

MATRIX INCOME & GROWTH VCT PLC

A VENTURE CAPITAL TRUST

REPORT & ACCOUNTS



Unaudited Interim Report and Accounts
for the six months ended 30 June 2007

MATRIX

Investment Objective

Matrix Income & Growth VCT plc is a Venture Capital Trust ("VCT") managed by Matrix Private Equity Partners investing primarily in established, profitable, unquoted companies.

The Company's objective is to provide investors with a regular and growing income stream, by way of tax free dividends, and to generate capital growth through portfolio realisations, which can be distributed by way of additional tax free dividends.

Financial Highlights

Interim Results for the six months ended 30 June 2007

| | 30 June 2007 | 30 June 2006 | 31 December 2006 |
|---|-----------------|-----------------|---------------------|
| Net assets | £23,715,873 | £20,844,852 | £22,244,902 |
| Net asset value per share | 107.29p | 94.13p | 100.64p |
| Total return per share* | 110.49p | 95.13p | 102.44p |
| Share price (mid-market price) | 91.50p | 99.00p | 88.50p |
| Net cumulative dividends paid per share** | 3.20p | 1.00p | 1.80p |

*Net asset value per share plus cumulative dividends per share. This compares with an original investment cost of 100 pence per share, which after allowing for income tax relief of 40 pence per share equates to 60 pence per share.

**For a breakdown of recent dividends paid, please see 'Dividends paid' in the Income Statement on pages 8-9 of this Interim Report.

In addition, an interim dividend of 1.00 penny per share has been declared and is payable on 20 September 2007 to Shareholders on the Register on 24 August 2007, thereby increasing net cumulative dividends to 4.20 pence per share.

Chairman's Statement

I am pleased to present this Interim Report covering the six month period ended 30 June 2007.

Results and dividend

The revenue account generated a net return (after tax) for the period of £306,813 (30 June 2006: £231,302). The Board has declared an interim dividend of 1.00 penny per share (2006: 0.80 of a penny per share) which will be paid on 20 September 2007 to Shareholders on the Register on 24 August 2007.

Net asset value

The net asset value (NAV) at 30 June 2007 was 107.29 pence per share (30 June 2006: 94.13 pence per share) compared with an NAV of 100.64 pence per share at the beginning of the period, an increase of 6.6%.

Investment portfolio

No new investments were completed during the period. This, in part, reflected an extremely competitive environment for private equity deals leading to inflated price expectations on the part of many vendors. Against this background your Investment Manager, supported by the Board, continued to pursue a measured and selective approach towards new investment proposals.

Since the end of the period the Company has invested £1.0 million in the management buy out of Digico Europe Limited and the Investment

Manager is currently progressing a number of other attractive investment opportunities.

Meanwhile, the current portfolio exhibited encouraging progress over the period with a number of upward valuation movements. For further information on these investments please see the Investment Manager's Review on page 5 of this Interim Report.

Income

Income was derived from two main sources. Firstly, income from OEIC money market funds generated an average annualised yield of approximately 5.3% over the period; secondly, the investments made by your Investment Manager usually include a substantial component of interest-bearing loan stocks. These loan stocks are now beginning to make a significant contribution and at 30 June 2007 were generating an annualised yield of 7.8%. As at the end of the period, the annualised running yield on the qualifying investment portfolio as a whole was 4.1%, while upon all investments it was 4.9%.

Investment in qualifying holdings

The key date by which the Investment Manager is required to meet the target set by HM Revenue & Customs of investing 70% of the funds raised in qualifying unquoted and AIM quoted companies is 31 December 2007. Following the investment in Digico the Company was 48.6% invested in qualifying companies (based on VCT cost as defined in tax legislation). As outlined in

the accompanying Review, the Investment Manager remains confident of achieving this investment target by the end of the year. The balance of the portfolio is invested in a selection of OEIC money market funds.

Communicating with Shareholders

The Company maintains a programme of regular communication with Shareholders, with newsletters and a dedicated website: www.migvct.co.uk, supplementing the interim and annual reports. The Board welcomes the opportunity to meet Shareholders at the Company's Annual General Meetings during which representatives of the Investment Manager are present to discuss the progress of the portfolio. The next AGM of the Company will be held in May 2008.

Extraordinary General Meeting 30 October 2007 – Electronic communications

Subject to Shareholder approval, the Companies Act 2006 allows companies to send or supply documents and information to Shareholders in electronic form and by a website in place of hard copies. The Directors are of the opinion that this could be beneficial for both the Company and its Shareholders, in particular as it may help reduce administration costs and will ensure that Shareholders receive documents in a more timely manner.

To implement this the Directors are convening an Extraordinary General Meeting to be held on 30 October 2007 at which Shareholders will be asked to approve a single resolution authorising the Company to send communications electronically to Shareholders and make documents and information available to Shareholders on a website. The Notice of this meeting is included on pages 18-19 of this Interim Report and a personalised Proxy Form for use in relation to this meeting has been included with Shareholders' copies of this report.

Outlook

The Board is encouraged by the evidence of value creation within the current portfolio and with it the potential for profitable exit opportunities as the portfolio matures. Based on the Investment Manager's planned investment programme for the second half of the year, the Board is also confident that the Company should achieve the 70% test by 31 December 2007 and at least maintain this level of investment in qualifying companies going forward.

Finally, I would like to thank all of our Shareholders for their continuing support.

Keith Niven

Chairman

8 August 2007

Shareholder Information

Shareholders wishing to follow the Company's progress can visit the Company's website at www.migvct.co.uk which contains publicly available information or links to information about our largest investments, the latest NAV and the share price. The London Stock Exchange's website at www.londonstockexchange.com/engb/pricesnews provides up to the minute details of the share price and latest NAV announcements, etc.. A number of commentators such as TrustNet at www.trustnet.com and Allenbridge at www.taxshelterreport.co.uk provide comparative performance figures for the VCT sector as a whole. The share price is also quoted in the Financial Times.

The Company circulates a bi-annual newsletter to Shareholders in the quarters in which it does not publish Annual or Interim Accounts. The next edition will be distributed in November 2007. The Board intends to announce the Company's preliminary results in respect of the year ended 31 December 2007 at the beginning of March 2008, and the Annual Report will be circulated to Shareholders later that month.

Net asset value per share

The Company's NAV per share as at 30 June 2007 was 107.29 pence. The Company announces its unaudited NAV on a quarterly basis.

Dividend

The Directors have declared an interim dividend of 1.00 penny per share payable on 20 September 2007 to Shareholders on the Register on 24 August 2007.

Shareholders who wish to have dividends paid directly into their bank account, rather than sent by cheque to their registered address, can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrars, Computershare Investor Services PLC at the address below.

Shareholder enquires:

For information on your holding, to notify the Company of a change of address or to request a dividend mandate form please contact the Company's Registrars, Computershare Investor Services PLC, on 0870 702 0010 or write to them at PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH or, should you prefer, visit their website at www-uk.computershare.com.

Investment Manager's Review

Over the last six months the portfolio has begun to demonstrate the benefits of our approach of investing in established, profitable companies, principally by way of Management Buy Outs ("MBOs").

The rate at which we have made new investments has slowed considerably, particularly compared to the rate seen in the first half of 2006. Competition for transactions has increased markedly. This has in part been driven by the amount of debt and equity funding available to companies, which has led to inflation in purchase prices. We have also been offered a greater number of lower quality transactions. We have therefore been adopting a highly selective and cautious approach towards new investment in the current environment.

Since the period-end an investment of £1 million has been completed as part of the MBO of Digico Europe Limited, the global market leading manufacturer of digital sound mixing consoles for the live performance, theatre, post-production and broadcast markets. Several other opportunities have also been agreed and are proceeding through diligence and contract negotiations. They include investments in three new companies that are being established with experienced operating partners in the support services, healthcare and food and beverage sectors. In the light of these opportunities, we remain fully confident of meeting the 70% qualifying investment target by the 31 December 2007 deadline.

At 30 June 2007 a total of £8.8 million at cost had been invested in thirteen companies, and these have been valued at that date, in accordance with International Private Equity

& Venture Capital Valuation ("IPEVCV") guidelines, at £11.9 million, an uplift of 35%. Six companies have moved from cost to a discounted earnings valuation since the beginning of the year, and all have shown an increase, generally reflecting performance in line with our expectations at the time we made our investment.

Of particular note has been the strong trading experienced by both Blaze Signs and PastaKing, the former seeing growth from its major retail customers and the latter benefiting from the increasing trend towards healthy eating in schools and colleges. Of the other four companies which have seen an uplift in value; Campden Media is expanding its US conferencing business and establishing an online offering for its healthcare publications; British International has recently been successful in gaining offshore work for its helicopter fleet and is now in its busy summer period; Vectair is showing impressive revenue and profit growth in Europe for its range of air fresheners and toiletry products, and is also expanding into the USA, and VSI has performed fully in line with expectations and is considering expansion opportunities.

Whilst unquoted companies are not immune from the wider economic environment and the recent increases in interest rates, we remain encouraged by the overall performance of the portfolio and have recently seen potential for some early realisations.

Matrix Private Equity Partners LLP

8 August 2007

Investment Portfolio Summary

as at 30 June 2007

| | Date of initial investment | Total Book cost £'000 | Valuation £'000 | % of net assets by value |
|--|----------------------------|--------------------------|--------------------|-----------------------------|
| Qualifying investments | | | | |
| AIM quoted investments | | | | |
| BBI Holdings plc Developer and manufacturer of rapid test diagnostic products | May-06 | 382 | 621 | 2.6% |
| SectorGuard plc Provider of manned guarding, mobile patrolling and alarm response services | Aug-05 | 150 | 150 | 0.3% |
| Unquoted investments | | | | |
| Youngman Group Limited Manufacturer of ladders and access towers | Oct-05 | 1,000 | 2,716 | 11.5% |
| British International Holdings Limited Supplier of helicopter services | Jun-06 | 1,000 | 1,170 | 4.9% |
| VSI Limited Developer and marketer of 3D software | Apr-06 | 618 | 1,092 | 4.6% |
| Ministry of Cake Limited Manufacturer of frozen cakes and desserts for the food service industry | Sep-05 | 1,000 | 1,075 | 4.5% |
| Campden Media Limited Magazine publisher and conference organiser | Jan-06 | 975 | 1,001 | 4.2% |
| PXP Holdings Limited (Pinewood Structures) Designer, manufacturer, supplier and installer of timber-frames for buildings | Dec-06 | 1,000 | 1,000 | 4.2% |
| Blaze Signs Holdings Limited Signwriter | Apr-06 | 574 | 885 | 3.7% |
| Racoon International Holdings Limited Supplier of hair extensions, hair care products and training | Dec-06 | 874 | 874 | 3.7% |
| PastaKing Holdings Limited Supplier to the educational and food service market | Jun-06 | 464 | 749 | 3.2% |
| Vectair Holdings Limited Designer and distributor of washroom products | Jan-06 | 560 | 604 | 2.6% |
| F H Ingredients Limited Processor and distributor of frozen herbs to the food processing industry | Feb-05 | 213 | - | 0.0% |
| | | 8,278 | 11,166 | 47.1% |
| Total qualifying investments | | 8,810 | 11,937 | 50.3% |

| | Total Book cost £'000 | Valuation £'000 | % of net assets by value |
|---|----------------------------------|----------------------------|---------------------------------|
| Non-qualifying investments | | | |
| Global Treasury Funds plc (Royal Bank of Scotland)* | 2,918 | 2,918 | 12.3% |
| Fidelity Institutional Cash Fund plc* | 2,039 | 2,039 | 8.6% |
| SWIP Global Liquidity Fund plc (Scottish Widows)* | 1,933 | 1,933 | 8.2% |
| Barclays Global Investors Cash Selection Funds plc* | 1,801 | 1,801 | 7.6% |
| Insight Liquidity Funds plc (HBOS)* | 1,132 | 1,132 | 4.8% |
| GS Funds plc (Goldman Sachs)* | 1,031 | 1,031 | 4.4% |
| Institutional Cash Series plc (BlackRock)* | 943 | 943 | 4.0% |
| Total non-qualifying investments | 11,797 | 11,797 | 49.9% |
| Total investments | 20,607 | 23,734 | 100.2% |
| Other assets | 246 | 246 | 0.9% |
| Current liabilities | (264) | (264) | (1.1)% |
| Net assets | 20,589 | 23,716 | 100.0% |

*Disclosed as Investments at fair value within Current assets in the Balance Sheet.

Unaudited Income Statement

(incorporating the Revenue Account of the Company for the six months ended 30 June 2007)

| | Notes | Six months ended 30 June 2007 | | |
|--|-------|-------------------------------|--------------|------------|
| | | Revenue £ | Capital £ | Total £ |
| Unrealised gains on investments held at fair value | | – | 1,607,124 | 1,607,124 |
| Realised losses on investments held at fair trade value | | – | – | – |
| Costs of investment transactions | | – | (148) | (148) |
| Income | 5 | 625,023 | – | 625,023 |
| Investment management fees | 3 | (65,423) | (196,271) | (261,694) |
| Other expenses | | (160,711) | – | (160,711) |
| Return on ordinary activities before taxation | | 398,889 | 1,410,705 | 1,809,594 |
| Tax on ordinary activities | | (92,076) | 62,904 | (29,172) |
| Return attributable to equity shareholders | | 306,813 | 1,473,609 | 1,780,422 |
| Return per share | 6 | 1.39p | 6.66p | 8.05p |
| Dividends paid | | | | |
| Interim dividend paid for the six months ended 30 June 2006 0.80 of a penny per share | | – | – | – |
| Final dividend paid for year ended 31 December 2006 of 1.40 pence per share (period ended 31 December 2005: 0.70 of a penny per share) | | 309,451 | – | 309,451 |
| | | 309,451 | – | 309,451 |

The total column of the Income Statement is the profit and loss account of the Company. There were no other gains and losses in the six months ended 30 June 2007, or the comparative periods. All revenue and capital items in the above statement derive from continuing operations.

| Six months ended 30 June 2006 | | | Year ended 31 December 2006 (audited) | | |
|-------------------------------|--------------|------------|--|--------------|------------|
| Revenue £ | Capital £ | Total £ | Revenue £ | Capital £ | Total £ |
| – | 15,180 | 15,180 | – | 1,731,906 | 1,731,906 |
| – | – | – | – | (212,893) | (212,893) |
| – | (61) | (61) | – | (82) | (82) |
| 517,317 | – | 517,317 | 1,071,415 | – | 1,071,415 |
| (61,340) | (184,021) | (245,361) | (123,960) | (371,881) | (495,841) |
| (154,791) | – | (154,791) | (317,372) | – | (317,372) |
| 301,186 | (168,902) | 132,284 | 630,083 | 1,147,050 | 1,777,133 |
| (69,884) | 54,248 | (15,636) | (161,126) | 113,421 | (47,705) |
| 231,302 | (114,654) | 116,648 | 468,957 | 1,260,471 | 1,729,428 |
| 1.04p | (0.51)p | 0.53p | 2.12p | 5.69p | 7.81p |
| | – | – | 177,141 | – | 177,149 |
| 155,005 | – | 155,005 | 155,005 | – | 155,005 |
| 155,005 | – | 155,005 | 332,154 | – | 332,154 |

Unaudited Balance Sheet

as at 30 June 2007

| | Notes | As at 30 June 2007 £ | As at 30 June 2006 £ | As at 31 December 2006 (audited) £ |
|---|-------|----------------------------|----------------------------|---|
| Non-current assets | | | | |
| Investments at fair value | 1c, 8 | 11,936,670 | 6,951,307 | 10,329,528 |
| Current assets | | 11,936,670 | 6,951,307 | 10,329,528 |
| Debtors and prepayments | | 124,753 | 83,998 | 142,515 |
| Investments at fair value | 9 | 11,797,408 | 14,052,947 | 11,906,321 |
| Cash at bank | | 121,289 | 63,384 | 58,250 |
| Creditors: amounts falling due within one year | | 12,043,450 | 14,200,329 | 12,107,086 |
| | | (264,247) | (306,784) | (191,712) |
| Net current assets | | 11,779,203 | 13,893,545 | 11,915,374 |
| Net assets | | 23,715,873 | 20,844,852 | 22,244,902 |
| Capital and reserves | 10 | | | |
| Called up share capital – Ordinary Shares | | 221,038 | 221,438 | 221,038 |
| Capital redemption reserve | | 400 | – | 400 |
| Share premium account | | – | 20,711,686 | – |
| Capital reserve – unrealised | | 3,339,030 | 15,180 | 1,731,906 |
| Capital reserve – realised | | (874,143) | (399,027) | (740,628) |
| Special distributable reserve | | 20,676,105 | – | 20,676,105 |
| Revenue reserves | | 353,443 | 295,575 | 356,081 |
| Equity Shareholders' funds | | 23,715,873 | 20,844,852 | 22,244,902 |
| Net asset value per Ordinary Share | 7 | 107.29 p | 94.13 p | 100.64 p |

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2007

| | Notes | Six months ended 30 June 2007 £ | Six months ended 30 June 2006 £ | Year ended 31 December 2006 (audited) £ |
|---|-------|---------------------------------------|---------------------------------------|--|
| Opening Shareholders' funds | 10 | 20,244,902 | 20,883,209 | 20,883,209 |
| Ordinary Shares bought back | | – | – | (35,581) |
| Return for the period before dividends | | 1,780,422 | 116,648 | 1,729,428 |
| Dividends paid in period | | (309,451) | (155,005) | (332,154) |
| Closing Shareholders' funds | | 23,715,873 | 20,844,852 | 22,244,902 |

Unaudited Summarised Cash Flow Statement

for the six months ended 30 June 2007

| | Six months ended 30 June 2007 | Six months ended 30 June 2006 | Year ended 31 December 2006 (audited) |
|---|----------------------------------|----------------------------------|---|
| | £ | £ | £ |
| Operating activities | | | |
| Investment income received | 644,916 | 527,331 | 1,023,128 |
| Investment management fees paid | (261,694) | (246,172) | (619,414) |
| Other cash payments | (119,627) | (125,006) | (312,203) |
| Net cash inflow from operating activities | 263,595 | 156,153 | 91,511 |
| Investing activities | | | |
| Acquisitions of investments | (18) | (4,573,234) | (6,447,622) |
| Dividends | | | |
| Equity dividends paid | (309,451) | (155,005) | (332,154) |
| Cash outflow before financing and liquid resource management | (45,874) | (4,572,086) | (6,688,265) |
| Financing | | | |
| Share capital bought back | – | – | (35,581) |
| Management of liquid resources | | | |
| Decrease in current investments | 108,913 | 4,616,380 | 6,763,006 |
| Increase in cash for the period | 63,039 | 44,294 | 39,160 |

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 accounting

The accounts have been prepared under UK Generally Accepted Accounting Practice (UK GAAP) and, to the extent that it does not conflict with the fair value rules of the Companies Act 1985, the 2003 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies', revised December 2005.

b) Presentation of the Income Statement

In order to better reflect the activities of a VCT and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 842AA Income and Corporation Taxes Act 1988.

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", in accordance with the International Private Equity & Venture Capital Valuation (IPEVCV) guidelines published in 2005. For investments actively traded in organised financial markets, fair value is generally determined by reference to the London Stock Exchange market quoted bid prices at the close of business on the balance sheet date.

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 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 earnings (the ratio used being based on a comparable listed company or sector but the resulting value being discounted 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.

Notes to the Unaudited Financial Statements (continued)

(v) Where fair value cannot be reliably measured under notes 1 c) i-iv above, an investment is held at the most recent carrying value, reduced where there is evidence of impairment by the estimated extent of impairment.

Non-current asset investments which are not quoted are stated at Directors' best estimate of fair value, in accordance with IPEVVCV guidelines.

2. Capital gains and losses on investments, whether realised or unrealised, are dealt with in the capital reserve and movements in the period are shown in the Income Statement.
3. In accordance with the policy statement published under "Management and Administration" in the Company's prospectus dated 9 July 2004, the Directors have charged 75% of the investment management expenses to the capital reserve.
4. Earnings for the six months ended 30 June 2007 should not be taken as a guide to the results for the full year.

5. Income

| | Six months ended 30 June 2007 | Six months ended 30 June 2006 | Year ended 31 December 2006 (audited) |
|--------------------------------|----------------------------------|----------------------------------|---|
| | £ | £ | £ |
| Income from investments | | | |
| Dividends | 56,247 | 4,286 | 15,279 |
| Money market funds | 311,604 | 354,737 | 673,420 |
| Loan stock interest | 255,628 | 139,331 | 354,937 |
| Bank deposits | 1,544 | 3,338 | 12,154 |
| Other | – | 15,625 | 15,625 |
| Total income | 625,023 | 517,317 | 1,071,415 |

6. Earnings and return per share

The basic earnings, revenue return and capital return per share shown below for each period are respectively based on numerators i)-iii), each divided by the weighted average number of shares in issue in the period - see iv) below

| | Six months ended 30 June 2007 £ | Six months ended 30 June 2006 £ | Year ended 31 December 2006 (audited) £ |
|---|---------------------------------------|---------------------------------------|--|
| (i) Total earnings after taxation Basis earnings per share (pence) | 1,780,422 8.05p | 116,648 0.53p | 1,729,428 7.81p |
| (ii) Net revenue from ordinary activities after taxation Revenue return per share (pence) | 306,813 1.39p | 231,302 1.04p | 468,957 2.12p |
| (iii) Capital gain/(loss) Capital gain/(loss) per share (pence) | 1,473,609 6.66p | (114,654) (0.51)p | 1,260,471 5.69p |
| (iv) Weighted average number of shares in issue in the period | 22,103,821 | 22,143,82 | 22,138,232 |

7. Net asset value per share

| | As at 30 June 2007 £ | As at 30 June 2006 £ | As at 31 December 2006 (audited) £ |
|-----------------------------------|----------------------------|----------------------------|---|
| Net assets | 23,715,873 | 20,844,852 | 22,244,902 |
| Number of shares in issue | 22,103,821 | 22,143,821 | 22,103,821 |
| Net asset value per share (pence) | 107.29p | 94.13p | 100.64p |

Notes to the Unaudited Financial Statements (continued)

8. Summary of non-current investments at fair value during the period

| | Traded on AIM £ | Ordinary Shares £ | Preference Shares £ | Qualifying loans £ | Total £ |
|--|-----------------------|-------------------------|---------------------------|--------------------------|-------------------|
| Valuation at 1 January 2007 | 779,520 | 3,234,490 | 37,910 | 6,277,608 | 10,329,528 |
| Purchase at cost | – | 18 | – | – | 18 |
| Increase/(decrease) in unrealised gains | (9,117) | 1,615,916 | 325 | – | 1,607,124 |
| Valuation at 30 June 2007 | 770,403 | 4,850,424 | 38,235 | 6,277,608 | 11,936,670 |
| Book cost at 1 January 2007 | 532,219 | 1,794,145 | 38,908 | 6,445,261 | 8,810,533 |
| Unrealised gains/(losses) at 30 June 2007 | 238,184 | 3,056,279 | (673) | (167,653) | 3,126,137 |
| Valuation at 30 June 2007 | 770,403 | 4,850,424 | 38,235 | 6,277,608 | 11,936,670 |
| Gains on investments | | | | | |
| Unrealised gains/(losses) at 1 January 2007 | 247,301 | 1,440,363 | (998) | (167,653) | 1,519,013 |
| Net movement in unrealised appreciation in the period | (9,117) | 1,615,916 | 325 | – | 1,607,124 |
| Gains/(losses) on investments at 30 June 2007 | 238,184 | 3,056,279 | (673) | (167,653) | 3,126,137 |

9. Current investments at fair value

These comprise investments in seven Dublin-based OEIC money market funds managed by Royal Bank of Scotland, Blackrock (formerly Merrill Lynch), Goldman Sachs, Insight Investment Management, Barclays Global Investors, Scottish Widows Investment Management and Fidelity Investment Management.

£10,101,315 (30 June 2006: £12,974,219, 31 December 2006: £10,253,611) of this sum is subject to same day access, whilst £1,696,093 (30 June 2006: £1,078,728, 31 December 2006: £1,652,710) is subject to two day access.

10. Capital and reserves

| | Called up Share capital £ | Capital redemption reserve £ | Unrealised capital account £ | Realised capital reserve £ | Special distributable reserve £ | Revenue reserve £ | Total £ |
|---|------------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|--|-------------------------|------------|
| At 1 January 2007 | 221,038 | 400 | 1,731,906 | (740,628) | 20,676,105 | 356,081 | 22,244,902 |
| Profit/(loss) for the period | – | – | 1,607,124 | (133,515) | – | 306,813 | 1,780,422 |
| Dividend – final for year ended 31 December 2006 | – | – | – | – | – | (309,451) | (309,451) |
| At 30 June 2007 | 221,038 | 400 | 3,339,030 | (874,143) | 20,676,105 | 353,443 | 23,715,873 |

11. The financial information for the six months ended 30 June 2007 and the six months ended 30 June 2006 have neither been audited nor reviewed. The accounting policies used by Matrix Income & Growth VCT plc in preparing the Interim Report are consistent with those used in preparing the statutory accounts for the year ended 31 December 2006.
12. The information for the year ended 31 December 2006 does not comprise full financial statements within the meaning of section 240 of the Companies Act 1985. The financial statements for the year ended 31 December 2006 have been filed with the Registrar of Companies. The auditors have reported on these financial statements and that report was unqualified and did not contain a statement under section 237(2) of the Companies Act 1985.
13. Copies of this statement are being sent to all shareholders. Further copies are available free of charge from the Company's registered office, One Jermyn Street, London SW1Y 4UH or can be downloaded via the Company's website at www.migvct.co.uk.

MATRIX INCOME & GROWTH VCT PLC
(Registered in England and Wales No. 5153931)

NOTICE of EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at 2.00 pm on 30 October 2007 at Matrix Group Limited, Sixth Floor, One Jermyn Street, London, SW1Y 4UH for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:-

THAT the Company be and is authorised to serve any notice or send or supply any other document or information to a member (or where applicable a nominee) by making the notice or document or information available on the Company's website or by using other electronic means, notwithstanding any contrary provision in the Company's Articles of Association.

Registered Office
One Jermyn Street
London SW1Y 4UH
8 August 2007

BY ORDER OF THE BOARD
Matrix-Securities Limited
Secretary

Notes:

- (i) A person entitled to receive notice of, attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll, vote in his place. A proxy need not be a member of the Company.
- (ii) To be valid the enclosed form of proxy for the Extraordinary General Meeting, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof must be deposited no less than 48 hours prior to the time fixed for the holding of the meeting or any adjournment of the said meeting at the offices of the Company's registrars, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 7NH.
- (iii) Completion and return of the form of proxy will not prevent a Shareholder from attending and voting in person at the Extraordinary General Meeting.
- (iv) The Company, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, specifies that only those Shareholders registered in the Register of Members of the Company as at midnight on 28 October 2007 or, in the event that the meeting is adjourned, in the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at the Extraordinary General Meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the Register of Members after midnight on 28 October 2007 or, in the event that the meeting is adjourned, in the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (v) The Register of Directors' Interests shall be available for inspection at the place of the Extraordinary General Meeting for at least fifteen minutes prior to and during the meeting.

Corporate Information

Directors

Keith Niven (Chairman)
Bridget Guérin
Christopher Moore
Tom Sooke

All of whom are non-executive and of:

One Jermyn Street
London SW1Y 4UH

Secretary and administrator

Matrix-Securities Limited
One Jermyn Street
London SW1Y 4UH

Investment Manager

Matrix Private Equity Partners LLP
One Jermyn Street
London SW1Y 4UH

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London EC1M 3AP

VCT Tax Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Receiving Agent

Matrix Registrars Limited
One Jermyn Street
London SW1Y 4UH

Solicitors

Dundas & Wilson
5th Floor, Northwest Wing
Bush House
Aldwych
London WC2B 4EZ

Promoter

Matrix-Securities Limited
One Jermyn Street
London SW1Y 4UH

Bankers

National Westminster Bank plc
City of London Office
PO Box 12264
1 Princes Street
London EC2R 8PB

Sponsor and Stockbroker

Landsbanki Securities (UK) Limited
Beaufort House
15 St Botolph Street
London EC3A 7QR

Registrars

Computershare Investor Services PLC
Corporate Actions
PO Box 859
The Pavilions
Bridgwater Road
Bristol BS99 7NH

Company No : 5153931

Email: info@matrixpep.co.uk
Website: www.migvct.co.uk