

Unaudited Half-Yearly Report
for the six months ended 31 March 2009



THE INCOME & GROWTH VCT PLC

www.incomeandgrowthvct.co.uk

Investment Objective

The objective of The Income & Growth VCT plc ("I&G VCT" or "the Company") is to provide investors with an attractive return, by maximising the stream of dividend distributions from the income and capital gains generated by a diverse and carefully selected portfolio of investments.

The Company invests in companies at various stages of development. In some instances this may include investments in new and secondary issues of companies which may already be quoted on the FTSE All-Share Alternative Investment Market ("AiM") or PLUS Markets.

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Financial Highlights

ordinary shares of 1 p each ('O' Shares)

- ▲ Out-performance against comparable benchmarks (see graph below)
- ▼ Decrease of 7.6% in net asset value (NAV) per 'O' Share over the six month period
- ▼ Decrease of 22.9% in total shareholder return (share price basis) over the six month period
- ▼ Decrease of 2.3% in total shareholder return (net asset value basis) over the six month period
- ▶ Liquidity maintained in face of market downturn

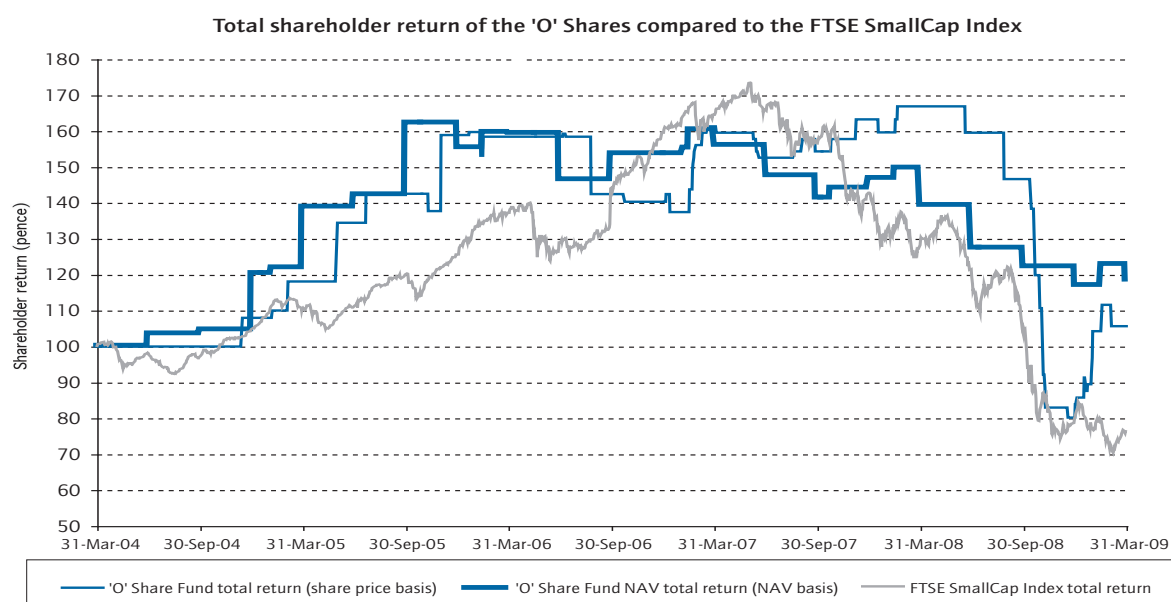
Performance Summary

Period	Net assets (£ million)	Net asset value per 'O' Share (p)	Total return to shareholders (NAV basis) since launch per 'O' Share (p)	Share price (p) ¹	Total return to shareholders (Share price basis) since launch per 'O' Share (p)
As at 31 March 2009	27.1	77.2	97.7	53.5	74.0
As at 30 September 2008	29.6	83.6	100.0	79.5	96.0
As at 30 September 2007	36.8	100.5 ²	115.0	87.5	100.0
As at 30 September 2006	44.2	112.9	121.6	84.5	93.2
As at 30 September 2005 (restated)	49.2	122.5	128.0	87.5	93.0

¹Source: London Stock Exchange ²After deducting the dividend of 2p per share paid on 24 October 2007

In the graph below, the total return figures have been rebased to 100 at 1 April 2004, the date on which the 'O' Shares were first admitted to the Official List of the UK Listing Authority (UKLA) and to trading.






The total return comprises the share price or NAV per share plus dividends paid, assuming the dividends paid were re-invested on the date on which the shares were quoted ex-dividend in respect of each dividend.



Source: Matrix Corporate Capital LLP

Financial Highlights

S ordinary shares of 1p each ('S' Shares)

-  Out-performance against comparable benchmarks (see graph below)
-  Slight decrease of 0.4% in net asset value (NAV) per 'S' Share over the six month period
-  Decrease of 5.5% in total shareholder return (share price basis) over the six month period
-  Slight decrease of 0.4% in total shareholder return (net asset value basis) over the six month period
-  Liquidity largely maintained in face of market downturn

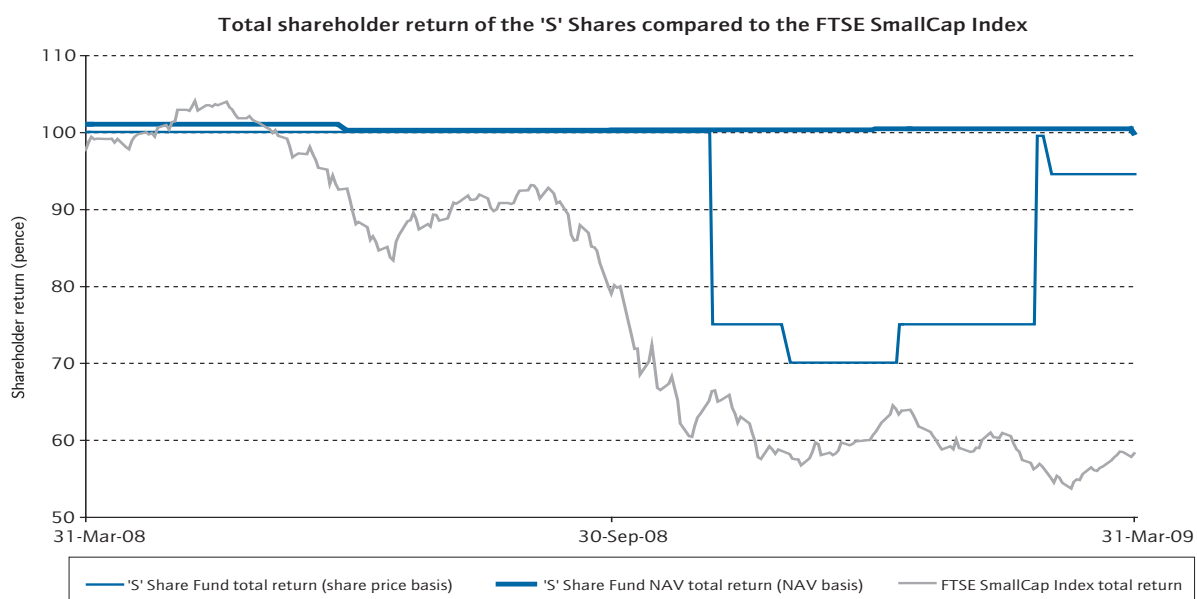
Performance Summary

Period	Net assets (£ million)	Net asset value per 'S' Share (p)	Total return to shareholders (NAV basis) since launch per 'S' Share (p)	Share price (p) ¹	Total return to shareholders (Share price basis) since launch per 'S' Share (p)
As at 31 March 2009	11.1	94.2	94.2	94.5	94.5
As at 30 September 2008	11.2	94.6	94.6	100.0	100.0
At close of Offer for Subscription	11.2	94.5	94.5	100.0	100.0

¹Source: London Stock Exchange

In the graph below, the total return figures have been rebased to 100 at 8 February 2008, the date on which the 'S' Shares were first admitted to the Official List of the UKLA and to trading.

The total return comprises the share price or NAV per share plus dividends paid, assuming the dividends paid were re-invested on the date on which the shares were quoted ex-dividend in respect of each dividend.



Source: Matrix Corporate Capital LLP

Chairman's Statement

Chairman's Statement

I am pleased to present the Company's Half-Yearly Report for the six months ended 31 March 2009.

The last six months have been dominated by the global economy. Nearly all UK investment portfolios have been and remain affected by the harsh economic conditions which now exist. These are predicted to continue for at least the remainder of this calendar year. I cover our views below on the outlook for the economy and for the Company's portfolio.

Inevitably, nearly all sectors of the economy have been affected. Two important aspects of this are related to the Company's business: whilst divestments have proved to be difficult to achieve over the past six months, we do nevertheless expect acquisition prices to become more attractive. No exits have been achieved in the current period, but the Board and the Investment Manager remain cautiously confident about the trading performances of most of our investments.

Performance 'O' Share Fund

At 31 March 2009 the Company's NAV per 'O' Share was 77.2 pence (30 September 2008: 83.6 pence), a decrease of 7.6%. This compares with a decline of 27.6% in the capital return of the FTSE SmallCap Index and a fall of 33.6% in the capital return of the FTSE All-Share AiM Index during the same period. The total return per 'O' Share (NAV basis) fell in the six month period by 2.3%. In the longer term, the Fund has continued to perform well with total return per 'O' Share (NAV basis) since launch rising by 3.4%. Cumulative dividends paid to date amount to 20.45 pence per 'O' Share.

'S' Share Fund

At 31 March 2009 the NAV per 'S' Share was 94.2 pence (30 September 2008: 94.6 pence), a decrease of 0.4%.

Portfolio 'O' Share Fund

The performance of the 'O' Share Fund portfolio during the period was mixed. UK sector price earnings multiples have, in the main, decreased significantly over this six month period, and this does impact on our portfolio valuations in both the quoted and unquoted sectors. In particular, it continues to be a difficult time for investments in the construction, food manufacturing and technology sectors.

In general, the environment for new investment has, in the opinion of the Board and the Investment Manager, continued to

prove unattractive. Therefore, the emphasis has been, and will continue to be, in the judicious support of existing investments. In October 2008, a new investment was made into ATG Media Holdings Limited of £595,842 to support the management buy-out ("MBO") of Metropress, publishers of the Antiques Trade Gazette. A further loan stock investment of £129,264 was made in November 2008 into PXP Holdings Limited and a further loan stock investment of £47,158 was made into Monsal Holdings Limited in January 2009. Unfortunately, FH Ingredients Limited was dissolved on 9 December 2008. Regrettably, there were no realisations in the period under review, although Tottel Publishing Limited repaid half its loan stock, resulting in a return of £257,400 to the 'O' Share Fund. Further payments arising from the sale of Secure Mail Services Limited in 2006 were also received; these totalled £163,650, bringing total cash proceeds from this £1.3 million investment to over £5 million.

Within the original MPEP portfolio, which now represents 83.3% of the overall 'O' Share Fund portfolio, fourteen of the investments are now valued at cost or above with the balance being valued below cost. Notable trading performances during 2008 were produced by HWA Limited, Tottel Publishing Limited, PastaKing Holdings Limited, DiGiCo Europe Limited and Vectair Holdings Limited.

By contrast, the former Foresight and Nova portfolios continue to underperform. These two legacy portfolios, comprising largely technology and early-stage companies, will continue to need to be monitored closely. These legacy portfolios are currently jointly valued at some 34% of their original cost having seen a decrease in value of some £1.0 million over the last six months. The quoted investments, of which there are six, fell by £0.9 million over the six months to 31 March 2009. Oxonica was the worst affected with a fall of some £418,000.

'S' Share Fund

In October 2008, a new investment was also made into ATG Media Holdings Limited of £404,158 to support the MBO of Metropress, publishers of the Antiques Trade Gazette. There were no realisations in the period under review. The remainder of the portfolio, apart from its other investment in The Plastic Surgeon Holdings Limited, is currently held in cash and liquidity funds pending a more attractive investment climate.

Cash available for investment

Cash and liquidity fund balances as at 31 March 2009 in both share classes amounted to some £14.8 million. During this economic uncertainty, the Board has worked hard to ensure that

Chairman's Statement

our cash deposits have remained as secure as possible. We have for some time been spreading our significant cash deposits with a number of the leading global cash funds rather than depositing directly with individual banks, thereby reducing our exposure to any one particular bank.

Revenue account

'O' Share Fund

At 31 March 2009, revenue return for the period available for distribution to 'O' Fund Shareholders was £132,488 (31 March 2008: £124,647). However, in the light of present interest rate levels, dividends arising from current year's revenue are likely to be severely limited so any income dividend may be financed from revenue reserves built up from previous years.

'S' Share Fund

At 31 March 2009, revenue return for the period available for distribution to 'S' Fund Shareholders was £44,287 (31 March 2008: loss of £2,942). As noted above, dividends arising from revenue are likely to be severely limited.

Dividend investment scheme

'O' Share Fund

206 'O' Fund Shareholders, who between them held a total of 2,420,614 'O' Shares, representing 6.9% of the 'O' Share Fund, were issued 127,403 new 'O' Shares on 16 February 2009 in respect of the dividend of 4 pence per 'O' Share paid to 'O' Fund Shareholders on that date.

Shareholders continue to have the opportunity to re-invest their dividends into new 'O' Shares at the latest published NAV per share as at the dividend payment date.

'S' Share Fund

The above Scheme will be open to 'S' Fund Shareholders as soon as the 'S' Share Fund starts to pay dividends. Shareholders will have the opportunity to re-invest their dividends into new 'S' Shares at the latest published NAV per share as at the dividend payment date.

New shares issued pursuant to the Scheme will, subject to an individual shareholder's particular circumstances, attract the VCT tax reliefs applicable for the tax year in which the shares are allotted (currently 30%). Copies of the Scheme Rules are available on Company's website, www.incomeandgrowthvct.co.uk, and personalised application forms can be obtained from the Company's Registrars, Capita

Registrars, (tel: 0871 664 0300). Application forms should be returned to Capita Registrars at the address given on the form so as to arrive no later than fifteen days before the payment date for a particular dividend to ensure that you qualify to receive the dividend as shares.

Valuation Policy

Quoted stocks are valued at bid prices, rather than mid-market prices in accordance with accounting standards. It is worth commenting that the Fund does hold a number of relatively early stage AiM listed stocks with limited marketability. In such cases, the price at which a sizeable block of shares could be traded, if at all, may vary significantly from the market price used.

VAT

Shareholders may be aware of recent HM Revenue & Customs ("HMRC") announcements that could permit VCTs to recover VAT previously charged on fund management fees for at least the past three years. These accounts continue to recognise VAT recoverable of £334,232, based upon available information supplied by the Company's current and past Investment Managers.

Appointment of corporate broker

On 13 October 2008, the London Stock Exchange announced that Landsbanki Securities (UK) Limited (Landsbanki) would no longer be able to act as a market maker. Landsbanki was therefore unable to quote prices or make a market in the Company's shares. The Directors understand that this action by the London Stock Exchange related to the Administration of Landsbanki's parent company, Landsbanki Islands hf, and resultant regulatory actions arising therefrom. I apologise for the inconvenience this may have caused to any shareholders.

The Board is pleased, therefore, to have been able to announce the appointment of Matrix Corporate Capital LLP (MCC) as corporate broker to the Company on 3 December 2008. The team at MCC includes the core Investment Funds team who were formerly at Landsbanki.

Share buy-backs

During the six months ended 31 March 2009, the Company bought back 523,538 'O' Fund Shares (representing 1.48% of the 'O' Fund Shares in issue at the beginning of the period) at a total cost of £239,671 (net of expenses of £1,880). These shares were subsequently cancelled by the Company.

Outlook

It is highly probable that the current tougher economic conditions could endure for some time. Relatively small, early stage growth businesses will inevitably be tested in such an environment. However, many of our portfolio companies, which are in later stages of development, are continuing to trade positively and, in some cases, above the levels seen more than a year ago. The Board and Investment Manager are of the opinion that the worst of the recession is yet to be seen in the trading performances of most smaller companies.

The Company overall has significant cash resources and this is crucially important at a time when many commercial banks are pursuing more cautious lending policies. Furthermore, it places the Company in an excellent position to take advantage of what are expected to be increasingly attractive purchase opportunities which are expected to become available later in the year.

Cautionary Statement

This report may contain forward looking statements with regards to the financial condition and results of the Company, which are made in the light of current economic and business circumstances. Nothing in this announcement should be construed as a profit forecast.

Principal risks and uncertainties

In accordance with D.T.R 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed since the publication of the Annual Report and Accounts for the year ended 30 September 2008. The Board acknowledges that there is regulatory risk and continues to manage the Company's affairs in such a manner as to comply with section 274 Income Tax Act 2007. Other risks relate to credit risk, market price risk, interest rate risk and currency risk. A more detailed explanation of these can be found in Note 20 on pages 66 to 71 of the 2008 Annual Report and Accounts – copies are available on the VCT's website, www.incomeandgrowthvct.co.uk.

Therefore, while short term valuations are likely to be subject to continuing pressure, your Board looks to the mid-term future with more optimism. The legacy Foresight portfolio will continue to need to be monitored closely. Most importantly though, the Board remains pleased with the progress that the core MPEP portfolio is making, especially given the current financial background. It is to be hoped that the recent G20 Summit in London will restore some confidence to the financial system globally and act as a catalyst for a resumption of higher levels of global trade.

Once again, I would like to take this opportunity to thank Shareholders for their continued support.

Colin Hook
Chairman
27 May 2009

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with the statement, "Half-Yearly Reports", issued by the Accounting Standards Board, gives a true and fair view of the assets, liabilities, financial position and loss of the Company, as required by Disclosure and Transparency Rule (DTR) 4.2.4; and
- (b) the management report, comprising the Chairman's Statement, Investment Policy, Investment Portfolio Summary and the Investment Manager's Review includes a fair review of the information required by DTR 4.2.7 and in accordance with DTR 4.2.10
- (c) there were no relevant Related Party Transactions to be reported as required by DTR 4.2.8

Colin Hook
Chairman
27 May 2009

Investment Policy

The Company's policy is to invest primarily in a diverse portfolio of UK unquoted companies. Investments are structured as part loan and part equity in order to receive regular income and to generate capital gains from trade sales and flotations of investee companies.

Investments are made selectively across a number of sectors, primarily in management buyout transactions (MBOs) i.e. to support incumbent management teams in acquiring the business they manage but do not yet own. Investments are primarily made in companies that are established and profitable.

The Company has a small legacy portfolio of investments in companies from its period prior to 30 September 2008, when it was a multi-manager VCT. This includes investments in early stage and technology companies and in companies quoted on the AiM or PLUS Markets.

Uninvested funds are held in cash and lower risk money market funds.

UK Companies

The companies in which investments are made must have no more than £15 million of gross assets at the time of investment to be classed as a VCT qualifying holding.

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue & Customs ("HMRC"). Amongst other conditions, the Company may not invest more than 15% of its investments in a single company and must have at least 70% by value of its investments throughout the period in shares or securities comprised in VCT qualifying holdings, of which a minimum overall of 30% by value must be ordinary shares which carry no

preferential rights. In addition, although the Company can invest less than 30% of an investment in a specific company in ordinary shares it must have at least 10% by value of its total investments in each VCT qualifying company in ordinary shares which carry no preferential rights.

Asset mix

The Company initially holds its funds in a portfolio of readily realisable interest bearing investments and deposits. The investment portfolio of qualifying investments is built up over a three year period with the aim of investing and maintaining at least 70% of net funds raised in qualifying investments.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses across different industry sectors. To reduce the risk of high exposure to equities, each qualifying investment is structured using a significant proportion of loan stock (up to 70% of the total investment in each VCT qualifying company). Initial investments in VCT qualifying companies are generally made in amounts ranging from £200,000 to £1 million at cost. No holding in any one company will represent more than 10% of the value of the Company's investments at the time of investment. Ongoing monitoring of each investment is carried out by the Investment Manager, generally through taking a seat on the board of each VCT qualifying company.

Co-investment

The Company aims to invest in larger, more mature unquoted companies through investing alongside the four other VCTs advised by the Investment Manager with a similar investment policy. This enables the Company to participate in combined investments advised on by the Investment Manager of up to £5 million.

Investment Portfolio Summary – 'O' Share Fund

as at 31 March 2009

	Total cost at 31 March 2009 (unaudited) £	Valuation at 30 Sept 2008 (audited) £	Additional Investments in the period £	Valuation at 31 March 2009 (unaudited) £
HWA Limited (Holloway White Allom) Specialist contractor in the high-value residential and heritage property refurbishment market	34,553	2,359,597	–	3,560,625
Image Source Group Limited Royalty free picture library	305,000	2,241,678	–	2,183,012
Tottel Publishing Limited Publisher of specialist legal and taxation titles	325,182	1,294,585	–	1,494,338
Amaldis (2008) Limited (Original Additions) Manufacturer and distributor of beauty products	80,313	1,248,967	–	1,350,652
Youngman Group Limited Manufacturer of ladders and access towers	1,000,052	1,615,929	–	1,205,824
Apricot Trading Limited Company seeking to acquire businesses in the marketing services and media sector	1,000,000	1,000,000	–	1,000,000
Aust Construction Investors Limited Company seeking to acquire businesses in the construction sector	1,000,000	1,000,000	–	1,000,000
Calisamo Management Limited Company seeking to acquire businesses in the healthcare sector	1,000,000	1,000,000	–	1,000,000
Blaze Signs Holdings Limited Manufacturer and installer of signs	1,338,500	1,392,644	–	919,539
PastaKing Holdings Limited Manufacturer and supplier of fresh pasta meals	292,405	856,250	–	812,317
Camwood Limited Provider of software repackaging services	1,028,181	552,444	–	796,703
DiGiCo Europe Limited Designer and manufacturer of audio mixing desks	656,900	763,337	–	779,896
VSI Limited Provider of software for CAD and CAM vendors	245,596	675,439	–	756,831
IDOX plc Provider of document storage systems	872,625	816,667	–	755,417
Oxonica plc Leading international nanomaterials group	2,524,527	1,113,991	–	696,244
ATG Media Holdings Limited Publisher and online auction platform operator	595,842	–	595,842	595,842
Tikit Group plc Provider of consultancy services and software solutions for law firms	500,000	899,999	–	521,738
British International Holdings Limited Helicopter service operator	500,000	375,112	–	489,073
Focus Pharma Holdings Limited Licensor and distributor of generic pharmaceuticals	516,900	516,900	–	423,256
Monsal Holdings Limited Supplier of engineering services to water and waste sectors	471,605	318,335	47,158	353,704
B G Consulting Group Limited/Duncary 4 Limited Technical training business	1,153,976	256,530	–	286,406
Vectair Holdings Limited Designer and distributor of washroom products	215,914	341,830	–	286,113
DCG Group Limited Design, supply and integration of data storage solutions	312,074	321,013	–	238,916
Nexxtdrive Limited Developer and exploiter of patented transmission technologies	812,014	203,004	–	203,004
ANT plc Provider of embedded browser/email software for consumer electronics and internet appliances	462,816	196,979	–	151,017
Biomer Technology Limited Developer of biomaterials for medical devices	137,170	137,170	–	137,170
Brookerpaks Limited Importer and distributor of garlic and vacuum-packed vegetables	55,000	417,540	–	136,374

Investment Portfolio Summary – 'O' Share Fund

as at 31 March 2009

	Total cost at 31 March 2009 (unaudited) £	Valuation at 30 Sept 2008 (audited) £	Additional Investments in the period £	Valuation at 31 March 2009 (unaudited) £
The Plastic Surgeon Holdings Limited Supplier of snagging and finishing services to property sector	307,071	153,536	–	76,768
Sarantel Group plc Developer and manufacturer of antennae for mobile phones and other wireless devices	1,881,252	68,078	–	68,078
Aigis Blast Protection Limited Specialist blast containment materials company	272,120	68,030	–	68,030
Corero plc Provider of software repackaging services	600,000	73,672	–	66,305
SectorGuard plc Provision of manned guarding, mobile patrols, and alarm response	150,000	64,286	–	53,571
Aquasium Technology Limited Design, manufacture and marketing of bespoke electron beam welding and vacuum furnace equipment	700,000	311,306	–	42,899
Camden Media Limited Magazine publisher and conference organiser	334,880	65,842	–	36,334
Alaric Systems Limited Software development, implementation and support in the credit/debit card authorisation and payments market	595,802	30,647	–	30,647
PXP Holdings Limited (Pinewood Structures) Designer, manufacturer and supplier of timber frames for buildings	920,176	324,860	129,264	–
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	550,852	13,692	–	–
Letraset Limited Manufacturer and distributor of graphic art products	650,000	0	–	–
Other investments in the portfolio*	730,435	0	–	–
'O' Share Fund Total	25,129,733	23,089,889	772,264	22,576,643

*Other investments in the portfolio comprises Stortext-FM Limited/Stortext (DO) Limited and Inca Interiors Limited (in administration)

Investment Portfolio Summary – 'S' Share Fund

as at 31 March 2009

	Total cost at 31 March 2009 (unaudited) £	Valuation at 30 Sept 2008 (audited) £	Additional Investments in the period £	Valuation at 31 March 2009 (unaudited) £
ATG Media Holdings Limited Publisher and online auction platform operator	404,158	–	404,158	404,158
The Plastic Surgeon Holdings Limited Supplier of snagging and finishing services to property sector	99,011	49,506	–	24,753
'S' Share Fund Total	503,169	49,506	404,158	428,911
Company Total	25,632,902	23,139,395	1,176,422	23,005,554

Investment Managers' Review

Over the last six months, the environment for new investment has in our opinion continued to be generally unattractive; this view has been informed both by a lack of sufficiently attractive investment opportunities and the increasing evidence of recession affecting many smaller companies. We have held the view for some time that in the current market the price expectations of vendors would prove unsustainable; furthermore we have, over the past two years, avoided transactions which necessitated companies taking on high levels of bank borrowing, believing that economic conditions were deteriorating and that highly-leveraged investments would become vulnerable in the tougher economic conditions which now prevail.

Against a worsening backdrop of reducing demand and increasing pressure on margins, your Investment Manager remains cautious in its assessment of the forecasts produced by aspiring management teams and we therefore chose to complete just one new investment over the period.

In October, the 'O' and 'S' Share Funds invested £595,842 and £404,158 respectively in ATG Media; this company acquired the publisher of the leading weekly newspaper serving the UK antiques trade, the Antiques Trade Gazette, via a MBO. This London-based business also offers an on-line auction capability. The 'O' and 'S' Share Funds invested in loan stock and ordinary shares, holding 5.3% and 3.6% of the equity respectively.

Two small additional investments were made by the 'O' Share Fund during the period. In November, £129,264 was invested as part of a £1 million funding round to provide capital to support PXP in what is expected to remain a difficult housebuilding and construction market during 2009. In January, Monsal received further shareholder funding of £500,000, including £47,158 from the 'O' Share Fund, to provide additional working capital.

We are of the view that the depth of the recession, insofar as it affects the performance of smaller companies, remains some way off and a priority will therefore be to continue to invest to support portfolio companies judiciously during this period. We believe that the overall quality of the portfolio remains very high and that it contains a number of UK market-leading companies which will rebound strongly as the economy recovers. Proportionate additional investment alongside highly-motivated management teams who are prepared to take hard decisions to ensure the long term financial health of their businesses will, in our view, be a proper response to the economic environment. We are also mindful that small acquisitions of distressed competitors may represent opportunities for some portfolio companies and continue to review these.

Inevitably, the valuations of a number of portfolio companies have suffered materially over the past year, due to deterioration in their own trading and also to falls in the PE ratios of quoted companies by reference to which the Funds' investments are valued. Appropriate provisions have been made against investments to reflect this. Certain sectors have been particularly affected, notably construction, food manufacturers and software and computer services.

Within the 'O' Share Fund a number of MPEP portfolio companies posted record profits during 2008, including HWA, Tottel Publishing, PastaKing, DiGiCo Europe and Vectair. Tottel generated sufficient cash to prepay half its loan stock, resulting in a return of £189,618 to the 'O' Share Fund, in addition to a premium of £67,782. Further payments of deferred consideration arising from the sale of Secure Mail Services in 2006 were also received; these totalled £163,650, bringing total cash proceeds from this £1.3 million investment to over £5 million. Small final payments are expected to follow.

The MPEP investments reflect both the maturity of the portfolio and the position in the economic cycle. Of the twenty-five current investments, ten are valued above cost, four at cost and eleven below cost. Including the investment in ATG Media, these investments were valued at £18.5 million at 31 March 2009, representing 138% of investment cost of £13.7 million.

The legacy Foresight and Nova portfolios comprise largely technology and early-stage companies and show a rather worse position, with a total of fourteen investments of which one is valued above cost, one at cost and twelve below cost. The value of the AiM market investments in these portfolios suffered particularly; the value of the six investments fell from £3.2 million at 30 September 2008 to £2.3 million at 31 March 2009, a fall of 28% in six months. Oxonica was the worst affected, showing a fall of 38%.

The value of the legacy portfolio investments at 31 March 2009 was £3.8 million, a fall of £1.0 million from the valuation of £4.8 million at 30 September 2008. The current valuation represents 34% of original cost.

The 'S' Share Fund now has two investments, namely Plastic Surgeon and ATG Media. The former is exposed to the construction industry and we have therefore felt it appropriate to raise a 75% impairment provision; the latter has traded broadly in line with its investment plan since investment last October.

The measured pace of investment within the fund reflects the views expressed above in relation to the current environment for new investment.

Unaudited Non-Statutory Analysis between the 'O' Share and 'S' Share Funds

Profit and Loss accounts for the six months ended 31 March 2009

	Notes	Revenue £	'O' Share Fund Capital £	Total £	Revenue £	'S' Share Fund Capital £	Total £
Unrealised losses on investments held at fair value		–	(1,028,110)	(1,028,110)	–	(24,753)	(24,753)
Realised gains on investments held at fair value		–	20,000	20,000	–	–	–
Income		424,362	67,950	492,312	161,589	–	161,589
Investment management expense	2	(72,754)	(218,262)	(291,016)	(27,015)	(81,043)	(108,058)
Other expenses		(186,777)	–	(186,777)	(72,495)	–	(72,495)
Profit/(loss) on ordinary activities before taxation		164,831	(1,158,422)	(993,591)	62,079	(105,796)	(43,717)
Tax on profit/(loss) on ordinary activities	3	(32,343)	33,318	975	(17,792)	16,817	(975)
Profit/(loss) attributable to equity shareholders		132,488	(1,125,104)	(992,616)	44,287	(88,979)	(44,692)
Basic and diluted earnings per 1p share	7	0.38p	(3.19)p	(2.81)p	0.38p	(0.76)p	(0.38)p

Balance Sheets as at 31 March 2009

	Notes		'O' Share Fund £	£		'S' Share Fund £	£
Assets held at fair value through profit and loss – investments				22,576,643			428,911
Current assets							
Debtors and prepayments			562,449			26,440	
Current investments			4,001,243			10,746,291	
Cash at bank			32,705			8,597	
			4,596,397			10,781,328	
Creditors: amounts falling due within one year			(104,220)			(87,439)	
Net current assets				4,492,177			10,693,889
Net assets				27,068,820			11,122,800
Share capital and reserves							
Called up share capital				350,553			118,065
Share premium account				308,614			11,053,220
Capital redemption reserve				70,708			–
Capital reserve – unrealised				(1,999,148)			(74,258)
Special reserve				17,743,304			–
Profit and loss account				10,594,789			25,773
Equity shareholders' funds				27,068,820			11,122,800
Number of shares in issue				35,055,303			11,806,467
Net and diluted asset value per 1p share	10			77.22 p			94.21 p

Note: The adjustment above nets off the inter-fund debtor and creditor balances, so that the "Total of both Funds" balance sheet agrees to the Unaudited Balance Sheet on page 14.

	Total of both Funds (per unaudited Profit and Loss Account)*		
	Revenue £	Capital £	Total £
	–	(1,052,863)	(1,052,863)
	–	20,000	20,000
	585,951	67,950	653,901
	(99,769)	(299,305)	(399,074)
	(259,272)	–	(259,272)
	226,910	(1,264,218)	(1,037,308)
	(50,135)	50,135	–
	176,775	(1,214,083)	(1,037,308)

* See pages 12-13

Adjustments (see note below) £	Total of both Funds (per unaudited Balance Sheet)*	
	£	£
		23,005,554
(84,129)	504,760	
	14,747,534	
	41,302	
(84,129)	15,293,596	
(84,129)	(107,530)	
		15,186,066
		38,191,620
		468,618
		11,361,834
		70,708
		(2,073,406)
		17,743,304
		10,620,562
		38,191,620

* See page 14

Unaudited Profit and Loss Account

for the six months ended 31 March 2009

	Notes	Six months ended 31 March 2009 (unaudited)			Six months ended 31 March 2008 (unaudited)		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Unrealised losses on investments	6	–	(1,052,863)	(1,052,863)	–	(2,353,042)	(2,353,042)
Net gains on realisation of investments	6	–	20,000	20,000	–	1,641,036	1,641,036
Income		585,951	67,950	653,901	486,926	–	486,926
Recoverable VAT		–	–	–	–	–	–
Investment management expense	2	(99,769)	(299,305)	(399,074)	(103,025)	(664,074)	(767,099)
Other expenses		(259,272)	–	(259,272)	(239,487)	–	(239,487)
Profit/(loss) before taxation		226,910	(1,264,218)	(1,037,308)	144,414	(1,376,080)	(1,231,666)
Tax on profit/(loss) on ordinary activities	3	(50,135)	50,135	–	(22,709)	22,709	–
Profit/(loss) for the financial period		176,775	(1,214,083)	(1,037,308)	121,705	(1,353,371)	(1,231,666)
Basic and diluted earnings per 'O' Share:	7			(2.81)p			3.37p
Basic and diluted earnings per 'S' Share:	7			(0.38)p			(1.54)p

The total column of this statement is the Profit and Loss Account of the Company.

All the items in the above statement derive from continuing operations.

There were no other recognised gains or losses in the period.

Other than revaluation movements arising on investments held at fair value through Profit and Loss Account, there were no differences between the profit/(loss) as stated above and at historical cost.

The notes on pages 16 to 23 form part of these half-yearly financial statements.

	Year ended 30 September 2008 (audited)		
	Revenue £	Capital £	Total £
	–	(7,553,875)	(7,553,875)
	–	2,053,510	2,053,510
	1,454,724	–	1,454,724
	83,278	249,833	333,111
	(197,028)	(1,013,810)	(1,210,838)
	(517,005)	–	(517,005)
	823,969	(6,264,342)	(5,440,373)
	(106,773)	106,773	–
	717,196	(6,157,569)	(5,440,373)
			(15.06)p
			(0.04)p

Unaudited Balance Sheet

as at 31 March 2009

	Notes	31 March 2009 (unaudited) £	31 March 2008 (unaudited) £	30 September 2008 (audited) £
Non-current assets				
Investments	6	23,005,554	27,423,194	23,139,395
Current assets				
Debtors and prepayments		504,760	3,763,735	1,843,777
Investments at fair value	8	14,747,534	7,189,315	16,336,014
Cash at bank		41,302	95,347	65,690
		15,293,596	11,048,397	18,245,481
Creditors: amounts falling due within one year		(107,530)	(593,187)	(593,164)
Net current assets		15,186,066	10,455,210	17,652,317
Net assets		38,191,620	37,878,404	40,791,712
Capital and reserves	9			
Called up share capital		468,618	397,970	472,580
Share premium account		11,361,834	3,725,068	11,266,282
Capital redemption reserve		70,708	59,516	65,472
Revaluation reserve		(2,073,406)	6,259,311	(1,252,761)
Special reserve		17,743,304	18,813,238	18,169,799
Profit and loss account		10,620,562	8,623,301	12,070,340
Equity shareholders' funds		38,191,620	37,878,404	40,791,712
Net asset value per 'O' Share – basic	10	77.22p	95.25p	83.56p
Net asset value per 'O' Share – diluted	10	77.22p	95.25p	82.39p
Net asset value per 'S' Share – basic and diluted	10	94.21p	94.47p	94.59p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 March 2009

	Notes	Six months ended 31 March 2009 (unaudited) £	Six months ended 31 March 2008 (unaudited) £	Year ended 30 September 2008 (audited) £
Opening shareholders' funds		40,791,712	36,778,493	36,778,493
Net share capital (bought back)/subscribed for in the period	9	(144,725)	3,062,765	10,184,779
Loss for the period		(1,037,308)	(1,231,666)	(5,440,373)
Dividends paid in period	5	(1,418,059)	(731,188)	(731,187)
Closing shareholders' funds		38,191,620	37,878,404	40,791,712

Unaudited Cash Flow Statement

for the six months ended 31 March 2009

	Six months ended 31 March 2009 (unaudited) £	Six months ended 31 March 2008 (restated and unaudited) £	Year ended 30 September 2008 (audited) £
Operating activities			
Investment income received	730,106	927,176	1,435,092
Investment management fees paid	(825,088)	(338,136)	(782,286)
Recoverable VAT	130,470	–	–
Other income	12,377	–	–
Other cash payments	(338,927)	(270,770)	(564,901)
Net cash (outflow)/inflow from operating activities	(291,062)	318,270	87,905
Investing activities			
Acquisitions of investments	(176,422)	(1,329,112)	(5,735,193)
Disposals of investments	417,400	4,165,270	7,247,239
Net cash inflow from investing activities	240,978	2,836,158	1,512,046
Dividends			
Equity dividends paid	(1,418,059)	(1,462,948)	(1,385,722)
Cash (outflow)/inflow before financing and liquid resource management	(1,468,143)	(1,691,480)	214,229
Management of liquid resources			
Increase/(decrease) in current investments	1,588,480	(607,818)	(9,754,517)
Financing			
Issue of ordinary shares	96,826	77,226	11,171,285
Purchase of own shares	(241,551)	(1,112,403)	(1,612,169)
Net cash (outflow)/inflow from financing	(144,725)	(1,035,177)	9,559,116
(Decrease)/increase in cash for the period	(24,388)	48,485	18,828

Reconciliation of loss on ordinary activities before taxation to net cash outflow from operating activities

for the six months ended 31 March 2009

	Six months ended 31 March 2009 (unaudited) £	Six months ended 31 March 2008 (unaudited) £	Year ended 30 September 2008 (audited) £
Loss on ordinary activities before taxation	(1,037,308)	(1,231,666)	(5,440,373)
Net unrealised losses on investments	1,052,863	2,353,042	7,553,875
Net gains on realisations of investments	(20,000)	(1,641,036)	(2,053,510)
Decrease/(increase) in debtors	165,615	998,669	(406,071)
Decrease/(increase) in creditors	(452,232)	(160,739)	433,984
Net cash (outflow)/inflow from operating activities	(291,062)	318,270	87,905

Notes to the Unaudited Financial Statements

1 Principal accounting policies

The following accounting policies have been applied consistently throughout the period. Full details of principal accounting policies will be disclosed in the Annual Report.

a) Basis of preparation

The unaudited results cover the six months to 31 March 2009 and have been prepared under UK Generally Accepted Accounting Practice (UK GAAP), consistent with the accounting policies set out in the statutory accounts for the year ended 30 September 2008 and, to the extent that it does not conflict with the Companies Act 1985, the 2009 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies'.

The Half-Yearly Report has not been audited, nor has it been reviewed by the auditors pursuant to the Auditing Practices Board (APB)'s guidance on Review of Interim Financial Information.

b) Presentation of the Profit and Loss Account

In order to better reflect the activities of a VCT and in accordance with the SORP, supplementary information which analyses the Profit and Loss Account between items of a revenue and capital nature has been presented alongside the Profit and Loss Account. The revenue column of profit attributable to equity shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

c) Investments

Investments are recognised on a trade date basis. All investments held by the Company are classified as "fair value through profit and loss" as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

Investments are stated at "fair value through profit and loss", in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines.

The fair value of quoted investments is the bid price value of those investments at the close of business on 31 March 2009.

Unquoted investments are stated at fair value by the Directors in accordance with the following rules, which are consistent with the IPEVCV guidelines:

- (i) Investments which have been made in the last twelve months are at fair value which, unless another methodology gives a better indication of fair value, will be at cost;
- (ii) Investments in companies at an early stage of their development are also valued at fair value which, unless another methodology gives a better indication of fair value, will be at cost;
- (iii) Where investments have been held for more than twelve months or have gone beyond the stage in their development in (i) or (ii) above, the shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being discounted to reflect points of difference identified by the Investment Manager compared to the sector, as well as to reflect lack of marketability). Where overriding factors apply, alternative methods of valuation will be used. These will include the application of a material arms-length transaction by an independent third party, cost less provision for impairment, discounted cash flow, or a net asset basis.
- (iv) Where a value is indicated by a material arms-length transaction by a third party in the shares of a company, this value will be used.
- (v) Unquoted investments will not normally be re-valued upwards for a period of at least twelve months from the date of acquisition. Where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate. Where the value of an investment has become permanently impaired below cost, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments, and after agreement with the Investment Manager, will agree the values that represent the extent to which an investment has become permanently impaired. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value.
- (vi) Premium on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

Although the Company holds more than 20% of the equity of certain companies, it is considered that the investments are held as part of an investment portfolio. Accordingly, and as permitted by FRS 9 'Associates and Joint Ventures', their value to the Company lies in their marketable value as part of that portfolio. It is not considered that any of our holdings represents investments in associated companies.

2 Investment management expenses

	Six months ended 31 March 2009		Six months ended 31 March 2008		Year ended 30 September 2008	
	'O' Share Fund £	'S' Share Fund £	'O' Share Fund £	'S' Share Fund £	'O' Share Fund £	'S' Share Fund £
Fees payable under Investment Adviser's Agreement	291,016	108,058	406,840	5,259	667,942	120,163
Amounts payable under Incentive Agreement	–	–	355,000	–	422,733	–
Total investment management expense	291,016	108,058	761,840	5,259	1,090,675	120,163

The Directors have charged 75% of the fees payable under the Investment Adviser's Agreement, and 100% of the amounts payable under the Incentive Agreement, to the capital reserve. The Directors believe it is appropriate to charge the incentive fee wholly against the capital return, as any fee payable depends on capital performance, as explained below.

Under the terms of the Incentive Agreement, each of MPEP and Foresight Group LLP ('O' Share Fund only) are entitled to a performance fee equal to 20% of the excess of the value of any realisation of an investment made after 30 June 2007, over the value of that investment in an Investment Manager's portfolio at that date, which value is itself uplifted at the rate of 6% per annum. No fee is payable in any year if the value of that Investment Manager's portfolio at that year-end plus the cumulative value of any realisations made up to that year-end is less than the value of that Investment Manager's portfolio at 30 June 2007. No fee is payable for the period ended 31 March 2009.

3 Taxation

There is no tax charge for the period, as the Company has incurred taxable losses in the period.

4 Recoverable VAT

On the basis of information supplied by the Company's current and past Investment Managers, and discussions with the Company's professional advisors as a result of the European Court of Justice ruling and subsequent HMRC briefing that management fees be exempt for VAT purposes, the Directors consider it reasonably certain that the Company will in the foreseeable future obtain a repayment of VAT of not less than £334,232. This was part of the amount that was recognised as a separate item in the profit and loss account for the year ended 30 September 2008, allocated 25% to revenue and 75% to capital return and is the same proportion as that in which the irrecoverable VAT was originally charged. It is possible that additional amounts of VAT will be recoverable in due course but the Directors are unable at this stage to quantify the sums involved. £334,232 remains recoverable as at 31 March 2009, which is included in 'Debtors and prepayments', within 'Current assets' in the Balance Sheet.

5 Dividends on equity shares paid and payable

	Six months ended 31 March 2009 £	Six months ended 31 March 2008 £	Year ended 30 September 2008 £
'O' Share Fund			
Ordinary Shares – interim paid of nil p (31 March 2008: nil p, 30 September 2008: nil p) per share	–	–	–
Ordinary Shares – final paid of 4p (31 March 2008: 2p; 30 September 2008: 2p) per share	1,418,059	726,069	731,790
Under/(over) provision re prior year	–	5,119	(603)
'S' Share Fund	–	–	–
	1,418,059	731,188	731,187

Notes to the Unaudited Financial Statements

6 Summary of movements on investments during the period

Company	Traded on AiM £	Unlisted or traded on PLUS Markets £	Preference shares £	Qualifying loans £	Total £
Valuation at 30 September 2008	3,233,672	10,426,630	70,473	9,408,620	23,139,395
Purchases at cost	–	355,556	1,111	819,755	1,176,422
Sales – proceeds	–	(20,000)	–	(257,400)	(277,400)
– realised gains	–	20,000	–	–	20,000
Unrealised (losses)/gains	(921,302)	673,294	(17,140)	(787,715)	(1,052,863)
Valuation at 31 March 2009	2,312,370	11,455,480	54,444	9,183,260	23,005,554
Book cost at 31 March 2009	6,991,220	6,748,624	174,418	11,718,640	25,632,902
Unrealised (losses)/gains at 31 March 2009	(4,678,850)	4,790,667	(118,084)	(2,067,139)	(2,073,406)
Permanent impairment of valuation of investments	–	(83,811)	(1,890)	(468,241)	(553,942)
	2,312,370	11,455,480	54,444	9,183,260	23,005,554
Gains/(losses) on investments					
Realised losses based on historical cost	–	(499,858)	(1,890)	(1,049,820)	(1,551,568)
Less amounts recognised as unrealised losses in previous years	–	(519,858)	(1,890)	(1,049,820)	(1,571,568)
Realised gains based on carrying value at 30 September 2008	–	20,000	–	–	20,000
Net movement in unrealised depreciation in the period	(921,302)	673,294	(17,140)	(787,715)	(1,052,863)
(Losses)/gains on investments for the period ended 31 March 2009	(921,302)	693,294	(17,140)	(787,715)	(1,032,863)

'O' Share Fund	Traded on AiM £	Unlisted or traded on PLUS Markets £	Preference shares £	Qualifying loans £	Total £
Valuation at 30 September 2008	3,233,672	10,421,678	70,449	9,364,090	23,089,889
Purchases at cost	–	211,855	662	559,747	772,264
Sales – proceeds	–	(20,000)	–	(257,400)	(277,400)
– realised gains	–	20,000	–	–	20,000
Unrealised (losses)/gains	(921,302)	678,246	(17,116)	(767,938)	(1,028,110)
Valuation at 31 March 2009	2,312,370	11,311,779	53,995	8,898,499	22,576,643
Book cost at 31 March 2009	6,991,220	6,595,020	173,921	11,369,572	25,129,733
Unrealised (losses)/gains at 31 March 2009	(4,678,850)	4,800,570	(118,036)	(2,002,832)	(1,999,148)
Permanent impairment of valuation of investments	–	(83,811)	(1,890)	(468,241)	(553,942)
	2,312,370	11,311,779	53,995	8,898,499	22,576,643
Gains/(losses) on investments					
Realised losses based on historical cost	–	(499,858)	(1,890)	(1,049,820)	(1,551,568)
Less amounts recognised as unrealised losses in previous years	–	(519,858)	(1,890)	(1,049,820)	(1,571,568)
Realised gains based on carrying value at 30 September 2008	–	20,000	–	–	20,000
Net movement in unrealised depreciation in the period	(921,302)	678,246	(17,116)	(767,938)	(1,028,110)
(Losses)/gains on investments for the period ended 31 March 2009	(921,302)	698,246	(17,116)	(767,938)	(1,008,110)

'S' Share Fund	Traded on AiM	Unlisted or traded on PLUS Markets	Preference shares	Qualifying loans	Total
	£	£	£	£	£
Valuation at 30 September 2008	–	4,952	24	44,530	49,506
Purchases at cost	–	143,701	449	260,008	404,158
Unrealised losses	–	(4,952)	(24)	(19,777)	(24,753)
Valuation at 31 March 2009	–	143,701	449	284,761	428,911
Book cost at 31 March 2009	–	153,604	497	349,068	503,169
Unrealised (losses)/gains at 31 March 2009	–	(9,903)	(48)	(64,307)	(74,258)
	–	143,701	449	284,761	428,911
Gains/(losses) on investments					
Realised gains/(losses) based on historical cost	–	–	–	–	–
Less amounts recognised as unrealised gains/(losses) in previous years	–	–	–	–	–
Realised gains/(losses) based on carrying value at 30 September 2008	–	–	–	–	–
Net movement in unrealised depreciation in the period	–	(4,952)	(24)	(19,777)	(24,753)
(Losses)/gains on investments for the period ended 31 March 2009	–	(4,952)	(24)	(19,777)	(24,753)

Notes to the Unaudited Financial Statements

7 Earnings and return per share

	Six months ended 31 March 2009			Six months ended 31 March 2008		
	'O' Share Fund £	'S' Share Fund £	Total £	'O' Share Fund £	'S' Share Fund £	Total £
i) Total earnings after taxation Basic earnings per share	(992,616) (2.81)p	(44,692) (0.38)p	(1,037,308)	(1,224,780) (3.37)p	(6,886) (1.54)p	(1,231,666)
ii) Net revenue from ordinary activities after taxation Revenue return per share	132,488 0.38p	44,287 0.38p		124,647 0.34p	(2,942) (0.66)p	
Net unrealised capital losses	(1,028,110)	(24,753)		(2,353,042)	–	
Net realised capital gains	20,000	–		1,641,036	–	
Income from capital dividends	67,950	–		–	–	
Recoverable VAT	–	–		–	–	
Capital expenses (net of taxation)	(184,944)	(64,226)		(637,421)	(3,944)	
iii) Total capital return Capital return per share	(1,125,104) (3.19)p	(88,979) (0.76)p		(1,349,427) (3.71)p	(3,944) (0.88)p	
iv) Weighted average number of shares in issue in the period	35,317,847	11,806,467	–	36,391,058	446,276	

Other than the performance related incentive, there are no instruments in place that will increase the number of shares in issue in future. Accordingly, the above figures currently represent both basic and diluted returns.

8 Current asset investments

	31 March 2009 £	31 March 2008 £	30 September 2008 £
'O' Share Fund			
Royal Bank of Scotland Sterling Liquidity Fund	776,690	3,183,400	1,683,879
Royal Bank of Scotland Sterling Liquidity Fund plus	92,983	278,250	287,051
Blackrock Investment Management (UK) Institutional Sterling Fund	3,131,570	3,727,665	3,672,485
'S' Share Fund			
Royal Bank of Scotland Sterling Liquidity Fund	2,308,060	–	2,330,657
Fidelity Institutional Cash Fund	4,151,931	–	4,091,501
Scottish Widows Investment Partnership Sterling Liquidity Fund	4,286,300	–	4,270,441
Monies held pending investment	14,747,534	7,189,315	16,336,014

These comprise investments in five Dublin based OEIC money market funds as shown in the table above. £14,654,551 (31 March 2008: £6,911,065; 30 September 2008: £16,048,963) of this sum is subject to same day access, while £92,983 (31 March 2008: £278,250; 30 September 2008: £287,051) is subject to two day access.

	Year ended 30 September 2008		
	'O' Share Fund £	'S' Share Fund £	Total £
	(5,436,580) (15.06)p	(3,793) (0.04)p	(5,440,373)
	599,837 1.66p	117,359 1.26p	
	(7,504,370) 2,053,510 – 249,833 (835,390)	(49,505) – – – (71,647)	
	(6,036,417) (16.72)p	(121,152) (1.30)p	
	36,109,718	9,341,544	

9 Capital and reserves for the six months ended 31 March 2009

Company	Called up share capital	Share premium account	Capital Redemption reserve	Revaluation reserve	Special reserve	Profit and loss account	Total
	£	£	£	£	£	£	£
At 1 October 2008	472,580	11,266,282	65,472	(1,252,761)	18,169,799	12,070,340	40,791,712
Shares bought back	(5,236)	–	5,236	–	(241,551)	–	(241,551)
Dividends re-invested into new shares	1,274	95,552	–	–	–	–	96,826
Dividends paid	–	–	–	–	–	(1,418,059)	(1,418,059)
Loss transferred between reserves	–	–	–	–	(184,944)	184,944	–
Other expenses net of taxation	–	–	–	–	–	(249,170)	(249,170)
Net unrealised losses on investments	–	–	–	(1,052,863)	–	–	(1,052,863)
Gains on disposal of investments (net of transaction costs)	–	–	–	–	–	20,000	20,000
Realisation of previously unrealised appreciation	–	–	–	232,218	–	(232,218)	–
Capital dividends received	–	–	–	–	–	67,950	67,950
Profit for the period	–	–	–	–	–	176,775	176,775
At 31 March 2009	468,618	11,361,834	70,708	(2,073,406)	17,743,304	10,620,562	38,191,620

'O' Share Fund	Called up share capital	Share premium account	Capital Redemption reserve	Revaluation reserve	Special reserve	Profit and loss account	Total
	£	£	£	£	£	£	£
At 1 October 2008	354,515	213,062	65,472	(1,203,256)	18,169,799	12,024,628	29,624,220
Shares bought back	(5,236)	–	5,236	–	(241,551)	–	(241,551)
Dividends re-invested into new shares	1,274	95,552	–	–	–	–	96,826
Dividends paid	–	–	–	–	–	(1,418,059)	(1,418,059)
Loss transferred between reserves	–	–	–	–	(184,944)	184,944	–
Other expenses net of taxation	–	–	–	–	–	(184,944)	(184,944)
Net unrealised losses on investments	–	–	–	(1,028,110)	–	–	(1,028,110)
Gains on disposal of investments (net of transaction costs)	–	–	–	–	–	20,000	20,000
Realisation of previous unrealised appreciation	–	–	–	232,218	–	(232,218)	–
Capital dividends received	–	–	–	–	–	67,950	67,950
Profit for the period	–	–	–	–	–	132,488	132,488
At 31 March 2009	350,553	308,614	70,708	(1,999,148)	17,743,304	10,594,789	27,068,820

'S' Share Fund	Called up share capital	Share premium account	Capital Redemption reserve	Revaluation reserve	Special reserve	Profit and loss account	Total
	£	£	£	£	£	£	£
At 1 October 2008	118,065	11,053,220	–	(49,505)	–	45,712	11,167,492
Other expenses net of taxation	–	–	–	–	–	(64,226)	(64,226)
Net unrealised losses on investments	–	–	–	(24,753)	–	–	(24,753)
Profit for the period	–	–	–	–	–	44,287	44,287
At 31 March 2009	118,065	11,053,220	–	(74,258)	–	25,773	11,122,800

10 Net asset value per share

	31 March 2009		31 March 2008		30 September 2008	
	'O' Share Fund	'S' Share Fund	'O' Share Fund	'S' Share Fund	'O' Share Fund	'S' Share Fund
	£	£	£	£	£	£
Net assets	27,068,820	11,122,800	34,335,785	3,542,618	29,624,220	11,167,492
Number of shares in issue	35,055,303	11,806,467	36,047,146	3,749,820	35,451,438	11,806,467
Net asset value per share	77.22p	94.21p	95.25p	94.47p	83.56p	94.59p
Diluted net asset value per share	77.22p	94.21p	95.25p	94.47p	82.39p	94.59p

Diluted NAV per share assumes that the Investment Managers' incentive fees are satisfied by the issue of additional shares. No incentive fee is expected to be triggered for the 'O' Share Fund nor the 'S' Share Fund for the foreseeable future.

11 Related party transactions

Up until 28 September 2007, Christopher Moore was chairman of, but remains a shareholder in, Oxonica plc ("Oxonica"), in which the Company has invested a total of £1,113,991. He owns 0.21% of the equity of Oxonica.

Additionally, it has been agreed that Christopher Moore will cede 128,972 options into ordinary shares of Oxonica out of his options pool. These options are subject to performance conditions and lock in restrictions. The exercise price of the options is 45p. The bid market price of Oxonica ordinary shares as at 31 March 2009 was 10p.

12 Financial information

The financial information for the six months ended 31 March 2009 and the six months ended 31 March 2008 has not been audited.

The information for the year ended 30 September 2008 does not comprise full financial statements within the meaning of Section 240 of the Companies Act 1985. The financial statements for the year ended 30 September 2008 have been filed with the Registrar.

13 Half-Yearly Report

Copies of this statement are being sent to all shareholders. Further copies are available free of charge from the Company's registered office, One Vine Street, London, W1J OAH.

Corporate Information

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Helen Sinclair

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