

The Income
& Growth VCT plc
A Venture Capital Trust

Unaudited Half-Year Report
for the six months ended 31 March 2019



The Income & Growth VCT plc (“the Company”, “the VCT” or “I&G VCT”) is a Venture Capital Trust (“VCT”) listed on the London Stock Exchange. Its investment portfolio is advised by Mobeus Equity Partners LLP (“Mobeus”).

Company 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 tax-free dividend distributions from the income and capital gains generated by a diverse and carefully selected portfolio of investments, while continuing at all times to qualify as a VCT.

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YOUR PRIVACY

We are committed to protecting and respecting your privacy. To understand how we collect, use and otherwise process personal data relating to you, please read our privacy notice, which can be found at www.incomeandgrowthvct.co.uk

Financial Highlights

Results for the Half-Year ended 31 March 2019

As at 31 March 2019:

Net assets: **£81.44 million**

Net asset value ("NAV") per share: **78.03 pence**

- Net asset value total return per share was 4.1% for the six months.
- Share price total return per share was 1.4% for the six months.
- The Board has declared an interim dividend in respect of the current year of 1.50 pence per share, to be paid to shareholders on 12 July 2019.
- The Company made one new investment and three follow-on investments totalling £2.00 million during the six months.

Performance Summary

The table below shows the performance of the Company's existing class of shares for each of the last five years, and the current year to date.

Reporting date	Net assets	NAV per share	Share price ¹	Cumulative dividends paid per share	Cumulative total return per share to shareholders ²		Dividends paid and proposed in respect of each year (p)
					(NAV basis)	(Share price basis)	
As at	(£m)	(p)	(p)	(p)	(p)	(p)	(p)
31 March 2019	81.44	78.03	67.00	111.50	189.53	178.50	1.50 ⁴
30 September 2018	82.58	78.32	69.50	108.00	186.32	177.50	6.00
30 September 2017	64.35	81.24	73.00	102.50	183.74	175.50	21.00
30 September 2016	70.84	98.51	88.80	80.50	179.01	169.30	10.00
30 September 2015	75.20	106.38	93.50	68.50	174.88	162.00	12.00
30 September 2014	69.31	114.60	103.50 ³	50.50	165.10	154.00	18.00

¹ Source: Panmure Gordon & Co (mid-market price).

² Cumulative total return per share comprises the NAV per share (NAV basis) or the mid-market price per share (share price basis) plus cumulative dividends paid since launch of the current share class.

³ The share price at 30 September 2014 has been adjusted to add back the dividend of 8.00 pence per share paid on 30 October 2014, as the listed share price was quoted ex this dividend at the year end.

⁴ An interim dividend of 1.50 pence per share, referred to in the Financial Highlights above, is payable to shareholders on 12 July 2019.

Detailed performance data, including a table of dividends paid to date for all share classes and fundraising rounds, is shown in the Performance Data appendix on pages 26-28. The tables, which give information by allotment date on NAVs and dividends paid per share, are also available on the Company's website at www.incomeandgrowthvct.co.uk where they can be accessed by clicking on "table" under "Reviewing the performance of your investment" on the home page.

Chairman's Statement

I am pleased to present the Company's Half Year Report for the six months ended 31 March 2019.

Overview

The half-year has again seen good progress and a positive return for the period. This is detailed in the Performance and the Investment Portfolio sections of my statement below.

Sixteen growth capital investments have now been completed since the 2015 VCT Rule change. During the period under review, one new investment was made and three existing portfolio companies received follow-on funding. After the period end, the Company made two further new investments. Further details of this investment activity are contained in the Investment Review.

The Investment Adviser continues to report an interesting pipeline of growth capital opportunities. Meanwhile, the existing more mature portfolio constructed under the previous rules continues to provide a healthy income yield.

Performance

The Company's NAV total return per share was 4.1% for the six months to 31 March 2019 (2018: 1.3%) while the share price total return was 1.4% (2018: 1.4%).

The Company's cumulative NAV total return per share (being the closing net asset value plus total dividends paid to date) has increased from 186.32 pence per share at the start of the period to 189.53 pence per share at the period end. This represents an increase of 1.7% over the period.

Investment portfolio

The portfolio has performed well during the period, increasing in value by 5.2% (2018: 1.2%) on a like-for-like basis. The portfolio achieved a net increase of £2.20 million in unrealised gains and £0.37 million in realised gains over the period. The portfolio was valued at £51.68 million at the period end (30 September 2018: £49.40 million).

During the six months under review, the Company invested a total of £2.00 million (2018: £3.10 million) into four (2018: six) investments. One of

these investments was into a new business; Grow Kudos, an online platform which provides and promotes research dissemination, and three follow-on investments were made into existing portfolio companies, namely Biosite, Proactive and MPB.

After the period end, £1.53 million was invested into Arkk Consulting, a regulatory and reporting requirement service and product provider, and £0.93 million was invested into Parsley Box, a supplier of home delivered ambient ready meals for the elderly. Also, the realisation of Plastic Surgeon occurred, realising proceeds of £1.22 million and generating a multiple on cost of 5.6x.

Details of this investment activity and the performance of the portfolio are contained in the Investment Review and the Investment Portfolio Summary on pages 5 to 9.

Revenue account

The results for the period are set out in the Unaudited Condensed Income Statement on pages 12 to 13 and show a revenue return (after tax) of 1.08 pence per share (2018: 0.92 pence per share). The revenue return for the period of £1.13 million has increased from last year's comparable figure of £0.86 million. This is mainly due to an increase in income receivable from loans made to new investee companies and some investee companies resuming interest payments, as well as higher dividend receipts.

Dividends

The Board continues to be committed to provide an attractive dividend stream to shareholders and is pleased to declare an interim dividend of 1.50 pence per share for the year ending 30 September 2019, comprising 1.00 penny from income and 0.50 pence from capital. This dividend will be paid on 12 July 2019 to shareholders on the Register on 14 June 2019 and will bring cumulative dividends paid per share to 113.00 pence.

The Company's target of paying a dividend of at least 6.00 pence per share in respect of each financial year has been met or exceeded in each of the last seven years. I have previously noted that the gradual move of the portfolio to younger growth capital investments may make dividends harder

to achieve from income and capital returns alone in any given year. Accordingly, the Board continues to monitor the sustainability of this target.

Cash available for investment

The Board continues to monitor credit risk in respect of its cash balances and to prioritise the security and protection of the Company's capital. Cash and liquidity fund balances as at 31 March 2019 amounted to £29.53 million. This figure included £24.72 million held in money market funds with AAA credit ratings and £4.81 million held in deposit accounts with a number of well-known financial institutions across a range of maturities.

Fundraising

The Board regularly reviews the Company's cash flow projections and is presently considering whether it may be desirable to raise funds within the 2019/20 tax year. The Board will notify shareholders of any intention to launch an offer for subscription at the earliest opportunity.

Share buy-backs

During the six months ended 31 March 2019, the Company bought back and cancelled 1,074,519 of its own shares, representing 1.0% (2018: 1.5%) of the shares in issue at the beginning of the period, at a total cost of £0.73 million (2018: £0.85 million) inclusive of expenses.

It is the Company's policy to cancel all shares bought back in this way. The Board regularly reviews its buyback policy and currently seeks to maintain the discount at which the Company's shares trade at no more than 10% below the latest published NAV.

Shareholder communications

May I remind you that the Company has its own website which is available at www.incomeandgrowthvct.co.uk.

The Investment Adviser held its most recent annual Shareholder Event in February 2019 which, from the feedback submitted, was well received by shareholders. The event included presentations on the investment activity and performance of all the Mobeus VCTs. I would like to thank those shareholders who attended for helping

to make it a success. The next Event will take place in the first quarter of 2020 and shareholders will be sent further details and an invitation nearer the time.

Succession

As stated in last year's annual report, the Board is continuing with its succession planning and will provide further details in its Annual Report for the year ending 30 September 2019.

Outlook

Your Board considers that your Company is well positioned, with the portfolio being comprised of a strong foundation of more mature investments providing an income return, and a younger, growth capital portfolio seeking to achieve scale, so as to reach higher levels of profitability and hence value.

The demand for growth capital investment is strong and the amount of capital available for investment in the sector is substantial, which is giving rise to increased competition and higher entry valuations for the most attractive investment opportunities.

While the new growth capital element of the portfolio is still young, both your Board and the Investment Adviser continue to seek to assess, balance and diversify the risks within the growing proportion of the overall portfolio that these investments will represent. Your Board cautions that investing in such earlier stage companies involves increased risk, as those that succeed often take longer to build scale, while those less successful investments may be the first to show. Returns may therefore take longer to achieve, and the performance of these businesses may be more volatile. Hopefully these factors will be more than offset by longer-term gains.

The Board and Investment Adviser have carried out an analysis of the possible impact of Brexit on the investment portfolio. This will be kept under review.

Finally, I would like to take this opportunity once again to thank all shareholders for their continued support.

Colin Hook
Chairman

30 May 2019

Investment Policy

The Company's policy is to invest primarily in a diverse portfolio of UK unquoted companies.

Asset Mix and Diversification

The Company will seek to make investments in UK unquoted companies in accordance with the prevailing requirements of VCT legislation.

Investments are made selectively across a wide variety of sectors, principally in established companies.

Investments are generally structured as part loan and part equity in order to receive regular income and to generate capital gain from realisations.

There are a number of conditions within the VCT legislation which need to be met by I&G and which may change from time to time.

No single investment may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment.

Save as set out above, the Company's other investments are held in cash and liquid funds.

Liquidity

The Company's cash and liquid funds are held in a portfolio of readily realisable interest bearing investments, deposit and current accounts, of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

Borrowing

The Company's articles of association permit borrowing of up to 10% of the adjusted capital and reserves (as defined therein). However, the Company has never borrowed and the Board would only consider doing so in exceptional circumstances.

Summary of VCT Regulation

To assist shareholders, the following table contains a summary of the most important rules that determine VCT approval:

To maintain its status as a VCT, the Company must meet a number of conditions, the most important of which are that:

- the Company must hold at least 70%¹, by VCT tax value², of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;
- all qualifying investments made by VCTs after 5 April 2018, together with qualifying investments made by funds raised after 5 April 2011, are in aggregate required to comprise at least 70% by VCT tax value in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules)³;
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company's shares must be listed on a regulated European stock market;
- non-qualifying investments can no longer be made, except for certain exemptions in managing the Company's short-term liquidity; and
- VCTs are now required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of the accounting period.

To be a VCT qualifying holding, new investments must be in companies:

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and no more than £16 million immediately following investment from VCTs;
- whose maximum age is generally up to seven years (ten years for knowledge intensive businesses);
- that receive no more than an annual limit of £5 million and a lifetime limit of £12 million (for knowledge intensive companies the lifetime limit is £20 million, and the annual limit is £10 million), from VCTs and similar sources of State Aid funding;
- that use the funds received from VCTs for growth and development purposes.

In addition, VCTs may not:

- offer secured loans to investee companies, and any returns on loan capital above 10% must represent no more than a commercial return on the principal; and
- make investments that do not meet the new 'risk to capital' condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is a genuine risk of loss of capital).

¹ For the Company's accounting periods beginning on or after 1 October 2019, this percentage will increase to 80%.

² VCT tax value means as valued in accordance with prevailing VCT legislation. The calculation of VCT tax value is arrived at using tax values, based on the cost of the most recent purchase of an investment instrument in a particular company, which may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 8 and 9.

³ The requirement for VCTs to hold at least 30% of qualifying investment in 'eligible shares' (broadly ordinary equity) from funds raised prior to 6 April 2011 has been withdrawn.

Investment Review

Demand for growth capital investment remains strong and there is a significant pipeline of investment opportunities. It is expected that the current pace and quantum of new and follow-on investments will continue in the short to medium-term.

Portfolio review

The portfolio's activity in the six months to 31 March 2019 is summarised as follows:

	2019 £m	2018 £m
Opening portfolio value	49.40	48.09
New and follow-on investments	2.00	3.10
Disposal proceeds	(2.29)	(4.63)
Net realised gains	0.37	1.81
Valuation movements	2.20	(1.25)
Portfolio value at 31 March	51.68	47.12

The six months to 31 March 2019 has seen further solid progress. New investment comprised one new growth capital investment of £0.47 million into Grow Kudos, an online platform which provides and promotes research dissemination, and three existing growth portfolio companies receiving follow-on funding totalling £1.53 million (Biosite, Proactive and MPB). Net cash proceeds of £2.29 million were received, primarily from loan repayments.

The investment and divestment activity during the period has increased the proportion of the portfolio comprised of all growth capital investments by value to 47.9% at the period end.

After the period end, the Company invested £1.53 million into Arkk Consulting, a regulatory and reporting requirement service and product provider, and £0.93 million was invested into Parsley Box, a supplier of home delivered ambient ready meals for the elderly. This brings the total invested in those growth capital investments made since the introduction of the new VCT regulations in 2015 to £20.53 million. Also, disposal proceeds of £1.22 million have been received following the realisation of The Plastic Surgeon. These proceeds contributed to a multiple on cost of 5.6x over the life of this investment.

Details of the valuation movements for each investee company are provided at the end of this Investment Review.

The portfolio's contribution to the overall results of the VCT is summarised below as follows:

Investment Portfolio Capital Movement	2019 £m	2018 £m
Increase in the value of unrealised investments	4.68	4.80
Decrease in the value of unrealised investments	(2.48)	(6.05)
Net increase/(decrease) in the value of unrealised investments	2.20	(1.25)
Realised gains	0.37	1.81
Realised losses	-	-
Net realised gains in the period	0.37	1.81
Net investment portfolio movement in the period	2.57	0.56

Valuation changes of portfolio investments still held

The principal contributors to the valuation increases of £4.68 million were ASL £1.25 million, EOTH (Rab and Lowe Alpine) £0.53 million and Rotageek £0.43 million.

ASL's core business is trading well and, following two recent corporate acquisitions, is beginning to benefit from associated synergies. EOTH achieved a record year of profitability, underpinned by continued growth in its Rab brand. Rotageek has made a strong start since investment, having won a number of new contracts for its software.

A small number of new growth investments have shown initial uplifts from cost, due in large part to the structure of the Company's investment, but, in some cases, also due to the underlying investee company performance.

The main reductions within total valuation decreases of (£2.48) million, were Redline £(0.39) million, Aquasium £(0.35) million and Bourn Bioscience £(0.34) million. Redline's revenues have been unpredictable and sales in recent months have been lower than planned which has impacted the valuation. Bourn has experienced softer trading in recent months due to a strong competitive landscape, but a recently opened clinic is expected to generate a positive contribution soon. Finally, Aquasium, a

legacy investment, is behind budget due to a low order book and customer delays, although the longer-term prospects appear more promising.

Realised gains and deferred consideration receipts

There have been no realisations during the period under review. However, the Company realised a gain in the half-year from deferred consideration receipts of £0.37 million arising from past realisations.

After the period end, the Company realised its investment in Plastic Surgeon, receiving £1.22 million in cash proceeds. This contributed to a multiple on cost of 5.6x and an IRR of 20.5% over the 11 years the investment was held.

Investment portfolio yield and capital repayments

In the period under review, the Company received the following amounts in loan interest and dividend income:

Investment Portfolio Yield	2019 £m	2018 £m
Loan interest received in the period	1.41	1.29
Dividends received in the period	0.24	0.12
Total portfolio income in the period¹	1.65	1.41
Portfolio value at 31 March	51.68	47.12
Portfolio Income Yield (Income as a % of Portfolio value at 31 March)	3.2%	3.0%

¹ Total portfolio income in the period is generated solely from investee companies within the portfolio. See Note 4 of the Financial Statements for all income receivable by the Company.

In addition to deferred consideration receipts of £0.37 million, the Company also received loan stock repayments of £1.82 million (as the investments in the five companies preparing to trade repaid the final loan stock sums still payable) and preference share repurchases of £0.10 million, both at cost.

Investment Review

New investment in the half year

The Company made one new investment of £0.47 million during the period, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Grow Kudos	Platform for the dissemination of research	November 2018	0.47

Grow Kudos is an online platform which provides and promotes research dissemination. The Kudos product was developed to allow researchers to increase the impact and readership of their work and to track and analyse distribution both within academia and across broader audiences. The investment will be used principally to increase its head count to support sales growth. The company's unaudited accounts for the year ended 31 December 2017 show revenues of £0.53 million and a loss before interest, tax and amortisation of goodwill of £(0.59) million.

Further investments in existing portfolio companies in the half year

The Company made further investments totalling £1.53 million into three existing portfolio companies during the period under review, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Biosite	Workforce management and security services	October 2018	0.93

Based in the Midlands, Biosite is a provider of biometric access control and software-based workforce management solutions for the construction sector. The business is growing significantly, and this investment will support the further development of software and hardware products. The company's audited accounts for the year ended 31 July 2018 show turnover of £9.76 million and a loss before interest, tax and amortisation of goodwill of £(0.64) million.

	Proactive Investors	Investor media services	October 2018	0.45
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Proactive Investors specialises in timely multi-media news provision, events organisation, digital services and investor research. Proactive provides breaking news, commentary and analysis on hundreds of small-cap listed companies and pre-IPO businesses across the globe. The investment will enable Proactive to expand its services into the US market, which is the largest global market for investor media services. The company's unaudited accounts for the year ended 30 June 2018 show turnover of £4.75 million and a loss before interest, tax and amortisation of goodwill of £(0.31) million.

	MPB Group	Online marketplace for used camera and video equipment	October and December 2018	0.15
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MPB is Europe's leading online marketplace for used camera and video equipment. Based in Brighton, its custom-designed pricing technology enables MPB to offer both buy and sell services through the same platform and offers a one-stop shop for all its customers. Having expanded into the US (opening a New York office) and German markets as part of the initial VCT investment round, this follow-on investment, alongside funds provided by the Proven VCTs, is to support its continued growth plan. Having doubled its sales over the prior year, this investment will give the company sufficient capital to achieve its next phase of expansion. The company's audited accounts for the year ended 31 March 2018 show turnover of £21.71 million and a loss before interest, tax and amortisation of goodwill of £(2.00) million.

New investments made after the period end

The Company made two new investments totalling £2.46 million after the period end, as detailed below.

	Company	Business	Date of investment	Amount of new investment (£m)
	Arkk Consulting	Regulatory and reporting requirement service provider	May 2019	1.53

Arkk Consulting (trading as Arkk Solutions) provides services and software to enable organisations to remain compliant with regulatory reporting requirements. Arkk was established in 2009 and currently has over 800 clients across 20 countries. These include more than 80 of the FTSE 350, and half of the largest 20 accountancy firms in the UK. The investment will build on Arkk's reputation and customer base, to target the cloud based period end reporting market by building the sales and marketing team. The company's audited accounts for the year ended 31 December 2017 show turnover of £3.18 million and a profit before interest, tax and amortisation of goodwill of £0.52 million.

	Parsley Box	Home delivered ambient ready meals for the elderly	May 2019	0.93
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Parsley Box is a UK direct to consumer supplier of home delivered ambient ready meals for the elderly. Founded in 2017, Parsley Box has grown rapidly and has developed a unique meal delivery solution for its customers. The company supplies a diverse range of ambient meals via next day delivery which are easy to store and aim to contribute to a more independent and healthier lifestyle. The investment will scale the company's marketing strategy, enable it to process larger order volumes and continue to build out its team. The company's unaudited accounts for the period ended 31 March 2018 show revenues of £0.25 million and a loss before interest, tax and amortisation of goodwill of £(0.21) million.

Realisation after the period end

The Company realised its investment in Plastic Surgeon after the period end, as detailed below:

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/Multiple over cost
	Plastic Surgeon	Supplier of snagging and finishing services to the property sector	April 2008 to May 2019	£2.27 million 5.6 times cost

The Company sold its remaining investment in Plastic Surgeon to Polygon Group for £1.22 million. Over the eleven years this investment was held, it generated proceeds of £2.27 million compared to an original investment cost of £0.40 million which is a multiple on cost of 5.6x and an IRR of 20.5%.

Mobeus Equity Partners LLP
Investment Adviser

30 May 2019

Investment Portfolio Summary

as at 31 March 2019

	Total cost at 31 March 2019 (unaudited) £	Valuation at 30 September 2018 (audited) £	Additional investments in the period £	Valuation at 31 March 2019 (unaudited) £
Tovey Management Limited (trading as Access IS) Provider of data capture and scanning hardware	3,313,932	4,110,232	-	4,300,074
ASL Technology Holdings Limited Printer and photocopier services	2,722,106	2,904,306	-	4,151,254
EOTH Limited (trading as Equip Outdoor Technologies) Distributor of branded outdoor equipment and clothing including the Rab and Lowe Alpine brands	1,383,313	2,809,199	-	3,336,475
Virgin Wines Holding Company Limited Online wine retailer	2,745,503	3,227,371	-	3,327,794
Preservica Limited Seller of proprietary digital archiving software	2,181,666	2,977,489	-	3,119,565
Pattern Analytics Limited (trading as Biosite) Workforce management and security services for the construction industry	1,791,938	1,384,696	934,924	2,648,952
Media Business Insight Holdings Limited A publishing and events business focused on the creative production industries	3,666,556	2,469,625	-	2,633,975
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	3,205,182	2,326,781	-	2,236,330
Master Removers Group Limited (trading as Anthony Ward Thomas, Bishopgate and Aussie Man & Van) A specialist logistics, storage and removals business	682,183	1,926,851	-	2,054,472
MPB Group Limited Online marketplace for used photographic equipment	1,423,974	1,885,665	154,780	2,050,973
Vian Marketing Limited (trading as Red Paddle Co) Design, manufacture and sale of stand-up paddleboards and windsurfing sails	1,207,437	1,870,551	-	1,988,059
CGI Creative Graphics International Limited Vinyl graphics to global automotive, recreation vehicle and aerospace markets	1,943,948	1,962,334	-	1,875,034
My Tutorweb Limited Digital marketplace connecting school pupils seeking one-to-one online tutoring	1,783,566	1,963,647	-	1,783,566
Tharstern Group Limited Software based management Information systems for the printing industry	1,454,278	1,569,303	-	1,551,295
Idox plc Developer and supplier of knowledge management products	453,881	1,462,570	-	1,500,072
Ibericos Etc. Limited (trading as Tapas Revolution) Spanish restaurant chain	1,397,386	1,630,329	-	1,395,285
Turner Topco Limited (trading as Auction Technology Group) SaaS based online auction market place platform	1,529,075	1,177,894	-	1,386,934
Proactive Group Holdings Inc Media Services and investor conferences	988,390	539,214	449,176	1,373,818
Rota Geek Limited Workforce management software	625,400	625,400	-	1,056,153
Buster and Punch Holdings Limited Industrial inspired lighting and interiors retailer	725,226	855,330	-	1,011,250
The Plastic Surgeon Holdings Limited Supplier of snagging and finishing services to the property sector	40,833	829,934	-	906,333
Vectair Holdings Limited Designer and distributor of washroom products	53,400	684,085	-	860,948
Bourn Bioscience Limited Management of in-vitro fertilisation clinics	1,610,379	1,153,951	-	815,059
Blaze Signs Holdings Limited Manufacturer and installer of signs	418,281	598,605	-	753,404

Investment Portfolio Summary

as at 31 March 2019

	Total cost at 31 March 2019 (unaudited) £	Valuation at 30 September 2018 (audited) £	Additional investments in the period £	Valuation at 31 March 2019 (unaudited) £
RDL Corporation Limited Recruitment consultants within the pharmaceutical, business intelligence and IT industries	1,441,667	903,731	-	713,522
Aquasium Technology Limited Manufacturing and marketing of bespoke electron beam welding and vacuum furnace equipment	166,667	1,002,689	-	654,321
Redline Worldwide Limited Provider of security services to the aviation industry and other sectors	1,129,121	956,894	-	564,561
Kudos Innovations Limited (trading as Grow Kudos) Online platform that provides and promotes research dissemination	472,500	-	472,500	472,500
Super Carers Limited Online introductory platform connecting local individuals with carers	649,528	649,528	-	324,764
Omega Diagnostics Group plc In-vitro diagnostics for food intolerance, autoimmune diseases and infectious diseases	280,026	350,010	-	303,342
BookingTek Limited Direct booking software for hotels	872,646	436,323	-	218,161
Jablite Holdings Limited Manufacturer of expanded polystyrene products	498,790	162,366	-	162,366
Veritek Global Holdings Limited Maintenance of imaging equipment	2,289,859	129,132	-	116,961
BG Training Limited Technical training business	53,125	26,563	-	26,563
Corero Network Security plc Provider of e-business technologies	600,000	9,832	-	7,866
Hollydale Management Limited Company seeking to carry on a business in the food sector	621,600	621,600	-	-
Backhouse Management Limited Company seeking to carry on a business in the motor sector	601,600	300,800	-	-
Barham Consulting Limited Company seeking to carry on a business in the catering sector	601,600	300,800	-	-
Creasy Marketing Services Limited Company seeking to carry on a business in the textile sector	601,600	300,800	-	-
McGrigor Management Limited Company seeking to carry on a business in the pharmaceutical sector	601,600	300,800	-	-
Oxonica Limited International nanomaterials group	2,524,527	-	-	-
Racoon International Group Limited Supplier of hair extensions, hair care products and training	655,851	-	-	-
NexxtDrive Limited/Nexxt E-drive Limited Developer and exploiter of mechanical transmission technologies	487,014	-	-	-
CB Imports Group Limited (trading as Country Baskets) Importer and distributor of artificial flowers, floral sundries and home decor products	175,000	-	-	-
Biomer Technology Limited Developer of biomaterials for medical devices	137,170	-	-	-
Hemmels Limited Company specialising in sourcing, selling and servicing of high price classic cars	30,180	-	-	-
Total	52,839,504	49,397,230	2,011,380	51,682,001

Statement of the Directors' Responsibilities

Responsibility statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Colin Hook (Chairman), Jonathan Cartwright (Chairman of the Audit and Nomination & Remuneration Committees) and Helen Sinclair (Chairman of the Investment Committee), being the Directors of the Company, confirm that to the best of their knowledge:

- (a) The condensed set of financial statements, which has been prepared in accordance with Financial Reporting Standard 104 "Interim Financial Reporting" gives a true and fair view of the assets, liabilities, financial position and profit of the Company as required by DTR 4.2.10;
- (b) the Half Year Management Report, which comprises the Chairman's Statement, Investment Policy, Investment Review and Investment Portfolio Summary, includes a fair review of the information required by DTR 4.2.7, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
- (c) a description of the principal risks and uncertainties facing the Company for the remaining six months is set out below, in accordance with DTR 4.2.7; and
- (d) there were no related party transactions in the first six months of the current financial year that are required to be disclosed, in accordance with DTR 4.2.8.

Principal risks and uncertainties

In accordance with DTR 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed from those identified in the Annual Report and Financial Statements for the year ended 30 September 2018 ("the Annual Report").

The principal risks faced by the Company are:

- Investment and strategic
- Loss of approval as a Venture Capital Trust;
- Regulatory;
- Counterparty;
- Economic;
- Financial and operating;
- Market;
- Asset liquidity; and
- Market liquidity;

A detailed explanation of the principal risks facing the Company can be found in the Annual Report on pages 27 and 28, and in Note 16 on Financial Instruments on pages 65 to 72. Copies can be viewed or downloaded from the Company's website: www.incomeandgrowthvct.co.uk.

Going Concern

The Board has assessed the Company's operation as a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Half Year Management Report. The Directors have satisfied themselves that the Company continues

to maintain an adequate cash position. The portfolio taken as a whole remains resilient and well-diversified. The major cash outflows of the Company (namely investments, share buybacks and dividends) are within the Company's control.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Note 16 on pages 65 to 72 of the Annual Report. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the half year report and financial statements.

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 report should be construed as a profit forecast.

For and on behalf of the Board:

Colin Hook
Chairman

30 May 2019

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Unaudited Condensed Income Statement

for the six months ended 31 March 2019

	Notes	Six months ended 31 March 2019 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains/(losses) on investments held at fair value	9	-	2,199,709	2,199,709
Realised gains on investments held at fair value	9	-	367,651	367,651
Income	4	1,783,886	-	1,783,886
Investment Adviser's fees	5	(215,882)	(647,647)	(863,529)
Investment Adviser's performance fees	5	-	-	-
Other expenses		(224,094)	-	(224,094)
Profit/(loss) on ordinary activities before taxation		1,343,910	1,919,713	3,263,623
Tax on profit/(loss) on ordinary activities	6	(209,618)	209,618	-
Profit for the period and total comprehensive income		1,134,292	2,129,331	3,263,623
Basic and diluted earnings per share	7	1.08p	2.02p	3.10p

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the unrealised gains/(losses) and realised gains on investments and the proportion of the Investment Adviser's fee and performance fee charged to capital.

The total column is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). In order to better reflect the activities of a VCT and in accordance with the 2014 Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC") and updated in January 2017, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. 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.

All the items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period/year.

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

Six months ended 31 March 2018 (unaudited)			Year ended 30 September 2018 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
-	(1,251,618)	(1,251,618)	-	570,022	570,022
-	1,810,102	1,810,102	-	1,113,464	1,113,464
1,476,579	-	1,476,579	3,093,838	-	3,093,838
(205,694)	(617,082)	(822,776)	(428,311)	(1,284,934)	(1,713,245)
-	-	-	-	(1,119)	(1,119)
(234,496)	-	(234,496)	(455,836)	-	(455,836)
1,036,389	(58,598)	977,791	2,209,691	397,433	2,607,124
(173,800)	173,800	-	(339,227)	339,227	-
862,589	115,202	977,791	1,870,464	736,660	2,607,124
0.92p	0.12p	1.04p	1.88p	0.74p	2.62p

Unaudited Condensed Balance Sheet

as at 31 March 2019

	Notes	31 March 2019 (unaudited) £	31 March 2018 (unaudited) £	30 September 2018 (audited) £
Fixed assets				
Investments at fair value	9	51,682,001	47,114,979	49,397,230
Current assets				
Debtors and prepayments		447,599	718,466	458,043
Current asset investments	10	27,873,883	34,467,981	31,627,351
Cash at bank	10	1,659,682	1,483,126	1,284,816
		29,981,164	36,669,573	33,370,210
Creditors: amounts falling due within one year		(225,127)	(199,647)	(183,726)
Net current assets		29,756,037	36,469,926	33,186,484
Net assets		81,438,038	83,584,905	82,583,714
Capital and reserves				
Called up share capital		1,043,639	1,054,360	1,054,384
Capital redemption reserve		44,235	25,754	33,490
Share premium reserve		46,473,760	45,949,915	46,473,760
Revaluation reserve		6,200,237	2,484,528	4,102,002
Special distributable reserve		18,486,621	21,727,185	19,655,855
Realised capital reserve		6,469,707	9,878,415	8,627,792
Revenue reserve		2,719,839	2,464,748	2,636,431
Equity Shareholders' funds		81,438,038	83,584,905	82,583,714
Basic and diluted net asset value:				
Basic and diluted net asset value per share	11	78.03p	79.28p	78.32p

The financial information for the six months ended 31 March 2019 and the six months ended 31 March 2018 has not been audited.

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

Unaudited Condensed Statement of Changes in Equity

for the six months ended 31 March 2019

	Non-distributable reserves				Distributable reserves			Total
	Called up share capital	Capital redemption reserve	Share premium reserve	Revaluation reserve	Special distributable reserve (Note a)	Realised capital reserve (Note b)	Revenue reserve (Note b)	
	£	£	£	£	£	£	£	£
At 1 October 2018	1,054,384	33,490	46,473,760	4,102,002	19,655,855	8,627,792	2,636,431	82,583,714
Comprehensive income for the period								
Profit/(loss) for the period	-	-	-	2,199,709	-	(70,378)	1,134,292	3,263,623
Total comprehensive income for the period	-	-	-	2,199,709	-	(70,378)	1,134,292	3,263,623
Contributions by and distributions to owners								
Shares bought back (Note c)	(10,745)	10,745	-	-	(731,205)	-	-	(731,205)
Dividends paid	-	-	-	-	-	(2,627,210)	(1,050,884)	(3,678,094)
Total contributions by and distributions to owners	(10,745)	10,745	-	-	(731,205)	(2,627,210)	(1,050,884)	(4,409,299)
Other movements								
Realised losses transferred to special reserve (Note a)	-	-	-	-	(438,029)	438,029	-	-
Realisation of previously unrealised appreciation	-	-	-	(101,474)	-	101,474	-	-
Total other movements	-	-	-	(101,474)	(438,029)	539,503	-	-
At 31 March 2019	1,043,639	44,235	46,473,760	6,200,237	18,486,621	6,469,707	2,719,839	81,438,038

Notes

- a): The Special distributable reserve also provides the Company with a reserve to absorb any existing and future realised losses and, when considered by the Board to be in the interests of shareholders, to fund share buybacks and for other corporate purposes. All of this reserve originates from funds raised prior to 6 April 2014. The transfer of £438,029 to the special reserve from the realised capital reserve above is the total of realised losses incurred by the Company in the period.
- b): The realised capital reserve and the revenue reserve together comprise the Profit and Loss Account of the Company.
- c): During the period, the Company repurchased 1,074,519 of its own shares at the prevailing market price for a total cost (including stamp duty) of £731,205, which were subsequently cancelled.

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

Unaudited Condensed Statement of Changes in Equity

for the six months ended 31 March 2018

	Non-distributable reserves				Distributable reserves			Total £
	Called up share capital £	Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Special distributable reserve £	Realised capital reserve £	Revenue reserve £	
At 1 October 2017	792,047	14,014	24,099,311	4,020,689	23,215,643	10,134,703	2,072,344	64,348,751
Comprehensive income for the period								
(Loss)/profit for the period	-	-	-	(1,251,618)	-	1,366,820	862,589	977,791
Total comprehensive income for the period	-	-	-	(1,251,618)	-	1,366,820	862,589	977,791
Contributions by and distributions to owners								
Shares issued via Offer for Subscription	266,076	-	21,293,047	-	(199,395)	-	-	21,359,728
Dividends re-invested into new shares	7,977	-	557,557	-	-	-	-	565,534
Shares bought back	(11,740)	11,740	-	-	(845,781)	-	-	(845,781)
Dividends paid	-	-	-	-	-	(2,350,933)	(470,185)	(2,821,118)
Total contributions by and distributions to owners	262,313	11,740	21,850,604	-	(1,045,176)	(2,350,933)	(470,185)	18,258,363
Other movements								
Realised losses transferred to special reserve	-	-	-	-	(443,282)	443,282	-	-
Realisation of previously unrealised appreciation	-	-	-	(284,543)	-	284,543	-	-
Total other movements	-	-	-	(284,543)	(443,282)	727,825	-	-
At 31 March 2018	1,054,360	25,754	45,949,915	2,484,528	21,727,185	9,878,415	2,464,748	83,584,905

The composition of each of these reserves is explained below:

Called up share capital - The nominal value of shares originally issued increased for subsequent share issues either via an Offer for Subscription or Dividend Investment Scheme or reduced due to shares bought back by the Company.

Capital redemption reserve - The nominal value of shares bought back and cancelled is held in this reserve, so that the company's capital is maintained.

Share premium reserve - This reserve contains the excess of gross proceeds less issue costs over the nominal value of shares allotted under recent Offers for Subscription and the Company's Dividend Investment Scheme.

Revaluation reserve - Increases and decreases in the valuation of investments held at the period end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

In accordance with stating all investments at fair value through profit and loss, all such movements through both revaluation and realised capital reserves are shown within the Income Statement for the period.

Special distributable reserve - The cost of share buybacks is charged to this reserve. In addition, any realised losses on the sale or impairment of investments (excluding transaction costs), and 75% of the Investment Adviser fee expense, and the related tax effect, are transferred from the realised capital reserve to this reserve. The cost of any IFA facilitation fee payable as part of the Offer for Subscription is also charged to this reserve.

Realised capital reserve - The following are accounted for in this reserve:

- Gains and losses on realisation of investments;
- Permanent diminution in value of investments;
- Transaction costs incurred in the acquisition of investments;
- 75% of the Investment Adviser fee expense and 100% of any performance incentive fee payable, together with the related tax effect to this reserve in accordance with the policies; and
- Capital dividends paid.

Revenue reserve - Income and expenses that are revenue in nature are accounted for in this reserve together with the related tax effect, as well as income dividends paid that are classified as revenue in nature.

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

Unaudited Condensed Statement of Cash Flows

for the six months ended 31 March 2019

Notes	Six months ended 31 March 2019 (unaudited) £	Six months ended 31 March 2018 (unaudited) £	Year ended 30 September 2018 (audited) £
Cash flows from operating activities			
Profit for the financial period	3,263,623	977,791	2,607,124
Adjustments for:			
Net unrealised (gains)/losses on investments	(2,199,709)	1,251,618	(570,022)
Realised gains on realisations on investments	(367,651)	(1,810,102)	(1,113,464)
Increase in debtors	(66,947)	(228,772)	(4,832)
Increase/(decrease) in creditors and accruals	41,402	(559,040)	(574,960)
Net cash inflow/(outflow) from operating activities	670,718	(368,505)	343,846
Cash flows from investing activities			
Purchase of investments	(1,933,990)	(3,103,915)	(6,290,160)
Disposal of investments	2,293,969	4,513,856	6,579,334
Net cash inflow from investing activities	359,979	1,409,941	289,174
Cash flows from financing activities			
Shares issued as part of Offer for Subscription	-	24,305,938	24,305,938
Equity dividends paid	(3,678,094)	(2,255,584)	(4,352,591)
Purchase of own shares	(731,205)	(928,419)	(1,461,936)
Net cash (outflow)/inflow from financing activities	(4,409,299)	21,121,935	18,491,411
Net (decrease)/increase in cash and cash equivalents	(3,378,602)	22,163,371	19,124,431
Cash and cash equivalents at start of period	29,760,398	10,635,967	10,635,967
Cash and cash equivalents at end of period	26,381,796	32,799,338	29,760,398
Cash and cash equivalents comprise:			
Cash at bank and in hand	1,659,682	1,483,126	1,284,816
Cash equivalents	24,722,114	31,316,212	28,475,582

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

Notes to the Unaudited Condensed Financial Statements

for the six months ended 31 March 2019

1. Company information

The Income and Growth VCT plc is a public limited company incorporated in England, registration number 04069483. The registered office is 30 Haymarket, London, SW1Y 4EX.

2. Basis of preparation of the Financial Statements

These Financial Statements prepared in accordance with accounting policies consistent with Financial Reporting Standard 102 ("FRS102"), Financial Reporting Standard 104 ("FRS104") - Interim Financial Reporting, with the Companies Act 2006 and the 2014 Statement of Recommended practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP') (updated in January 2017) issued by the Association of Investment Companies. The Financial Statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in Note 9.

The Half-Year Report has not been audited, nor has it been reviewed by the auditor pursuant to the Financial Reporting Council's (FRC) guidance on Review of Interim Financial Information.

3. Principal accounting policies

The accounting policies have been applied consistently throughout the period. Full details of principal accounting policies will be disclosed in the Annual Report, while the policy in respect of investments is included within an outlined box at the top of note 9 on investments.

4. Income

	Six months ended 31 March 2019 (unaudited) £	Six months ended 31 March 2018 (unaudited) £	Year ended 30 September 2018 (audited) £
Income			
- Dividends	240,656	121,857	424,491
- Money market funds	91,855	33,569	108,807
- Loan stock interest	1,408,515	1,290,981	2,497,742
- Bank deposit interest	23,074	22,433	43,178
- Interest on preference share dividend arrears	17,423	-	11,881
- Other income	2,363	7,739	7,739
Total Income	1,783,886	1,476,579	3,093,838

5. Investment Adviser's fees and performance fees

	Six months ended 31 March 2019 (unaudited) £	Six months ended 31 March 2018 (unaudited) £	Year ended 30 September 2018 (audited) £
Allocated to revenue return: Investment Adviser's fees	215,882	205,694	428,311
Allocated to capital return: Investment Adviser's fees	647,647	617,082	1,284,934
Investment Adviser's performance fees	-	-	1,119
Total	863,529	822,776	1,714,364
Investment Adviser's fee	863,529	822,776	1,713,245
Investment Adviser's performance fees	-	-	1,119
Total	863,529	822,776	1,714,364

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

On 30 September 2014, a new incentive fee agreement was signed between the Board and Mobeus, with effect from 1 October 2013, to amend and replace the previous agreement. The previous agreement remained in force, but only with the former adviser, Foresight Group LLP. Mobeus waived their right to their portion of the fee under the previous agreement. This agreement expired on 10 March 2019.

Any payment under the new incentive agreement is now 15% of net realised gains for each year, payable in cash. It is payable only if Cumulative Net Asset Value (NAV) total return per share (being the closing NAV at a year end plus cumulative dividends paid to that year end, since 1 October 2013) equals or exceeds a "Target Return". The Target Return is the greater of two targets, being either:

- (i) compound growth of 6% per annum (but 5% per annum for the year ended 30 September 2014 only), before deducting any incentive fee payable (for the year of calculation only) under both this amended agreement and the existing incentive agreement with Foresight in Cumulative NAV total return per share; or
- (ii) the cumulative percentage change in the Consumer Prices Index since 1 October 2013 to the relevant financial year end, the resultant figure then being multiplied by $(100+A)/100$, where A is the number of full 12 month periods (or part thereof) that have passed between 1 October 2013 and the relevant financial year end.

Both measures of Target Return are applied to the same opening base, being NAV per share as at 30 September 2013 of 113.90 pence. The objective of this Target Return is to enable shareholders to benefit from a cumulative NAV return of at least 6% per annum (5% in the financial year ended 30 September 2014), before any incentive fee is payable. Once a payment has been made, cumulative NAV total return is calculated after deducting past years' incentive fees paid and payable.

Under this new incentive agreement, any fee payments to Mobeus are subject to an annual cap of an amount equal to 2% of the net assets of I&G VCT as at the immediately preceding year end. This cap included any fee payable to Foresight under the old agreement, although any such payment to Foresight was not capped, but that agreement expired on 10 March 2019. Any excess over the 2% remains payable to Mobeus in the following year(s), subject to the 2% annual cap in such subsequent year(s) and after any payment in respect of such subsequent year(s).

For the year ending 30 September 2019, the Target Return will be 160.05p per share (being a 6% uplift on the Target Return at the previous year end of 150.99 pence per share). As at 31 March 2019, the Cumulative Total NAV return is 149.03p per share, so the Target Return for the 2019 financial year has currently not been met and so no fee has been accrued.

Notes to the Unaudited Condensed Financial Statements

for the six months ended 31 March 2019

6. Taxation

There is no tax charge for the period as the Company has tax losses brought forward from previous periods, which can be offset against taxable income.

7. Basic and diluted earnings and return per share

	Six months ended 31 March 2019 (unaudited) £	Six months ended 31 March 2018 (unaudited) £	Year ended 30 September 2018 (audited) £
i) Total earnings after taxation: Basic earnings per share (Note a)	3,263,623 3.10p	977,791 1.04p	2,607,124 2.62p
ii) Revenue earnings from ordinary activities after taxation Basic revenue earnings per share (Note b)	1,134,292 1.08p	862,589 0.92p	1,870,464 1.88p
Net unrealised capital gains/(losses) on investments	2,199,709	(1,251,618)	570,022
Net realised capital gains on investments	367,651	1,810,102	1,113,464
Capitalised Investment Adviser fees and performance fees less taxation	(438,029)	(443,282)	(946,826)
iii) Total capital return Basic capital earnings per share (Note c)	2,129,331 2.02p	115,202 0.12p	736,660 0.74p
iv) Weighted average number of shares in issue in the period	105,141,805	93,616,928	99,602,770

Notes:

- Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
- Basic revenue earnings per share is the revenue return after taxation divided by the weighted average number of shares in issue.
- Basic capital earnings per share is the total capital return after taxation divided by the weighted average number of shares in issue.

8. Dividends

Dividend	Type	For the year ended 30 September	Pence per share	Date paid	Six months ended 31 March 2019 (unaudited) £	Six months ended 31 March 2018 (unaudited) £	Year ended 30 September 2018 (audited) £
Final	Income	2017	0.50p	15 February 2018	-	470,185	470,185
Final	Capital	2017	2.50p	15 February 2018	-	2,350,933	2,350,933
Interim	Income	2018	0.80p	21 June 2018	-	-	843,492
Interim	Capital	2018	1.70p	21 June 2018	-	-	1,792,420
Final	Income	2018	1.00p	15 February 2019	1,050,884	-	-
Final	Capital	2018	2.50p	15 February 2019	2,627,210	-	-
Previous dividends not claimed within the statutory period					-	-	(7,300)
Total*					3,678,094	2,821,118	5,449,730

* - For the period ended 31 March 2018, £2,821,118 (30 September 2018: £5,449,730) disclosed above differs to that shown in the Statement of Cash Flows of £2,255,584; (30 September 2018: £4,352,591) due to £565,534 (30 September 2018: £1,097,139) of new shares issued as part of the Company's Dividend Investment Scheme. No new shares were issued as part of the Scheme in the current period following the suspension of the Scheme in December 2018.

9. Summary of movement on investments during the period

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments at 'fair value through profit and loss' ("FVTPL"). All investments held by the Company are classified as FVTPL and measured in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines, as updated in December 2018. This classification is followed 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.

For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. 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. Where the terms of a disposal state that consideration may be received at some future date and, subject to the conditionality and materiality of the amount of deferred consideration, an estimate of the fair value, discounted for the time value of money may be recognised through the Income Statement. In other cases, the proceeds will only be recognised once the right to receive payment is established and there is no reasonable doubt that payment will be received.

Unquoted investments are stated at fair value by the Directors at each measurement date in accordance with appropriate valuation techniques, which are consistent with the IPEV guidelines:

- (i) Each investment is considered as a whole on a 'unit of account' basis, i.e. that the value of each portfolio company is considered as a whole, alongside consideration of:-

The price of new investments made, if deemed to be made as part of an orderly transaction, are considered to be at fair value at the date of the transaction. The inputs that derived the investment price are calibrated within individual valuation models and, at subsequent measurement dates, are reconsidered for any changes in light of more recent events or changes in the market performance of the investee company. The valuation bases used are the following:

- a multiple basis. The shares may be valued by applying a suitable price-earnings ratio, revenue or gross profit multiple to that company's historic, current or forecast post-tax earnings before interest and amortisation, or revenue, or gross profit (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Adviser compared to the sector including, inter alia, a lack of marketability).

or:-

- where a company's underperformance against plan indicates a diminution in the value of the investment, provision against the price of a new investment is made, as appropriate.

- (ii) Premiums, to the extent that they are considered capital in nature, and that will be received upon repayment of loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

- (iii) Where a multiple or cost less impairment basis is not appropriate and overriding factors apply a, discounted cash flow, net asset valuation or realisation proceeds basis may be applied.

Capital gains and losses on investments, whether realised or unrealised, are dealt with in the profit and loss and revaluation reserves and movements in the period are shown in the Income Statement.

All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

A key judgement made in applying the above accounting policy relates to investments that are permanently impaired. Where the value of an investment has fallen permanently 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 Adviser, will agree the values that represent the extent to which an investment has become realised. 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.

The methods of fair value measurement are classified in to hierarchy based on the reliability of the information used to determine the valuation.

- Level 1 - Fair value is measured based on quoted prices in an active market.
- Level 2 - Fair value is measured based on directly observable current market prices or indirectly being derived from market prices.
- Level 3 - Fair value is measured using valuation techniques using inputs that are not based on observable market data.

Notes to the Unaudited Condensed Financial Statements

for the six months ended 31 March 2019

	Traded on AIM Level 1 £	Unquoted ordinary shares Level 3 £	Unquoted Preference shares Level 3 £	Unquoted Loan stock Level 3 £	Total £
Valuation at 1 October 2018	1,822,412	20,758,488	368,541	26,447,789	49,397,230
Purchases at cost	-	926,956	-	1,084,424	2,011,380
Sales - proceeds (Note a)	-	(367,651)	(101,518)	(1,824,800)	(2,293,969)
- realised (losses)/gains	-	(362,269)	-	729,920	367,651
Unrealised (losses)/gains on investments in the period	(11,132)	2,826,057	(7,672)	(607,544)	2,199,709
Valuation at 31 March 2019	1,811,280	23,781,581	259,351	25,829,789	51,682,001
Book cost at 31 March 2019	1,333,907	25,855,013	24,674	25,625,910	52,839,504
Unrealised gains at 31 March 2019	977,373	4,666,941	234,677	321,246	6,200,237
Permanent impairment of valuation of investments	(500,000)	(6,740,373)	-	(117,367)	(7,357,740)
Valuation at 31 March 2019	1,811,280	23,781,581	259,351	25,829,789	51,682,001
(Losses)/gains on investments					
Realised gains based on historical cost	-	367,651	101,474	-	469,125
Less amounts recognised as unrealised gains in previous years	-	-	(101,474)	-	(101,474)
Realised gains based on carrying value at 30 September 2018	-	367,651	-	-	367,651
Net movement in unrealised (losses)/gains in the period	(11,132)	2,826,057	(7,672)	(607,544)	2,199,709
(Losses)/gains on investments for the period ended 31 March 2019	(11,132)	3,193,708	(7,672)	(607,544)	2,567,360

Note a) Purchases shown above of £2,011,380 differs from those shown in the Statement of Cash flows of £1,933,990 by £77,390. This difference arises due to funds held in a solicitor's client account in advance of an investment that completed in October 2018.

There has been no significant change in the risk analysis as disclosed in Note 16 of the Financial Statements in the Company's Annual Report. The decrease in unrealised valuations of the loan stock investments above reflect the changes in the entitlement to loan premiums, and/or in the underlying enterprise value of the investee company. The decrease does not arise from assessments of credit or market risk upon these instruments.

Level 3 unquoted equity and loan investments are valued in accordance with IPEV guidelines as follows:

	as at 31 March 2019 (unaudited) £	as at 31 March 2018 (unaudited) £	as at 30 September 2018 (audited) £
Valuation methodology			
Multiple of earnings, revenues or gross margin, as appropriate	48,101,806	37,773,979	39,461,312
Recent investment price	472,500	7,436,704	7,488,254
Discounted realisation proceeds	26,563	26,563	26,563
Net asset value	162,366	304,755	162,366
Cost (reviewed for impairment)	1,107,486	-	436,323
Total	49,870,721	45,542,001	47,574,818

10. Current asset investments and Cash at bank

	as at 31 March 2019 (unaudited) £	as at 31 March 2018 (unaudited) £	as at 30 September 2018 (audited) £
OEIC Money market funds	24,722,114	31,316,212	28,475,582
Cash equivalents per Statement of Cash Flows	24,722,114	31,316,212	28,475,582
Bank deposits that mature after three months	3,151,769	3,151,769	3,151,769
Current asset investments	27,873,883	34,467,981	31,627,351
Cash at bank	1,659,682	1,483,126	1,284,816

11. Net asset value per share

	as at 31 March 2019 (unaudited)	as at 31 March 2018 (unaudited)	as at 30 September 2018 (audited)
Net assets	£81,438,038	£83,584,905	£82,583,714
Number of shares in issue	104,363,865	105,435,973	105,438,384
Net asset value per share - basic and diluted	78.03p	79.28p	78.32p

12. Post balance sheet events

On 10 May 2019, the Company realised its investment in The Plastic Surgeon Holdings Limited, generating proceeds of £1.22 million.

On 13 May 2019, the Company invested £1.53 million into Arkk Consulting Limited, a service and product provider that enables companies to remain compliant with regulatory reporting requirements.

On 22 May 2019, the Company invested £0.93 million into Parsley Box Limited, a supplier of home delivered ambient ready meals for the elderly.

13. Statutory Information

The financial information for the six months ended 31 March 2019 and the six months ended 31 March 2018 has not been audited.

The financial information contained in this Half-Year report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial statements for the year ended 30 September 2018 have been filed with the Registrar of Companies. The auditor has reported on these Financial Statements and that report was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

14. Half-Year Report

Copies of this statement are being sent to all shareholders. Further copies are available free of charge from the Company's registered office, 30 Haymarket, London, SW1Y 4EX, or can be downloaded via the Company's website at www.incomeandgrowthvct.co.uk.

Shareholder Information

Communication with shareholders

We aim to communicate regularly with our shareholders. In addition to the Half-Year and Annual Reports, shareholders receive a twice-yearly VCT newsletter from the Investment Adviser, approved by the Board. The February annual general meetings provide a useful platform for the Board to meet shareholders and exchange views. Your Board welcomes your attendance at general meetings to give you the opportunity to meet your Directors and representatives of the Investment Adviser. The Company releases Interim Management Statements, in respect of those quarters when it does not publish full or half-year accounts. The Investment Adviser holds an annual shareholder event. This year's event, held on 5 February 2019, is discussed in the Chairman's Statement on page 2. The next Shareholder Event will take place in the first quarter of 2020 and shareholders will be sent further details and an invitation nearer to the date.

Shareholders wishing to follow the Company's progress can visit its website at www.incomeandgrowthvct.co.uk. The website includes up-to-date information on fund performance, including the most recent NAV, and dividends paid as well as publicly available information on the Company's portfolio of investments and copies of company reports. There is also a link to the London Stock Exchange's website at www.londonstockexchange.com which provides details of the share price and latest NAV announcements, etc.

Financial calendar

May/June 2019	Announcement of the Half Year results and circulation of the Half Year Report for the six months ended 31 March 2019.
12 July 2019	Payment of an interim dividend of 1.50 pence per share.
30 September 2019	Year-end.
Late December 2019	Annual Report for the year ended 30 September 2019 to be circulated to shareholders.
Early 2020	Shareholder Event
February 2020	Annual General Meeting

Dividend

Shareholders who wish to have their dividends paid directly into their bank account, rather than having them sent by cheque to their registered address, can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrars, Link Asset Services at the address given on page 29.

Shareholders are encouraged to ensure that the Registrars maintain up-to-date details for their accounts and to check whether they have received and banked all dividends payable to them. This is particularly important if a shareholder has recently changed address or bank details. We are aware that a number of dividends remain unclaimed by shareholders and whilst we will endeavour to contact them if this is the case, we cannot guarantee that we will be able to do so if the Registrars do not have an up-to-date postal and/or email address.

Dividend Investment Scheme

As explained in the 2018 Annual Report, the Dividend Investment Scheme is currently suspended until further notice.

Managing your shareholding online

For details on your individual shareholding and to manage your account online, shareholders may log into or register with the Link Shareholder Portal: www.signalshares.com. You can use the Portal to change your address details, check your holding balance and transactions, view the dividends you have received and add and amend your bank details.

Selling your shares

The Company's shares are listed on the London Stock Exchange and they can be sold in the same way as any other quoted company through a stockbroker. **However, to ensure that you obtain the best price, you are strongly advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2717, before agreeing a price with your stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial advisor before deciding to sell their shares.

Common Reporting Standard (“CRS”) and Foreign Account Tax Compliance Act (“FATCA”)

Tax legislation was introduced with effect from 1 January 2016 under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information. The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase their shares. As an affected entity, the Company has to provide information annually to HMRC relating to a number of non-UK based certificated shareholders who are deemed to be resident for tax purposes in any of the 90 plus countries who have joined CRS. All new shareholders, excluding those whose shares are held in CREST, entered onto the share register after 1 January 2016 will be asked to provide the relevant information. Additionally, HMRC’s policy position on FATCA now means that, as a result of the restricted secondary market in VCT shares, the Company’s shares are not considered to be “regularly traded”. The Company is therefore also an affected entity for the purposes of this legislation and as such will have to provide information annually to HMRC relating to shareholders who are resident for tax purposes in the United States.

Shareholder enquiries:

For enquiries concerning the investment portfolio or the Company in general, please contact the Investment Adviser, Mobeus Equity Partners LLP. To contact the Chairman or any member of the Board, please contact the Company Secretary, also Mobeus Equity Partners LLP, in the first instance.

The Registrars may be contacted via their shareholder portal, post or telephone for queries relating to your shareholding including dividend payments, dividend mandate forms, change of address, etc.

Full contact details for each of Mobeus and Link are included under Corporate Information on page 29.

Performance Data at 31 March 2019 (unaudited)

Share price at 31 March 2019 **67.00p¹**
 NAV per share as at 31 March 2019 **78.03p**

Performance data for all fundraising rounds

The following table shows, for all investors in The Income & Growth VCT plc, how their investments have performed since they were originally allotted shares in each fundraising.

Shareholders from the original fundraising in 2000/01 should note that the funds were managed by three investment advisers, up until 10 March 2009. At that date, Mobeus became the sole adviser, to this and all subsequent fundraisings.

Total return data, which includes cumulative dividends paid to date, is shown on both a share price and a NAV basis as at 31 March 2019. The NAV basis enables Shareholders to evaluate more clearly the performance of the Fund, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector.

Allotment date(s)	Allotment price (p)	Net allotment price ² (p)	Cumulative dividends paid per share (p)	Total return per share to shareholders since allotment		
				(Share price basis) (p)	(NAV basis) (p)	% increase since 30 September 2018 (NAV basis)
Funds raised - O Fund³ (launched 18 October 2000)						
Between 3 November 2000 and 11 May 2001	100.00	60.62	106.57	157.34	165.70	1.5%
Funds raised 2007/8 - S Share fund (launched 14 December 2007)						
Between 1 April 2008 and 6 June 2008	100.00	70.00	111.50	178.50	189.53	1.7%
Funds raised 2010/11 (launched 12 November 2010)						
21 January 2011	104.80	73.36	111.00	178.00	189.03	1.7%
28 February 2011	107.90	75.53	109.00	176.00	187.03	1.7%
22 March 2011	105.80	74.06	109.00	176.00	187.03	1.7%
1 April 2011	105.80	74.06	107.00	174.00	185.03	1.8%
5 April 2011	105.80	74.06	107.00	174.00	185.03	1.8%
10 May 2011	105.80	74.06	107.00	174.00	185.03	1.8%
6 July 2011	106.00	74.20	107.00	174.00	185.03	1.8%
Funds raised 2012 (launched 20 January 2012)						
8 March 2012	106.40	74.48	83.00	150.00	161.03	2.0%
4 April 2012	106.40	74.48	83.00	150.00	161.03	2.0%
5 April 2012	106.40	74.48	83.00	150.00	161.03	2.0%
10 May 2012	106.40	74.48	83.00	150.00	161.03	2.0%
10 July 2012	111.60	78.12	83.00	150.00	161.03	2.0%
Funds raised 2013 (launched 29 November 2012)						
14 January 2013	116.00	81.20	83.00	150.00	161.03	2.0%
28 March 2013	112.60	78.82	77.00	144.00	155.03	2.1%
4 April 2013	112.60	78.82	77.00	144.00	155.03	2.1%
5 April 2013	112.60	78.82	77.00	144.00	155.03	2.1%
10 April 2013 Pre RDR ⁴	115.30	80.71	77.00	144.00	155.03	2.1%
10 April 2013 Post RDR ⁴	112.60	78.82	77.00	144.00	155.03	2.1%
7 May 2013	112.60	78.82	77.00	144.00	155.03	2.1%

¹ - Source: Panmure Gordon & Co (mid-price basis).

² - Net allotment price is the allotment price less applicable income tax relief. Income tax relief was 20% up until 5 April 2004, 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

³ - Shareholders who invested in 2000/01 received 0.7578 shares in the current share class for each share previously held on 29 March 2010, when the Company's two share classes merged. The net allotment price, NAV, cumulative dividend, total return, share price and percentage return data per share have been adjusted to reflect this conversion ratio.

⁴ - RDR means the date of implementation of the Retail Distribution Review on 31 December 2012, which affected the level of charges in the allotment price for applications received before and after that date.

Allotment date(s)	Allotment price (p)	Net allotment price ¹ (p)	Cumulative dividends paid per share (p)	Total return per share to shareholders since allotment		
				(Share price basis) (p)	(NAV basis) (p)	% increase since 30 September 2018 (NAV basis)
Funds raised 2014 (launched 28 November 2013)						
9 January 2014	117.82 ²	82.47	71.00	138.00	149.03	2.2%
11 February 2014	119.02 ²	83.31	71.00	138.00	149.03	2.2%
31 March 2014	115.64 ²	80.95	67.00	134.00	145.03	2.3%
3 April 2014	116.17 ²	81.32	67.00	134.00	145.03	2.3%
4 April 2014	115.45 ²	80.82	67.00	134.00	145.03	2.3%
6 June 2014	121.55 ²	85.09	67.00	134.00	145.03	2.3%
Funds raised 2015 (launched 10 December 2014)						
14 January 2015	108.33 ²	75.83	53.00	120.00	131.03	2.5%
17 February 2015	113.17 ²	79.22	53.00	120.00	131.03	2.5%
10 March 2015	109.88 ²	76.92	49.00	116.00	127.03	2.6%
Funds raised 2017/18 (launched 6 September 2017)						
28 September 2017	82.49 ²	57.74	9.00	76.00	87.03	3.8%
20 October 2017	82.67 ²	57.87	9.00	76.00	87.03	3.8%
9 November 2017	83.20 ²	58.24	9.00	76.00	87.03	3.8%
20 November 2017	84.54 ²	59.18	9.00	76.00	87.03	3.8%
21 November 2017	84.50 ²	59.15	9.00	76.00	87.03	3.8%
24 January 2018	81.27 ²	56.89	6.00	73.00	84.03	4.0%
13 March 2018	82.32 ²	57.62	6.00	73.00	84.03	4.0%

¹ - Net allotment price is the allotment price less applicable income tax relief. Income tax relief was 20% up until 5 April 2004, 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

² - Average effective offer price. Shares were allotted pursuant to the 2013/14, 2014/15 and 2017/18 offers at individual prices for each investor in accordance with its pricing formula set out in each offer's respective Securities Note.

Performance Data at 31 March 2019 (unaudited)

Cumulative dividends paid

	Funds raised 2000/01 'O' Share Fund (p)	Funds raised 2007/08 'S' Share Fund (p)	Funds raised 2010/11 (p)	Funds raised 2012 (p)	Funds raised 2013 (p)	Funds raised 2014 (p)	Funds raised 2015 (p)	Funds raised 2017/18 (p)
15 February 2019	2.65 ¹	3.50	3.50	3.50	3.50	3.50	3.50	3.50
21 June 2018	1.89 ¹	2.50	2.50	2.50	2.50	2.50	2.50	2.50
15 February 2018	2.27 ¹	3.00	3.00	3.00	3.00	3.00	3.00	3.00
31 August 2017	11.37 ¹	15.00	15.00	15.00	15.00	15.00	15.00	
20 June 2017	2.27 ¹	3.00	3.00	3.00	3.00	3.00	3.00	
15 February 2017	3.03 ¹	4.00	4.00	4.00	4.00	4.00	4.00	
07 July 2016	4.55 ¹	6.00	6.00	6.00	6.00	6.00	6.00	
15 February 2016	4.55 ¹	6.00	6.00	6.00	6.00	6.00	6.00	
30 June 2015	4.55 ¹	6.00	6.00	6.00	6.00	6.00	6.00	
20 March 2015	3.03 ¹	4.00	4.00	4.00	4.00	4.00	4.00	
30 October 2014	6.06 ¹	8.00	8.00	8.00	8.00	8.00		
03 July 2014	4.55 ¹	6.00	6.00	6.00	6.00	6.00		
12 March 2014	3.03 ¹	4.00	4.00	4.00	4.00	4.00		
27 June 2013	4.55 ¹	6.00	6.00	6.00	6.00			
08 February 2013	4.55 ¹	6.00	6.00	6.00	6.00			
15 February 2012	3.02 ¹	4.00	4.00					
27 January 2012	15.16 ¹	20.00	20.00					
28 March 2011	1.52 ¹	2.00	2.00					
22 February 2011	1.52 ¹	2.00	2.00					
29 March 2010 Merger of the 'O' and 'S' Share Funds								
17 March 2010	2.00	0.50						
16 February 2009	4.00							
15 February 2008	2.00							
24 October 2007	2.00							
15 February 2007	3.75							
14 February 2006	3.25							
04 February 2005	1.25							
11 February 2004	1.25							
12 February 2003	1.75							
18 February 2002	1.20							
Total dividends paid	106.57	111.50	111.00	83.00	83.00	71.00	53.00	9.00

¹ - The dividends paid after the merger, on the former 'O' Share Fund shareholdings have been restated to take account of the merger conversion ratio.

The above data relates to an investor in the first allotment of each fundraising. The precise amount of dividends paid to shareholders by date of allotment is shown in the table on the previous page.

Corporate Information

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Colin Hook
Jonathan Cartwright
Helen Sinclair

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Company Registration Number

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Legal Entity Identifier

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