of the proxy voting agencies, relating to the level of fees paid to Arthur Cox. The Board concluded that the fees are not material to Pádraig's independent judgment given the scale of the operations and financial results of Arthur Cox and the work it has done for the Group.

The Board also considered the independence of John B. McGuckian given his role, until February 2012, as chairman of UTV Media plc, in which the Group holds an investment. The Board has concluded that, notwithstanding this previous relationship, John is independent in character and judgment and is accordingly an independent non-executive director within the spirit and meaning of the UK Corporate Governance Code and the QCA Guidelines. John's position as a TVC director pre-dates the Group's investment in UTV and the independence of character and judgment that John has displayed since he was first appointed as a director has remained unchanged since the investment in UTV. The Board took account of the fact that UTV is one of a portfolio of investments held by TVC and, at 31 March 2012 TVC's investment in UTV represented 26 percent of TVC's net asset value.

Board Committees

The Board has established an audit committee, a remuneration committee and a nomination committee with formally delegated duties and responsibilities.

Audit committee

The audit committee is chaired by John B McGuckian and comprises of the three non-executive directors, all of whom have recent and relevant financial experience.

The audit committee has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of TVC is properly measured and reported on and for reviewing reports from TVC's auditor relating to its accounting and internal controls.

In the course of its meetings, the audit committee reviews the accounting policies adopted by the Company, the annual and interim financial statements, including significant financial reporting issues and judgements contained therein, and any reports of the external auditor. It also reviews the external auditor's independence and the effectiveness of its planning for audit. The external auditor has full and unrestricted access to the audit committee.

The audit committee has evaluated the need for an internal audit function in TVC and concluded that such a function was not necessary given the current size of the Company. The committee has reviewed TVC's internal controls and risk management systems and determined that these operated effectively during the year.

Remuneration committee

The remuneration committee is chaired by Pádraig Ó Ríordáin and is comprised of the three non-executive directors. The remuneration committee is responsible for determining the Group's policy on remuneration of executive directors and senior management and for considering and approving basic salaries and other terms of their remuneration packages.

Nomination committee

The nomination committee is chaired by Shane Reihill, Executive Chairman, and the other members are Gavin O'Reilly and Pádraig Ó Ríordáin. It is responsible for identifying and nominating directors to the Board of TVC for approval.

Internal controls

The Board has ultimate responsibility for the Group's systems of internal control and for monitoring their effectiveness. These systems are designed to give reasonable but not absolute assurance against material misstatement or loss. In order to discharge that responsibility in a manner which ensures compliance with legislation and regulations, the Board has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits and delegation of authority.

The system of internal control includes the following:

- Clearly defined organisational structure, with defined authority limits and reporting mechanisms to higher levels of management and to the Board which support the maintenance of a strong control environment.
- Clearly defined investment approval process for the making of new and follow-on investments and disposals approved by the Board.
- Budgeting systems with an annual budget approved by the Board.
- System of financial reporting. Quarterly actual results are reported against budget and considered by the Board.
- Set of policies and procedures relating to operational and financial controls.
- A corporate governance framework.

The Group, in common with other organisations of its size, does not have an internal audit function.

Communication with shareholders

The Group recognises the importance of shareholder communications. There is regular dialogue between the executive directors and institutional shareholders as well as presentations at the time of release of annual and half year results. The Board is subsequently briefed on the views and concerns of institutional shareholders.

The Group issues its results promptly to shareholders and they are also published on the Group's website, www.tvc.com. The Company's Annual General Meeting will afford each shareholder the opportunity to meet and engage directly with the Chairman of the Board and all other Board members. The annual report, including the notice of the Annual General Meeting, will be sent to all shareholders at least 21 days prior to the meeting.

Share ownership and dealing

TVC has adopted a Share Dealing policy that complies with Rule 21 of the AIM Rules and Rule 21 of the ESM Rules relating to directors' dealings as applicable to AIM and ESM companies respectively. TVC takes all reasonable steps to ensure compliance by applicable employees.

Directors' remuneration

Details of individual remuneration of directors for the year ended 31 March 2012 are set out in the table below.

	BASIC SALARY AND FEES €'000	PERFORMANCE BONUS €'000	PENSION COSTS €'000	OTHER BENEFITS €'000	TOTAL 2012 €'000	TOTAL 2011 €'000
Executive directors						
Shane Reihill ⁽¹⁾	266	38	-	-	304	379
John Tracey	239	35	8	5	287	357
Rory Quirke	188	37	1	-	226	274
	693	110	9	5	817	1,010
Non-executive directors						
John B McGuckian	25	-	-	-	25	25
Gavin O'Reilly	25	-	-	-	25	25
Pádraig Ó Ríordáin	25	-	-	-	25	25
	75	-	-	-	75	75

- (1) The services of the Company's Executive Chairman, Shane Reihill, are provided under the terms of a Management Services Agreement between the Company and BHR Limited. Management fees payable under this agreement for the year ended 31 March 2012 amounted to €257,000 (2010: €354,000). Further details are contained in note 26 to the financial statements.

A summary of share options granted to the directors and company secretary under the Company's share option plan is set out below. Details of the share option plan are outlined in note 17 to the financial statements.

	DATE OF GRANT	EXERCISE PERIOD	NO. OF ORDINARY SHARES REPRESENTED BY THE OPTIONS	EXERCISE PRICE
Shane Reihill ⁽¹⁾	28 June 2011	28 June 2014 – 27 June 2021	714,286	€0.77
John Tracey	28 June 2011	28 June 2014 – 27 June 2021	360,000	€0.77
Rory Quirke	28 June 2011	28 June 2014 – 27 June 2021	292,987	€0.77
John Fagan	28 June 2011	28 June 2014 – 27 June 2021	249,870	€0.77

On 28 June 2011, the following fully-vested options, which were granted at the time of the Company's IPO in July 2007 with an exercise price of €1.875, were cancelled and are no longer exercisable:

Shane Reihill ⁽¹⁾	1,137,517
John Tracey	1,137,517
Rory Quirke	1,516,689
John Fagan	568,758

- (1) The options set out in respect of Shane Reihill are the options granted to BHR Limited (a company owned and controlled by Shane Reihill).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Parent Company financial statements for each financial year. As permitted by the law and as required by the ESM Rules issued by the Irish Stock Exchange and the AIM Rules issued by the London Stock Exchange, the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have elected to prepare the Parent Company financial statements in accordance with IFRSs as adopted by the EU, as applied in accordance with the Companies Acts 1963 to 2009.

The Group financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Group. The Companies Acts 1963 to 2009 provide in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation. The Parent Company financial statements are required by law to give a true and fair view of the state of affairs of the Company.

In preparing each of the Group and Parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

Under applicable law and the requirements of the ESM Rules issued by the Irish Stock Exchange and the AIM Rules issued by the London Stock Exchange, the directors are also responsible for preparing a Directors' Report and for making disclosures relating to directors' remuneration that complies with that law and those rules.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2009. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Shane Reihill
Director

John Tracey
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVC HOLDINGS PLC

We have audited the Group and Parent Company financial statements (the "financial statements") of TVC Holdings plc for the year ended 31 March 2012 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Cash Flows, the Group and Parent Company Statements of Changes in Shareholders' Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act 1990. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on pages 22-23.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with IFRSs as adopted by the EU and have been properly prepared in accordance with the Companies Acts 1963 to 2009. We also report to you our opinion as to whether: proper books of account have been kept by the Company; whether, at the reporting date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Parent Company statement of financial position is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the ESM Rules of the Irish Stock Exchange or the AIM Rules of the London Stock Exchange regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Executive Chairman's Statement, the Operating and Financial Review, the Directors' Report and the Directors' Statement on Corporate Governance. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

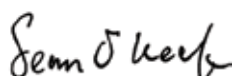
- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 March 2012 and of its profit for the year then ended;
- the Parent Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU as applied in accordance with provisions of the Companies Acts 1963 to 2009, of the state of the Parent Company's affairs as at 31 March 2012; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2009.

Other matters

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Parent Company statement of financial position is in agreement with the books of account.

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

The net assets of the Company, as stated in the Parent Company statement of financial position, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 March 2012 a financial situation which, under Section 40 (1) of the Companies (Amendment) Act 1983, would require the convening of an extraordinary general meeting of the Company.



Sean O'Keefe

**For and on behalf of
KPMG**

Chartered Accountants, Statutory Audit Firm

1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland
14 May 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2012

	NOTES	2012 €'000	2011 €'000
Non-current assets			
Investments designated as fair value through profit or loss			
Quoted equity investments		29,874	24,777
Unquoted equity investments		11,736	8,715
Loans and receivables		500	500
Total investment portfolio	1	42,110	33,992
Property, plant and equipment	3	125	130
Total non-current assets		42,235	34,122
Current assets			
Available-for-sale investments	4	14,513	14,483
Other receivables	5	1,407	961
Current taxation recoverable		-	76
Financial assets – bank deposits > 3 months		-	20,000
Cash and cash equivalents	6	58,111	37,529
Total current assets		74,031	73,049
Total assets		116,266	107,171
Current liabilities			
Trade and other payables	7	(1,045)	(1,131)
Current taxation payable		(35)	-
Total current liabilities		(1,080)	(1,131)
Net assets		115,186	106,040
Equity			
Shareholders' capital	8	1,011	1,011
Share option reserve		77	1,497
Other reserves	9	-	1,995
Retained earnings		114,098	101,537
Total equity		115,186	106,040

On behalf of the Board

Shane Reihill
Director

John Tracey
Director

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2012

	NOTES	2012			2011		
		EQUITY SHAREHOLDERS €'000	NON- CONTROLLING INTEREST €'000	TOTAL €'000	EQUITY SHAREHOLDERS €'000	NON- CONTROLLING INTEREST €'000	TOTAL €'000
Realised profits over opening value on the disposal of investments	11	1,460	-	1,460	11,417	75	11,492
Realised loss over opening value on investments distributed to non-controlling interest	12	-	-	-	-	(2,812)	(2,812)
Net unrealised profits on the revaluation of investments	13	8,118	-	8,118	1,107	-	1,107
		9,578	-	9,578	12,524	(2,737)	9,787
Portfolio income							
Dividends		883	-	883	609	-	609
Fees receivable	14	260	-	260	266	9	275
Income from loans and receivables		-	-	-	350	78	428
Gross portfolio return		10,721	-	10,721	13,749	(2,650)	11,099
Operating expenses (including share-based payment expenses of €0.08m (2011: €0.11m))	15	(2,438)	-	(2,438)	(2,651)	(224)	(2,875)
Net portfolio return		8,283	-	8,283	11,098	(2,874)	8,224
Finance income	18	885	-	885	343	-	343
Finance expense	18	-	-	-	(2)	-	(2)
Exchange movements	19	20	-	20	187	44	231
Profit/(loss) before tax		9,188	-	9,188	11,626	(2,830)	8,796
Income tax	20	(119)	-	(119)	(7)	-	(7)
Profit/(loss) after tax for the financial year		9,069	-	9,069	11,619	(2,830)	8,789
Earnings per share							
Basic EPS (cent)	21	9	-	9	11	-	11
Diluted EPS (cent)	21	9	-	9	11	-	11

On behalf of the Board

Shane Reihill
Director

John Tracey
Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2012

	2012			2011		
	EQUITY SHAREHOLDERS €'000	NON- CONTROLLING INTEREST €'000	TOTAL €'000	EQUITY SHAREHOLDERS €'000	NON- CONTROLLING INTEREST €'000	TOTAL €'000
Profit/(loss) for the year	9,069	-	9,069	11,619	(2,830)	8,789
Other comprehensive income						
Change in fair value of available-for-sale investments	-	-	-	14	-	14
Total comprehensive income for the year	9,069	-	9,069	11,633	(2,830)	8,803

On behalf of the Board

Shane Reihill
Director

John Tracey
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2012

	2012 €'000	2011 €'000
Cash flows from operating activities		
Profit for year before tax	9,188	8,796
<i>Adjusted for:</i>		
Depreciation	36	17
Net unrealised profits on the revaluation of investments	(8,118)	(1,107)
Realised profits over opening value on the disposal of investments	(1,460)	(11,492)
Realised loss over opening value on investments distributed to non-controlling interest	-	2,812
Exchange movements	(20)	(231)
Share-based payment expenses	77	106
Income from loans and receivables	-	(428)
Finance income	(885)	(343)
Finance expense	-	2
Proceeds from disposal of investments	1,373	45,362
(Increase)/decrease in other current assets	(175)	313
(Decrease)/increase in trade and other payables	(83)	273
Tax paid	(9)	(166)
Net cash (outflow)/inflow from operating activities	(76)	43,914
Cash flows from investing activities		
Purchase of available-for-sale investments	(29,490)	(24,517)
Proceeds on maturity of available-for-sale investments	29,026	19,750
Decrease/(increase) in financial assets - bank deposits > 3 months	20,000	(20,000)
Interest received	1,153	491
Purchase of property, plant and equipment	(31)	(139)
Net cash inflow/(outflow) from investing activities	20,658	(24,415)
Cash flows from financing activities		
Interest paid	-	(2)
Contributions from non-controlling interest	-	221
Distributions to non-controlling interest	-	(707)
Net cash outflow from financing activities	-	(488)
Net increase in cash and cash equivalents	20,582	19,011
Opening cash and cash equivalents	37,529	18,518
Closing cash and cash equivalents	58,111	37,529

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 March 2012

	ORDINARY SHARES NO.	ORDINARY SHARES €'000	SHARE OPTION RESERVE €'000	OTHER RESERVES €'000	RETAINED EARNINGS €'000	SHAREHOLDERS' EQUITY €'000	NON- CONTROLLING INTEREST €'000	TOTAL €'000
Balance at 1 April 2010	101,112,579	1,011	1,391	1,981	89,918	94,301	9,308	103,609
Profit/(loss) for the year	-	-	-	-	11,619	11,619	(2,830)	8,789
<i>Other comprehensive income</i>								
Change in fair value of available-for-sale investments	-	-	-	14	-	14	-	14
Total comprehensive income for the year	-	-	-	14	11,619	11,633	(2,830)	8,803
Net distributions to non-controlling interest	-	-	-	-	-	-	(6,478)	(6,478)
Share-based payments	-	-	106	-	-	106	-	106
Balance at 31 March 2011	101,112,579	1,011	1,497	1,995	101,537	106,040	-	106,040
Profit for the year	-	-	-	-	9,069	9,069	-	9,069
Total comprehensive income for the year	-	-	-	-	9,069	9,069	-	9,069
Share-based payments	-	-	77	-	-	77	-	77
Release from share-based payments reserves	-	-	(1,497)	(1,995)	3,492	-	-	-
Balance at 31 March 2012	101,112,579	1,011	77	-	114,098	115,186	-	115,186

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March 2012

	NOTES	2012 €'000	2011 €'000
Non-current assets			
Investments designated as fair value through profit or loss			
Quoted equity investments		29,874	24,777
Unquoted equity investments		11,736	8,715
Loans and receivables		500	500
Total investment portfolio	1	42,110	33,992
Investments in subsidiaries	2	16,011	15,993
Property, plant and equipment	3	125	-
Total non-current assets		58,246	49,985
Current assets			
Available-for-sale investments	4	14,513	14,483
Other receivables	5	58,506	827
Financial assets – bank deposits > 3 months		-	20,000
Cash and cash equivalents	6	482	26,476
Total current assets		73,501	61,786
Total assets		131,747	111,771
Current liabilities			
Trade and other payables	7	(16,517)	(5,699)
Current taxation payable		(44)	(32)
Total current liabilities		(16,561)	(5,731)
Net assets		115,186	106,040
Equity			
Shareholders' capital	8	1,011	1,011
Share option reserve		77	1,497
Other reserves	9	-	482
Retained earnings		114,098	103,050
Total equity		115,186	106,040

On behalf of the Board

Shane Reihill
Director

John Tracey
Director

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 March 2012

	2012 €'000	2011 €'000
Cash flows from operating activities		
Profit for year before tax	9,081	11,619
<i>Adjusted for:</i>		
Net unrealised profits on the revaluation of investments	(8,118)	(1,828)
Realised profits over opening value on the disposal of investments	(1,460)	(11,189)
Exchange movements	(20)	(186)
Share-based payment expenses	77	72
Income from loans and receivables	-	(350)
Finance income	(380)	(156)
Proceeds from disposal of investments	1,373	40,912
Investment in subsidiary	-	(13)
Distributions received from subsidiaries	-	3,155
(Increase)/decrease in other current assets	(57,509)	69
Increase in trade and other payables	10,821	4,347
Net cash (outflow)/inflow from operating activities	(46,135)	46,452
Cash flows from investing activities		
Purchase of available-for-sale investments	(29,490)	(24,928)
Proceeds on maturity of available-for-sale investments	29,026	19,750
Investment in subsidiary	(18)	-
(Decrease)/increase in financial assets - bank deposits > 3 months	20,000	(20,000)
Interest received	748	714
Purchase of property, plant & equipment	(125)	-
Net cash inflow/(outflow) from investing activities	20,141	(24,464)
Net (decrease)/increase in cash and cash equivalents	(25,994)	21,988
Opening cash and cash equivalents	26,476	4,488
Closing cash and cash equivalents	482	26,476

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 March 2012

	ORDINARY SHARES NO.	ORDINARY SHARES €'000	SHARE OPTION RESERVE €'000	OTHER RESERVES €'000	RETAINED EARNINGS €'000	TOTAL €'000
Balance at 1 April 2010	101,112,579	1,011	1,391	468	91,431	94,301
Profit for the year	-	-	-	-	11,619	11,619
<i>Other comprehensive income</i>						
Change in fair value of available-for-sale investments	-	-	-	14	-	14
Total comprehensive income for the year	-	-	-	14	11,619	11,633
Share-based payments	-	-	106	-	-	106
Balance at 31 March 2011	101,112,579	1,011	1,497	482	103,050	106,040
Profit for the year	-	-	-	-	9,069	9,069
Total comprehensive income for the year	-	-	-	-	9,069	9,069
Share-based payments	-	-	77	-	-	77
Release from share-based payments reserves	-	-	(1,497)	(482)	1,979	-
Balance at 31 March 2012	101,112,579	1,011	77	-	114,098	115,186

SIGNIFICANT ACCOUNTING POLICIES

TVC Holdings plc ("TVC" or the "Company") is a company domiciled and incorporated in Ireland. The consolidated financial statements for the year ended 31 March 2012 comprise the financial statements of the Company and its subsidiaries (collectively the "Group").

The individual and consolidated financial statements of the Company were authorised for issue by the directors on 14 May 2012.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU which comprise standards and interpretations approved by the International Accounting Standards Board (IASB).

The individual financial statements of the Company have been prepared in accordance with IFRSs as adopted by the EU, as applied in accordance with the Companies Acts 1963 to 2009 which permit a company that publishes its group and company financial statements together to take advantage of the exemption in Section 148(8) of the Companies Act 1963 from presenting to its members its company income statement, statement of comprehensive income and related notes that form part of the approved company financial statements.

The Group and Company have reviewed and considered all newly applicable standards that are effective for the year ended 31 March 2012 and there is no material impact from the adoption of these standards on the current year financial statements.

The IASB and the International Financial Reporting Interpretations Committee (IFRIC) have issued additional standards and interpretations that are not yet effective for the Group:

- Amendments to IFRS 7: Disclosures – Transfers of financial assets. Effective date: 1 July 2011;
- Amendments to IAS 12: Deferred Tax – Recovery of underlying assets. Effective date: 1 January 2012;
- IAS 1 (amendment 2011): Presentation of items of other comprehensive income. Effective date: 1 July 2012;
- IFRS 10: Consolidated financial statements. Effective date: 1 January 2013;
- IFRS 11: Joint arrangements. Effective date: 1 January 2013;
- IFRS 12: Disclosure of interest in other entities. Effective date: 1 January 2013;
- IFRS 13: Fair value measurement. Effective date: 1 January 2013;
- IAS 19: Employee benefits (amended 2011). Effective date: 1 January 2013;
- IAS 27: Separate financial statements. Effective date: 1 January 2013;
- IAS 28: Investments in associates and joint ventures. Effective date: 1 January 2013;
- IFRS 9: Financial instruments. Effective date: 1 January 2015.

Statement of compliance *(continued)*

The standards and interpretations addressed above will be applied for the purposes of the Group financial statements with effect from the dates listed. The Group does not anticipate that these standards and interpretations will have a material effect on its financial statements on initial adoption.

Basis of preparation

These consolidated financial statements are presented in Euro rounded to the nearest thousand, being the functional currency of the Company and its subsidiaries.

The consolidated financial statements have been prepared on an historical cost basis except for the following:

- Quoted and unquoted investments are designated at fair value through profit or loss;
- Available-for-sale financial assets are measured at fair value; and
- Share-based payments are measured at fair value at grant date.

Critical accounting estimates and judgements

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

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 only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a high degree of judgement or complexity or areas where assumptions or estimates are significant to the Group's financial statements include:

(i) Investment portfolio valuation

There is significant judgement involved in determining the fair value of unquoted investments. Details of the Group's portfolio valuation methodology are included in note 23 to the financial statements.

(ii) Share option plan

The Company grants share options to certain employees and executive directors. The fair value of the options granted is estimated as of the date of the grant using the Black-Scholes option-pricing model. Details of the share option plan and the valuation assumptions used are outlined in note 17 to the financial statements.

The accounting policies have been consistently applied by all Group companies to all periods presented in these consolidated financial statements.

The financial information contained in the consolidated financial statements has been prepared on a consistent basis and using the same accounting policies as those applied in the previous financial year.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the entities' financial and operating policies. Investments that are held as part of the Group's investment portfolio are carried in the statement of financial position at fair value through profit or loss even though the Group may have significant influence over those companies. This treatment is permitted by International Accounting Standard 28, 'Investments in Associates' ("IAS 28"), which requires investments held by venture capital organisations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, with changes in fair value recognised in profit or loss on the same basis as all other investments in its venture capital investment portfolio. The Group has no interests in associates through which it carries on its business.

(iii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

Exchange differences

Transactions in currencies different from Euro, Euro being the functional currency of all Group entities, are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Euro at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Euro using exchange rates ruling at the dates the fair value is determined.

Investment portfolio

The Group's return is generated primarily from its investment portfolio. The Group's investment portfolio includes quoted and unquoted equity investments and also unquoted loan assets.

(i) Recognition and measurement

Investments (including loans and receivables) are recognised and de-recognised on the date when the purchase or sale of an investment is under a contract whose terms require the delivery or settlement of the investment. The Group manages its investment portfolio with a view to profiting from a total return from these assets, including the receipt of interest and dividends and changes in fair value of investments.

Investment Portfolio *(continued)*

Therefore, all quoted and unquoted investments are designated at fair value through profit or loss and initially recorded at the fair value of the consideration given. Acquisition costs that are directly attributed to investments are recognised immediately in profit or loss. At each subsequent reporting period, all investments are re-measured to fair value by applying the valuation methodologies as described in note 23 to the financial statements.

(ii) Income

Gross portfolio return is equivalent to “revenue” for the purposes of IAS 1 except that it is net of deal-related costs. It represents the overall increase or decrease in net assets from the investment portfolio net of deal-related costs. Investment income is analysed into the following components:

- (a) Realised profits over opening value on the disposal of investments* is the difference between the fair value of the consideration received on the sale of investments, less any directly attributable disposal costs, and its carrying fair value at the start of the reporting period, converted into Euro using the exchange rates in force at the date of disposal.
- (b) Realised loss over opening value on investments distributed to non-controlling interest* occurring in the comparative reporting period is the difference between the fair value at 30 September 2010 of the investments distributed and their carrying fair value at 1 April 2010.
- (c) Net unrealised profits on the revaluation of investments* is the movement in carrying fair value of investments between the start and end of the reporting period converted into Euro using the exchange rates in force at the date of the movement.
- (d) Portfolio income* is that portion of income that is directly related to the return from individual investments. It is recognised to the extent that it is probable that there will be economic benefit and the income can be reliably measured. The following specific recognition criteria must be met before the income is recognised:
 - Fee income earned directly from investee companies is recognised as services are provided; and
 - Dividends from equity investments are recognised in the income statement when the shareholders’ rights to receive payment have been established.

Available-for-sale investments

Investments classified as available-for-sale are stated at their fair value at the reporting date. Movements in fair value are recorded in other comprehensive income until the asset is disposed of unless there is deemed to be an impairment on the original cost in which case the loss is immediately reclassified to the income statement. Interest income from investments is recognised through profit or loss as it accrues on an effective interest rate basis. Upon disposal the fair value movement in shareholders’ equity is reclassified from other comprehensive income to the income statement. Available-for-sale investments are quoted in an active market and are valued based on closing bid price.

Other financial assets

Other financial assets include bank deposits with a maturity of greater than three months, cash and cash equivalents and other receivables. All financial assets are recognised initially at fair value. Subsequent to initial recognition other financial assets are measured at amortised cost using the effective interest method.

Investments in subsidiaries

The Company designates its investments in subsidiaries at fair value as all of the investments held by the Company are carried at fair value through profit or loss.

Property, plant and equipment

Property, plant and equipment is stated at cost of acquisition less accumulated depreciation and impairment losses. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Leasehold improvements	Over period of lease
Computer equipment	2 years
Office equipment	4 years

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term bank deposits with a maturity of three months or less at the time of purchase.

Employee benefits

(i) Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense in the income statement as they fall due.

(ii) Share-based payments – equity settled

In accordance with IFRS 2, 'Share-based payments', the cost of equity-settled transactions with employees and executive directors is measured by reference to the fair value at the date on which they are granted and is recognised as an expense, together with a corresponding increase in equity, over the vesting period, which ends on the date on which the relevant persons become fully entitled to the award.

The fair value of options granted is determined using an appropriate valuation model excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Company will revise its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

In accordance with IFRS 2, the fair value amount of share-based compensation that has been charged in the income statement of subsidiaries is treated as a non-refundable contribution to subsidiaries and added to the investment in subsidiaries in the Company's statement of financial position.

Other liabilities

Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the reporting date. As these other liabilities are due for payment within one year, they have not been discounted.

Equity instruments issued

Equity instruments issued by the Group are recognised at the proceeds or fair value received with the excess of the amount received over nominal value being credited to the share premium account. Direct issue costs are deducted from any share premium.

Income tax

Income tax recognised in the income statement for the year comprises current and deferred tax. Tax is charged or credited in the income statement, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the tax is also dealt with in other comprehensive income or equity respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of prior years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except to the extent that temporary differences arise on goodwill not deductible for tax purposes or the initial recognition of assets and liabilities that affect neither accounting or taxable profits. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

1 INVESTMENT PORTFOLIO

	GROUP EQUITY INVESTMENTS €'000	GROUP LOANS AND RECEIVABLES €'000	GROUP TOTAL €'000	COMPANY EQUITY INVESTMENTS €'000	COMPANY LOANS AND RECEIVABLES €'000	COMPANY TOTAL €'000
Year to 31 March 2012						
At 1 April 2011	33,492	500	33,992	33,492	500	33,992
Disposals, repayments	-	-	-	-	-	-
Revaluation	6,556	-	6,556	6,556	-	6,556
Exchange movements	1,562	-	1,562	1,562	-	1,562
At 31 March 2012	41,610	500	42,110	41,610	500	42,110
Quoted	29,874	-	29,874	29,874	-	29,874
Unquoted	11,736	500	12,236	11,736	500	12,236
Year to 31 March 2011						
At 1 April 2010	71,911	500	72,411	23,855	500	24,355
Acquired from subsidiaries	-	-	-	26,280	-	26,280
Disposals, repayments	(30,747)	-	(30,747)	(17,793)	-	(17,793)
Distributions to non-controlling interest	(5,967)	-	(5,967)	-	-	-
Realised loss on investments distributed to non-controlling interest	(2,812)	-	(2,812)	-	-	-
Revaluation	786	-	786	786	-	786
Exchange movements	321	-	321	364	-	364
At 31 March 2011	33,492	500	33,992	33,492	500	33,992
Quoted	24,777	-	24,777	24,777	-	24,777
Unquoted	8,715	500	9,215	8,715	500	9,215

During the year ended 31 March 2011, it was agreed to dissolve and terminate Trinity Venture Fund 1 and Trinity Venture Fund 2 (together the "Funds") with effect from 30 September 2010. The Funds' net assets at that date were subsequently distributed to TVC and the external limited partners, which represented the non-controlling interest in the Group.

The holding period of the investment portfolio is on average greater than one year. For this reason, the directors have classified the portfolio as non-current. It is not possible to identify with certainty investments that will be sold within one year.

Equity investments comprise both ordinary shares and certain preferred shares. Loans and receivables comprise loan notes and loan-like preferred shares provided to investee companies. Loans are made on an arm's length basis as part of an overall investment and interest rates are established by reference to interest rates at the date the loan is granted. The interest rate on loans outstanding is 9%. There are no fixed pre-determined repayment dates attaching to these loans as the repayment of the loans can depend on a number of factors which could include the realisation of the Group's investment. Note 22 sets out the details on how the Group manages the risks associated with the above investments.

NOTES TO THE FINANCIAL STATEMENTS

2 INVESTMENTS IN SUBSIDIARIES - COMPANY

	2012 €'000	2011 €'000
At beginning of year	15,993	54,163
Shares in new subsidiary	18	-
Advances during year	-	1
Disposals, repayments during year	-	(38,885)
Revaluation	-	679
Capital contribution in respect of equity-settled transactions relating to TVC Holdings plc shares	-	35
At end of year	16,011	15,993

On 9 September 2011, a 100% owned subsidiary, TVC (NL) B.V., was incorporated in The Netherlands.

The disposals, repayments during the prior year relate to the cessation of the Company's interests in Trinity Venture Funds 1 and 2 following the dissolution of the Funds on 30 September 2010.

In accordance with IFRS 2, the fair value amount of share-based compensation that has been charged in the income statement of Trinity Venture Capital Limited is treated as a non-refundable contribution to subsidiaries and added to the investment in subsidiaries in the Company's statement of financial position.

The Company had the following subsidiaries at 31 March 2012:

NAME	ISSUED AND FULLY PAID SHARE CAPITAL	HELD BY COMPANY	HELD BY SUBSIDIARY	PRINCIPAL ACTIVITY
Trinity Venture Capital Limited	9,248 ordinary shares of €0.126974	100%		
	1,539 B ordinary shares of €0.126974	100%		Nominee company
TVC (NL) B.V.	1,800 shares of €10	100%		Investment company
Picco Limited	1 share of €1		100%	Dormant
Listnal Limited	1 share of €1		100%	Dormant
Trinity Venture Capital Nominees Limited	2 shares of €1		100%	Dormant
Gimbet Limited	10,000 A ordinary shares of €0.01		100%	Dormant
	10,000 ordinary shares of €0.01		-	

With the exception of TVC (NL) B.V., which is incorporated and registered in The Netherlands, each of the above subsidiary undertakings is incorporated and registered in the Republic of Ireland. All of the Company's subsidiary undertakings are included in the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT

GROUP YEAR TO 31 MARCH 2012	LEASEHOLD IMPROVEMENTS €'000	COMPUTER EQUIPMENT €'000	OFFICE EQUIPMENT €'000	TOTAL €'000
<i>Cost</i>				
At 1 April 2011	131	356	64	551
Additions	11	14	6	31
At 31 March 2012	142	370	70	582
<i>Accumulated depreciation</i>				
At 1 April 2011	10	349	62	421
Charge for the year	28	6	2	36
At 31 March 2012	38	355	64	457
Net book value at 31 March 2012	104	15	6	125

GROUP YEAR TO 31 MARCH 2011	LEASEHOLD IMPROVEMENTS €'000	COMPUTER EQUIPMENT €'000	OFFICE EQUIPMENT €'000	TOTAL €'000
<i>Cost</i>				
At 1 April 2010	201	349	63	613
Additions	131	7	1	139
Disposals	(201)	-	-	(201)
At 31 March 2011	131	356	64	551
<i>Accumulated depreciation</i>				
At 1 April 2010	201	344	60	605
Charge for the year	10	5	2	17
Disposals	(201)	-	-	(201)
At 31 March 2011	10	349	62	421
Net book value at 31 March 2011	121	7	2	130

COMPANY YEAR TO 31 MARCH 2012	LEASEHOLD IMPROVEMENTS €'000	COMPUTER EQUIPMENT €'000	OFFICE EQUIPMENT €'000	TOTAL €'000
<i>Cost</i>				
At 1 April 2011	-	-	-	-
Purchased from subsidiary	104	15	6	125
At 31 March 2012	104	15	6	125
<i>Accumulated depreciation</i>				
At 1 April 2011 and at 31 March 2012	-	-	-	-
Net book value at 31 March 2012	104	15	6	125
Net book value at 31 March 2011	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

4 AVAILABLE-FOR-SALE INVESTMENTS - GROUP AND COMPANY

	2012 €'000	2011 €'000
At beginning of year	14,483	9,999
Additions	29,490	24,517
Disposals, repayments	(29,026)	(19,750)
Amortisation of premium paid	(434)	(297)
Revaluation	-	14
At end of year	14,513	14,483

The available-for-sale investments at the end of the year represent investments in German government fixed rate Euro bonds with a maturity date in April 2012.

5 OTHER RECEIVABLES

	GROUP 2012 €'000	GROUP 2011 €'000	COMPANY 2012 €'000	COMPANY 2011 €'000
Amounts owed by subsidiary	-	-	57,200	-
Prepayments	87	55	87	42
Other receivables	1,160	820	1,059	706
VAT recoverable	-	21	-	14
Deferred consideration receivable	160	65	160	65
	1,407	961	58,506	827

Deferred consideration receivable relates to that portion of the proceeds from investments that have been sold which is held in escrow for an agreed period of time.

The amounts owed by subsidiary are non interest bearing and are repayable on demand.

6 CASH AND CASH EQUIVALENTS

	GROUP 2012 €'000	GROUP 2011 €'000	COMPANY 2012 €'000	COMPANY 2011 €'000
Cash at bank	148	187	71	160
Short term bank deposits	57,963	37,342	411	26,316
	58,111	37,529	482	26,476

Cash and cash equivalents consist of cash at bank and short term bank deposits with a maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

7 TRADE AND OTHER PAYABLES

	GROUP	GROUP	COMPANY	COMPANY
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Accounts payable	10	8	10	2
Amounts owed to subsidiary	-	-	15,529	5,150
Accruals	884	1,032	884	547
Other payables	52	37	52	-
VAT, PAYE and social welfare	99	54	42	-
	1,045	1,131	16,517	5,699

The amounts owed to subsidiary are non interest bearing and are repayable on demand.

8 SHARE CAPITAL

	2012 €'000	2011 €'000
<i>Authorised:</i>		
10,000,000,000 ordinary shares of €0.01	100,000	100,000
<i>Allotted, called up and fully paid:</i>		
101,112,579 ordinary shares of €0.01	1,011	1,011

9 OTHER RESERVES

	GROUP	GROUP	COMPANY	COMPANY
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
At beginning of year	1,995	1,995	482	468
Change in fair value of available-for-sale investments	-	-	-	14
Transfer to retained earnings	(1,995)	-	(482)	-
At end of year	-	1,995	-	482

The other reserves were comprised of share-based payments reserves relating to ordinary shares in the Company that were issued to certain of the Group's key executives in July 2007. The shares were subject to a two to three year vesting period which ended on 31 December 2009. As the shares are fully vested, the share-based payment reserves have been transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

10 SEGMENTAL ANALYSIS

Segmental information is presented in respect of the Group's investment portfolio based on whether the investee company is quoted or unquoted. Quoted investments in the prior year are further categorised as between Norkom Group plc and UTV Media plc. The Group has only one reportable geographical segment as its investments are all located in the Island of Ireland. The segmental information presented is consistent with the Group's internal analysis of its investment portfolio.

YEAR TO 31 MARCH 2012	UTV MEDIA PLC €'000	UNQUOTED INVESTMENTS €'000	TOTAL €'000
Gross portfolio return			
Realised profits over opening value on the disposal of investments	-	1,460	1,460
Unrealised profits on the revaluation of investments	5,097	3,021	8,118
Portfolio income	883	260	1,143
	5,980	4,741	10,721
Net (investment)/divestment			
Realisation proceeds (including income from loan instruments)	-	1,460	1,460
	-	1,460	1,460
Statement of financial position			
Value of investment portfolio at end of year	29,874	12,236	42,110

YEAR TO 31 MARCH 2011	NORKOM GROUP PLC €'000	UTV MEDIA PLC €'000	UNQUOTED INVESTMENTS €'000	TOTAL €'000
Gross portfolio return				
Realised profits over opening value on the disposal of investments	10,889	-	603	11,492
Realised loss over opening value on investments distributed to non-controlling interest	(2,802)	-	(10)	(2,812)
Net unrealised profits/(losses) on the revaluation of investments	-	1,284	(177)	1,107
Portfolio income	112	609	591	1,312
	8,199	1,893	1,007	11,099
Net (investment)/divestment				
Realisation proceeds (including income from loan instruments)	41,574	-	1,093	42,667
	41,574	-	1,093	42,667
Statement of financial position				
Value of investment portfolio at end of year	-	24,777	9,215	33,992

NOTES TO THE FINANCIAL STATEMENTS

11 REALISED PROFITS OVER OPENING VALUE ON THE DISPOSAL OF INVESTMENTS

YEAR TO 31 MARCH 2012	EQUITY €'000	LOANS AND RECEIVABLES €'000	TOTAL €'000
Net proceeds	1,460	-	1,460
Valuation of disposed investments at beginning of year	-	-	-
Total realised profits over opening value	1,460	-	1,460

YEAR TO 31 MARCH 2011	EQUITY €'000	LOANS AND RECEIVABLES €'000	TOTAL €'000
Net proceeds	42,225	14	42,239
Valuation of disposed investments at beginning of year	(30,747)	-	(30,747)
Total realised profits over opening value	11,478	14	11,492

12 REALISED LOSS OVER OPENING VALUE ON INVESTMENTS DISTRIBUTED TO NON-CONTROLLING INTEREST

	2012 €'000	2011 €'000
Valuation of investments at 30 September 2010	-	5,967
Valuation of investments at beginning of year	-	(8,779)
Total realised loss over opening value	-	(2,812)

The loss in the prior year of €2.812 million represented the Group's loss realised on the distribution of the non-controlling interest's shares in the Funds' investee companies following the dissolution of the Funds at 30 September 2010.

13 NET UNREALISED PROFITS ON THE REVALUATION OF INVESTMENTS

YEAR TO 31 MARCH 2012	EQUITY €'000	LOANS AND RECEIVABLES €'000	TOTAL €'000
Movement in fair value	6,556	-	6,556
Effect of foreign exchange movements	1,562	-	1,562
Total unrealised profits on the revaluation of investments	8,118	-	8,118

YEAR TO 31 MARCH 2011	EQUITY €'000	LOANS AND RECEIVABLES €'000	TOTAL €'000
Movement in fair value	786	-	786
Effect of foreign exchange movements	321	-	321
Total net unrealised profits on the revaluation of investments	1,107	-	1,107

Details of the Group's policy on managing the risks associated with the investments are set out in note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

14 FEES RECEIVABLE

	2012 €'000	2011 €'000
Fees receivable	260	275

Fees receivable include fees arising from the ongoing management of the portfolio together with fees arising from making investments.

15 OPERATING EXPENSES

Operating expenses include the following amounts:

	2012 €'000	2011 €'000
Depreciation of property, plant and equipment	36	17
Operating lease rentals	87	199
Auditor's remuneration - Group		
Audit of the Group financial statements	41	47
Other assurance services	13	20
Tax advisory services	25	28
Other non audit services	117	-
	196	95
Auditor's remuneration - Company		
Audit of the Parent Company financial statements	17	18
Group audit costs borne by Parent Company	14	16
Other assurance services	13	16
Tax advisory services	16	11
Other non audit services	117	-
	177	61

Details of directors' remuneration and interests in share options are set out on page 21 and in note 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

16 EMPLOYEE COSTS

The aggregate employee costs of the Group are analysed as follows:

	2012 €'000	2011 €'000
Wages and salaries	999	1,330
Social welfare costs	119	94
Pension costs	24	22
Share-based payments (note 17)	77	106
	1,219	1,552

The average weekly number of employees, including executive directors, during the year was as follows:

	2012 NO.	2011 NO.
Management and administration	8	9

17 SHARE-BASED COMPENSATION

The Company operates an equity-settled share option plan under which it grants share options to certain employees and executive directors. Options are exercisable between the third and tenth anniversaries of the date of grant to the extent that a performance target has been met over a performance period of three years from the date of grant.

On 28 June 2011, 4,360,481 fully-vested options, which were granted at the time of the Company's IPO in July 2007, with an exercise price of €1.875, were cancelled. The share option reserve of €1,497,000 relating to the cancelled options was transferred to retained earnings during the year ended 31 March 2012.

On 28 June 2011, 1,787,870 share options were granted. These options vest subject to a performance condition, measured over a three-year performance period, relating to average annual percentage growth in net asset value per share ('NAV') relative to the average annual percentage change in the Irish Consumer Price Index ('CPI'), determined as follows:

	NAV growth required	% vesting
Minimum vesting	CPI + 3%	25%
Maximum vesting	CPI + 7%	100%

For NAV growth between the minimum and maximum vesting levels, the grant vests on a pro-rata basis.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The fair value of the options granted in June 2011 was €0.17. This fair value was estimated as of the date of the grant based on the Black-Scholes option-pricing model and using the following assumptions:

Weighted average share price	€0.77
Weighted average exercise price	€0.77
Expected life	5 years
Expected volatility	19%
Expected dividend yield	0%
Risk-free rate	2.267%

The Company determined expected volatility by using the Company's historic share price volatility over the three-year period preceding the date of grant. The risk-free interest rate assumption was based upon the average yield on German Government bonds with maturities equivalent to the expected term of the share options.

NOTES TO THE FINANCIAL STATEMENTS

17 SHARE BASED COMPENSATION *(continued)*

Details of share options outstanding during the year are as follows:

	2012 NUMBER OF SHARE OPTIONS	2012 WEIGHTED AVERAGE EXERCISE PRICE (€)	2011 NUMBER OF SHARE OPTIONS	2011 WEIGHTED AVERAGE EXERCISE PRICE (€)
Outstanding at beginning of year	4,360,481	1.875	5,118,826	1.875
Granted during the year	1,789,870	0.77	-	-
Cancelled during the year	(4,360,481)	1.875	-	-
Outstanding at end of year	1,789,870	0.77	5,118,826	1.875
Exercisable at end of year	-	-	-	-

No options were exercised during the current or prior year. The Company recognised an expense of €77,000 relating to share options during the year ended 31 March 2012 (2011: €106,000).

18 FINANCE INCOME AND EXPENSE

Recognised in profit or loss

	2012 €'000	2011 €'000
Finance income		
Interest income on bank deposits	783	304
Interest income on available-for-sale investments	102	39
	885	343
Finance expense		
Interest payable	-	(2)
Net finance income	885	341

Recognised directly in other comprehensive income

	2012 €'000	2011 €'000
Net change in fair value of available-for-sale investments recognised in other reserves	-	14

19 EXCHANGE MOVEMENTS

	2012 €'000	2011 €'000
Exchange movements on monetary items denominated in currencies different from the functional currency of the Company, other than investments	20	231

NOTES TO THE FINANCIAL STATEMENTS

20 INCOME TAX

	2012 €'000	2011 €'000
Current tax		
Corporation tax on profit for the year	119	7

Reconciliation of effective tax rate

The tax charge for the year is different to the standard rate of corporation tax in the Republic of Ireland, currently 12.5% (2011: 12.5%), and the differences are explained below:

	2012 €'000	2011 €'000
Profit before tax	9,188	8,796
Taxation based on Irish corporation tax rate	1,149	1,100
<i>Effects of:</i>		
Expenses not deductible for tax purposes	12	113
Income and gains not taxable	(1,158)	(1,556)
Capital allowances in excess of depreciation	(1)	(3)
Income taxed at higher rate	63	-
Income taxed as a capital gain	54	-
Non-controlling interest's share of losses of the Funds not allowable	-	353
Income tax expense	119	7

The directors have assessed the impact of deferred taxation to be immaterial to the financial statements.

21 EARNINGS PER SHARE

	2012	2011
Earnings per share (cent)		
Basic & diluted	9	11
Earnings (€'000)		
Profit for the year - basic & diluted	9,069	11,619
Number of shares (Number)		
Weighted average number of shares in issue - basic & diluted	101,112,579	101,112,579

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the effect of all potentially dilutive shares and instruments, including share options. The exercise price of all share options exceeded the average price of ordinary shares during the year. Accordingly, the share options do not have a dilutive effect and are therefore excluded from the diluted earnings per share calculation.

NOTES TO THE FINANCIAL STATEMENTS

22 FINANCIAL RISK

The Group is exposed to a variety of financial and market risks including investment portfolio valuation risk, foreign currency risk, interest rate risk, liquidity risk and credit risk. Details of the Group's financial risk management policies and its sensitivities to these risks are set out below.

Investment portfolio valuation risk

The Group's exposure to valuation risk mainly comprises movements in the value of its investment portfolio. The value of quoted investments is directly related to the relevant market and so is subject to price risk. The valuation of unquoted investments depends upon a combination of market factors and the performance of the underlying asset. Unquoted equity investments, by their nature, involve uncertainty as to the ultimate value likely to be realised on the disposal of those investments as a ready market may not exist for them. The Group does not hedge the price risk inherent in the portfolio but manages asset performance risk on an asset-specific basis through board representation and by ensuring full and timely access to relevant financial and other information.

Loans and receivables included in the investment portfolios of both the Group and the Company are managed as part of the overall management of each individual equity investment.

Sensitivity analysis for investment portfolio

An increase of 10% in the fair value of investments at the reporting date would have increased profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis is performed on the same basis for 2011.

GROUP AND COMPANY	PROFIT OR LOSS	
	2012 €'000	2011 €'000
Quoted investments	2,987	2,478
Unquoted investments	1,224	922
Total	4,211	3,400

A decrease of 10% in the fair value of the investments at the reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Investment concentration risk

At 31 March 2012, the Group had one quoted investment which had a valuation of €29.9 million and four unquoted investments with a valuation of €12.2 million, further details of which are contained in note 10. The Group's portfolio is subject to regular reviews by management in order to monitor exposure to any one sector and to monitor the exposure to larger investments. All of the Group's investments are located in the Island of Ireland. However, it is considered that this does not give rise to concentration of risk due to the international focus of the majority of the investee companies.

NOTES TO THE FINANCIAL STATEMENTS

22 FINANCIAL RISK *(continued)*

Foreign currency risk

The Group is exposed to foreign currency risk on some of its investments which are denominated in a foreign currency. In addition, deferred consideration receivable is denominated in US Dollars. The Group reviews its foreign currency exposure on a regular basis and does not currently hedge its foreign currency exposure.

The net exposure in the statement of financial position (the "net asset exposure") comprises the foreign currency exposure on all monetary assets and liabilities but also non-monetary investment assets carried at fair value through profit or loss. The exposure to foreign currency risk at the reporting date was as follows:

GROUP AND COMPANY	GBP €'000	USD \$'000
31 March 2012		
Net asset exposure	24,912	4,876
31 March 2011		
Net asset exposure	21,895	4,755

The following significant exchange rates applied during the year:

	AVERAGE RATE		REPORTING DATE SPOT RATE	
	2012	2011	31 MARCH 2012	31 MARCH 2011
€1 = GBP	0.8629	0.8496	0.8339	0.8837
€1 = USD	1.3775	1.3223	1.3356	1.4207

Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at the reporting date would have decreased profit by the amounts shown below based on the net asset exposure as defined above. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2011.

	PROFIT OR LOSS	
	2012 €'000	2011 €'000
GBP	(2,987)	(2,478)
USD	(365)	(335)

A 10% weakening of the Euro against the above currencies at the reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

22 FINANCIAL RISK *(continued)*

Interest rate risk

The Group's exposure to market risk for changes in interest rates arises from its short term deposit accounts, German government bonds and its bank deposits with a maturity of greater than three months. The Group regularly reviews the deposit interest rates available from a number of financial institutions for a range of maturity dates. Available cash and cash equivalents are placed on deposit for varying periods, depending on the Group's cash requirements and market conditions. Details of short term deposits are contained in note 6 to the financial statements.

Cash flow sensitivity for short term deposits

An increase of 30 basis points in interest rates at the reporting date, based on the short term deposits held at that date, would have increased profit by €174,000 (2011: €112,000) for the Group and by €1,000 (2011: €79,000) for the Company. A decrease of 30 basis points in interest rates at the reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

The German government bonds held at the reporting date are fixed rate Euro bonds and, consequently, no cashflow interest rate risk arises. As the bonds mature in April 2012, there is no material fair value risk at the reporting date.

Interest rate risk and other financial risks in respect of the loans and receivables included in the investment portfolios of both the Group and the Company are managed as part of the overall management of each individual equity investment.

Liquidity risk

The Group invests from its own resources using its core funding and cash generated from its investing activities. The funding policy of the Group is to ensure that it has adequate funding in place ahead of planned investment. The Board regularly reviews the Group's liquidity and financial resources. At 31 March 2012, the Group's cash and liquid resources comprised cash and cash equivalents and available-for-sale investments, which in total amounted to €72.6 million (2011: €72.0 million including bank deposits with a maturity of greater than three months).

All of the financial liabilities of both the Group and the Company at the reporting date had contractual maturities of less than twelve months.

Credit risk

The Group is subject to credit risk on its loans, receivables, cash deposits and available-for-sale investments.

TVC's financial assets include unsecured investments in unquoted companies. Credit risk and other financial risks in respect of the loans and receivables included in the investment portfolios of both the Group and the Company are managed on an asset-specific basis by key executives as part of the overall management of each individual equity investment. The directors consider the maximum credit risk to be the fair value of loans and receivables. The trading performance of individual portfolio companies is reviewed on a regular basis and provides an early indication of increased credit or other financial risk.

NOTES TO THE FINANCIAL STATEMENTS

22 FINANCIAL RISK *(continued)*

Credit risk *(continued)*

Cash deposits and available-for-sale investments give rise to credit risk on the amounts due from counterparties. The maximum credit risk exposure is represented by the carrying value at the reporting date. The Group's policy for investing surplus cash is to limit the risk of principal loss and to ensure the ultimate recovery of invested funds by limiting market and credit risk. The Group limits its exposure to credit risk on cash deposits and other liquid investments by only investing in liquid securities which are held with counterparties which typically have long term credit ratings of A+ from Standard & Poor's or equivalent credit ratings from other established rating agencies or are institutions included within the scope of the Irish Government Bank Guarantee Scheme. At the year end, all cash deposits had a maturity of less than twelve months and were held with one financial institution with a long term credit rating of AA from Standard & Poor's. The available-for-sale investments are fixed rate Euro bonds issued by the German Government.

The Group has determined that the credit risk on other receivables is, in general, considered low.

The maximum exposure to credit risk at the reporting date was:

	CARRYING AMOUNT - GROUP		CARRYING AMOUNT - COMPANY	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Available-for-sale investments	14,513	14,483	14,513	14,483
Other receivables	1,320	906	1,219	785
Financial assets – bank deposits > 3 months	-	20,000	-	20,000
Cash and cash equivalents	58,111	37,529	482	26,476
Total	73,944	72,918	16,214	61,744

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The capital structure of the Group and Company consists of shareholders' equity comprising issued share capital, reserves and retained earnings.

The Group is at a development stage and may require additional investment which could be financed from the raising of equity finance, debt and/or the reinvestment of profits. It is not expected that dividends will be paid to shareholders in the foreseeable future.

The Company has implemented a share option plan details of which are contained in note 17.

One of the Company's subsidiaries, Trinity Venture Capital Limited, was regulated by the Central Bank of Ireland and was subject to minimum capital adequacy requirements until 16 December 2011 when the Central Bank of Ireland confirmed its agreement to the company's request to revoke its authorisation under the MiFID Regulations. Since that date neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

23 FAIR VALUES

The table below sets out fair value measurements using the IFRS 7 fair value hierarchy. Financial instruments recognised at fair value are analysed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

GROUP AND COMPANY	31 MARCH 2012				31 MARCH 2011			
	LEVEL 1 €'000	LEVEL 2 €'000	LEVEL 3 €'000	TOTAL €'000	LEVEL 1 €'000	LEVEL 2 €'000	LEVEL 3 €'000	TOTAL €'000
Financial assets at fair value through profit or loss								
Quoted equity investments	29,874	-	-	29,874	24,777	-	-	24,777
Unquoted equity investments	-	-	11,736	11,736	-	-	8,715	8,715
Loans and receivables	-	-	500	500	-	-	500	500
Available-for-sale financial assets								
Quoted government bonds	14,513	-	-	14,513	14,483	-	-	14,483
Total	44,387	-	12,236	56,623	39,260	-	9,215	48,475

During the year ended 31 March 2012, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements.

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 during the year.

NOTES TO THE FINANCIAL STATEMENTS

23 FAIR VALUES *(continued)*

GROUP	YEAR ENDED 31 MARCH 2012			YEAR ENDED 31 MARCH 2011		
	UNQUOTED EQUITY INVESTMENTS €'000	LOANS AND RECEIVABLES €'000	TOTAL €'000	UNQUOTED EQUITY INVESTMENTS €'000	LOANS AND RECEIVABLES €'000	TOTAL €'000
Opening balance	8,715	500	9,215	10,947	500	11,447
Total net profits for year in profit or loss	4,481	-	4,481	416	-	416
Sales	(1,460)	-	(1,460)	(664)	-	(664)
Distributions to non-controlling interest	-	-	-	(1,984)	-	(1,984)
Closing balance	11,736	500	12,236	8,715	500	9,215
Net unrealised profits/(losses) for the year included in profit or loss for investments held at the end of the year	3,021	-	3,021	(177)	-	(177)
Realised profits for the year included in profit or loss	1,460	-	1,460	593	-	593
Total net profits for the year in profit or loss	4,481	-	4,481	416	-	416

COMPANY	YEAR ENDED 31 MARCH 2012			YEAR ENDED 31 MARCH 2011		
	UNQUOTED EQUITY INVESTMENTS €'000	LOANS AND RECEIVABLES €'000	TOTAL €'000	UNQUOTED EQUITY INVESTMENTS €'000	LOANS AND RECEIVABLES €'000	TOTAL €'000
Opening balance	8,715	500	9,215	-	500	500
Total net profits for year in profit or loss	4,481	-	4,481	62	-	62
Purchases	-	-	-	8,849	-	8,849
Sales	(1,460)	-	(1,460)	(196)	-	(196)
Closing balance	11,736	500	12,236	8,715	500	9,215
Net unrealised profits/(losses) for the year included in profit or loss for investments held at the end of the year	3,021	-	3,021	(134)	-	(134)
Realised profits for the year included in profit or loss	1,460	-	1,460	196	-	196
Total net profits for the year in profit or loss	4,481	-	4,481	62	-	62

The valuation methods used in estimating the fair value of financial instruments are summarised below.

NOTES TO THE FINANCIAL STATEMENTS

23 FAIR VALUES *(continued)*

Investment portfolio

Fair value represents the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investments is determined using the International Private Equity and Venture Capital Valuation Guidelines.

In estimating fair value, the Group seeks to use a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total portfolio. Methodologies are applied consistently from period to period, except where a change would result in a better estimation of fair value. Given the uncertainties inherent in estimating fair value, a degree of caution is applied in exercising judgements and making the necessary estimates.

Quoted investments

Quoted investments are valued at the closing bid price at the reporting date. In accordance with IFRS, no discount is applied for liquidity of the stock or any dealing restrictions.

Unquoted investments

Unquoted investments are valued using one of the following methodologies:

- price of recent investment; or
- revenue multiple.

The process is to derive an enterprise value using one of the above methodologies and then to:

- adjust the enterprise value for the net cash/debt of the investee company;
- deduct from the adjusted enterprise value all financial instruments ranking ahead of the Group; and
- apportion the remaining value over the other financial instruments including those held by the Group.

Other factors that may be taken into account include the expected effect of ratchets, options and liquidation preferences and offers received as part of a sale process.

The valuations of the Group's unquoted investments at 31 March 2012 were determined having regard to the above methodologies. Therefore, the valuation of such investments involves exercising judgement as it requires management to make assumptions with regard to valuation inputs many of which are not supported by observable current market transactions.

Available-for-sale investments

The available-for-sale investments represent investments in German government fixed rate Euro bonds. The fair value of the investments is based on the closing bid price.

Cash and cash equivalents and other receivables/payables

Cash and cash equivalents and other receivables/payables have a remaining term of less than twelve months and the carrying amounts are considered to approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS

24 COMMITMENTS

Operating lease commitments

At the reporting date, the Group had outstanding commitments for future minimum rental payments under non-cancellable operating leases which fall due as follows:

	2012 €'000	2011 €'000
Within one year	145	167
Between one and five years	39	178
	184	345

The Group has licensed the use of part of its Dublin offices to BHR Limited and Consilient Health Limited which are related parties. Details of the total occupancy costs paid by BHR Limited and Consilient Health Limited to the Group during the year are outlined in note 26. At the reporting date, the total future minimum payments expected to be received by the Group amounted to €35,000 (2011: €55,000) in respect of the period ending November 2013.

25 SUBSEQUENT EVENTS

No significant events have taken place since the reporting date that would result in an adjustment of the financial statements or inclusion of a note thereto.

26 RELATED PARTIES

The Group has various related parties stemming from relationships with its investee companies, its subsidiaries, its key management personnel and other related parties.

Investees

The Group and the Company hold non-controlling investments in the equity of quoted and unquoted companies. This normally allows the Group and the Company to participate in the financial and operating policies of those companies. It is presumed that it is possible to exert significant influence when the equity holding is greater than 20%. These investments are not equity accounted for (as permitted by IAS 28) but are related parties. The total amounts included in the financial statements for these investments are provided in notes 1 and 10. Details of fees receivable from investee companies are outlined in note 14.

Subsidiaries

Transactions between the Company and its subsidiaries, which are related parties of the Company, are eliminated on consolidation. Information on the Company's subsidiaries is set out in note 2 to the financial statements. Details of related party transactions between the Company and its subsidiaries are outlined below.

NOTES TO THE FINANCIAL STATEMENTS

26 RELATED PARTIES (continued)

Trinity Venture Capital Limited ("TVCL")

The transactions between the Company and TVCL during the year are summarised below.

	2012 €'000	2011 €'000
Acquisition of the net assets of TVCL by the Company at 31 March 2012	109	-
Net amounts advanced to the Company by TVCL	9,602	3,194
Payroll, administration and occupancy costs payable by the Company	380	350
Management charge payable by the Company	112	85
Management charge payable by TVCL to the Company	(54)	(70)

Details of the amounts owed to TVCL at the end of the year are contained in note 7.

TVC (NL) B.V.

During the year, the Company advanced amounts totalling €57.2 million to its subsidiary, TVC (NL) B.V. Details of the amounts owed by TVC (NL) B.V. at the end of the year are contained in note 5.

Key management personnel

The Group's key management personnel comprise the executive and non-executive members of the Company's Board of Directors, who manage the business and affairs of the Group.

The remuneration of key management personnel during the year was:

	2012 €'000	2011 €'000
Basic salaries, fees, bonuses and benefits-in-kind ⁽¹⁾	883	1,077
Pension costs	9	8
Share-based payments (note 17)	58	92
Total	950	1,177

⁽¹⁾ Includes €257,000 (2011: €354,000) relating to management fees payable to BHR Limited in respect of the services of TVC's Executive Chairman (see below).

BHR Limited

BHR Limited is a company controlled by TVC's Executive Chairman, Shane Reihill, and is considered a related party.

Certain management personnel of the Group were employees of BHR Limited during the year. Management fees payable by the Group to BHR Limited in respect of the provision of their services amounted to €261,000, excluding VAT, (2011: €407,000).

BHR Limited paid occupancy costs amounting to €54,000, excluding VAT, during the year (2011: €60,000) in respect of its use of offices and shared use of general facilities at the Group's offices at Clonskeagh, Dublin 14, Ireland.

The amount owed by BHR Limited at the end of the year was €15,000 (2011: €19,000).

NOTES TO THE FINANCIAL STATEMENTS

26 RELATED PARTIES *(continued)*

Other

Consilient Health Limited is a company in which TVC's Executive Chairman, Shane Reihill, holds an indirect majority shareholding and is considered a related party. During the year, Consilient Health Limited paid occupancy costs amounting to €45,000, excluding VAT, (2011: €36,000) in respect of its use of offices and shared use of general facilities at the Group's offices at Clonskeagh, Dublin 14, Ireland. The amount owed by Consilient Health Limited at the end of the year was €15,000 (2011: €23,000).

During the year, Independent Newspapers Management Services paid occupancy costs amounting to €66,956 (£58,305), excluding VAT, (2011: nil) in respect of its use of offices and shared use of general facilities at the Group's offices at Second Floor, 5 Jubilee Place, London SW3 3TD, United Kingdom. During the year, Gavin O'Reilly, a non-executive director of TVC, was also a director of Independent Newspapers Management Services, which is considered a related party. The amount owed by Independent Newspapers Management Services at the end of the year was €21,423 (£17,779) (2011: nil).

During the year, the Group paid an amount of €136,000, excluding VAT, (2011: €35,000) to Arthur Cox, Solicitors, in respect of professional services provided to the Group. Pádraig Ó Ríordáin, a non-executive director of TVC, is also a Partner of Arthur Cox, which is considered a related party. There was no amount owed to Arthur Cox at 31 March 2012 (2011: €nil).

Related party transactions during the year were made on terms equivalent to those that prevail in arms length transactions.

27 DATE OF APPROVAL

These financial statements were approved by the Board of Directors on 14 May 2012.

DIRECTORS AND OTHER INFORMATION

Directors

Shane Reihill (*Executive Chairman*)
John Tracey (*Chief Executive Officer*)
Rory Quirke
John B McGuckian
Gavin O'Reilly
Pádraig Ó Ríordáin

Company Secretary

John Fagan

Registered office

Block 2A Richview Office Park
Clonskeagh
Dublin 14
Ireland

Nominated adviser, ESM adviser and broker

Davy
49 Dawson Street
Dublin 2
Ireland

Registrars

Capita Registrars (Ireland) Limited
Unit 5, Manor Street Business Park
Dublin 7
Ireland

Banker

AIB Bank
7/12 Dame Street
Dublin 2
Ireland

Solicitor

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of TVC Holdings plc will be held at The Merrion Hotel, Upper Merrion Street, Dublin 2, Ireland on 6 July 2012 at 11:30am for the following purposes:

1. To receive and consider the financial statements for the year ended 31 March 2012 and the reports of the Directors and Auditor thereon.
2. By separate resolutions to re-elect as directors the following who retire in accordance with the Articles of Association and, being eligible, offer themselves for re-election:
 - (A) Pádraig Ó Ríordáin
 - (B) Rory Quirke
3. To authorise the Directors to fix the remuneration of the Auditor for the year ending 31 March 2013.

As special business to consider and, if thought fit, pass the following resolutions:

AS SPECIAL RESOLUTIONS:

- 4(A) "That the Company and/or any subsidiary (as defined by Section 155 of the Companies Act, 1963) of the Company is hereby generally authorised to make market purchases (as defined by Section 212 of the Companies Act, 1990) of shares of any class in the Company ("**shares**") on such terms and conditions and in such manner as the Directors may determine from time to time but subject to the provisions of the Companies Act, 1990 and to the following restrictions and provisions:
- (a) The maximum number of ordinary shares (as defined in the Articles of Association of the Company) authorised to be acquired pursuant to this resolution shall not exceed 20,222,515 ordinary shares of €0.01 each (representing twenty (20) per cent. of the issued share capital);
 - (b) The minimum price which may be paid for any share shall be an amount equal to the nominal value thereof;
 - (c) The maximum price which may be paid for any share (a "**relevant share**") shall be an amount equal to 105% of the average of the five amounts resulting from determining whichever of the following (i), (ii) or (iii) specified below in relation to the shares of the same class as the relevant share shall be appropriate for each of the five business days immediately preceding the day on which the relevant share is purchased, as determined from the information published in the Irish Stock Exchange Daily Official List reporting the business done on each of those five business days:
 - (i) if there shall be more than one dealing reported for the day, the average of the prices at which such dealings took place; or
 - (ii) if there shall be only one dealing reported for the day, the price at which such dealing took place; or
 - (iii) if there shall not be any dealing reported for the day, the average of the high and low market guide prices for that day;and if there shall be only a high (but not a low) or a low (but not a high) market guide price reported, or if there shall not be any market guide price reported, for any particular day then that day shall not count as one of the said five business days for the purposes of determining the maximum price. If the means of providing the foregoing information as to dealings and prices by reference to which the maximum price is to be determined is altered or is replaced by some other means, then a maximum price shall be determined on the basis of the equivalent information published by the relevant authority in relation to dealings on the Irish Stock Exchange or its equivalent;
 - (d) The authority hereby granted shall expire at the close of business on the date of the next AGM of the Company or 6 October 2013, whichever is the earlier, unless previously varied, revoked or renewed by special resolution in accordance with the provisions of Section 215 of the Companies Act, 1990. The Company or any such subsidiary may, before such expiry, enter into a contract for the purchase of shares which would or might be executed wholly or partly after such expiry and may complete any such contract as if the authority conferred hereby had not expired."

- 4(B) "That, subject to the passing of Resolution 4(A), for the purposes of Section 209 of the Companies Act, 1990, the reissue price range at which any treasury shares (as defined by the said Section 209) for the time being held by the Company may be reissued off-market shall be as follows:
- (a) The maximum price at which a treasury share may be reissued off-market shall be an amount equal to 120 per cent. of the "appropriate price"; and
 - (b) The minimum price at which a treasury share may be re-issued off-market shall be the nominal value of the share where such a share is required to satisfy an obligation under an employee share scheme (as defined in the Listing Rules of The Irish Stock Exchange Limited) operated by the Company or, in all other cases, an amount equal to 95 per cent. of the appropriate price.

For the purposes of this resolution the expression "**appropriate price**" shall mean the average of the five amounts resulting from determining whichever of the following (i), (ii) or (iii) specified below in relation to shares of the class of which such treasury share is to be reissued shall be appropriate in respect of each of the five business days immediately preceding the day on which the treasury share is reissued, as determined from information published in the Irish Stock Exchange Daily Official List reporting the business done in each of those five business days:

- (i) if there shall be more than one dealing reported for the day, the average of the prices at which such dealings took place; or
- (ii) if there shall be only one dealing reported for the day, the price at which such dealing took place; or
- (iii) if there shall not be any dealing reported for the day, the average of the high or low market guide prices for the day;

and if there shall be only a high (but not a low) or a low (but not a high) market guide price reported, or if there shall not be any market guide price reported, for any particular day then that day shall not count as one of the said five business days for the purposes of determining the appropriate price. If the means of providing the foregoing information as to dealings and prices by reference to which the appropriate price is to be determined is altered or is replaced by some other means, then the appropriate price shall be determined on the basis of the equivalent information published by the relevant authority in relation to dealings on the Irish Stock Exchange or its equivalent.

The authority hereby conferred shall expire at the close of business on the day of the next AGM of the Company or 6 October 2013, whichever is the earlier, unless previously varied or renewed in accordance with the provisions of Section 209 of the Companies Act, 1990."

J Fagan

Company Secretary

Block 2A Richview Office Park, Clonskeagh, Dublin 14, Ireland

14 May 2012

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote in his/her place. Completion of a form of proxy will not affect the right of a member to attend, speak and vote at the meeting in person.
2. To be valid, forms of proxy duly signed together with the power of attorney or such other authority (if any) under which they are signed (or a certified copy of such power or authority) must be lodged with the Company's registrar, Capita Registrars (Ireland) Limited, Unit 5 Manor Street Business Park, Manor Street, Dublin 7, Ireland by not later than 11:30am on Wednesday, 4 July 2012.
3. The Company, pursuant to Regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996 (as amended) (the "CREST Regulations"), specifies that only those shareholders registered in the register of members of the Company as at 6.00pm on Wednesday, 4 July 2012 (or in the case of an adjournment as at 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at the time. Changes to entries in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Capita Registrars (Ireland) Limited (ID 7RA08) by 11.30am on 4 July 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.



12 ANNUAL REPORT

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

TVC Holdings plc

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