# The Income & Growth VCT plc

## A VENTURE CAPITAL TRUST

**Unaudited Half-Year Report**
for the six months ended 31 March 2015

mobeus
EQUITY PARTNERS

# Company Objective

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

# Contents

# Financial highlights

- Net asset value total return per share of 3.0% for the six months.
- Share price total return per share of 4.3% for the six months.
- This has been a further strong period for realisations, during which total cash proceeds of £8.80 million were received. £7.61 million of this sum was received from three major profitable realisations.
- The Board has declared an interim dividend for the current year of 6.00 pence per share, to be paid to shareholders on 30 June 2015. This will bring cumulative dividends paid since the inception of the current share class[1] to 68.50 pence per share.
- A total of £11.28 million was invested into new deals in the first six months of the financial year and a further £13.54 million[2] has been invested following the period-end.
- Liquidity has been further enhanced by a successful fundraising which raised the full £10 million (before costs) offered for subscription.

[1] The first allotment of the former 'S' Share class, now the current share class, took place on 6 February 2008.
[2] Including eight new acquisition vehicle investments.

## Performance Summary

**The net asset value ("NAV") per share at 31 March 2015 was 105.99 pence.**

The table below shows the recent past performance of the Company's existing class of shares. Detailed performance data, including a table of dividends paid to date, for all fundraising rounds is shown in the Performance Data tables on pages 26 – 27.

| As at | Net assets (£m) | NAV per share (p) | Cumulative dividends paid per share (p) | Cumulative NAV total return per share to shareholders (p) | Share price[1] (p) | Cumulative share price total return per share to shareholders (p) |
|---|---|---|---|---|---|---|
| 31 March 2015 | 74.66 | 105.99 | 62.50 | 168.49 | 96.00 | 158.50 |
| 30 September 2014 | 69.31 | 114.60 | 50.50 | 165.10 | 103.50[2] | 154.00 |
| 30 September 2013 | 60.47 | 113.90 | 40.50 | 154.40 | 99.50 | 140.00 |
| 30 September 2012 | 50.55 | 109.62 | 28.50 | 138.12 | 97.00 | 125.50 |
| 30 September 2011 | 49.15 | 120.79 | 4.50 | 125.29 | 91.60 | 96.10 |
| 30 September 2010 | 36.60 | 99.01 | 0.50 | 99.51 | 87.00 | 87.50 |

[1] Source: London Stock Exchange.
[2] 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, which was excluded from the listed share price at that year-end.

# Chairman's Statement

I am pleased to present the Company's Half-Year Report for the six months ended 31 March 2015.

This period has seen realisations continue at a substantial level generating cash proceeds of £8.80 million. This has followed on from the exceptionally high level of realisations seen in the 2014 financial year. This sum included three further notable disposals completing in the December quarter, realising cash proceeds of £7.61 million. Two sizeable new investments were also made in the period. The Investment Adviser reports that conditions for both investment and divestment remain favourable, although the Board does not expect to see the recent high level of divestment activity continue in 2015. A number of companies in the portfolio continue to perform strongly and the performance of the portfolio as a whole remains solid, demonstrating the success of the Company's strategy of investing in established, profitable companies run by proven management teams.

## Performance

The Company's NAV total return per share was 3.0% for the six months to 31 March 2015 (2014: 6.2%) while the total share price return was 4.3% (2014: 4.5%).

Cumulative NAV total return per share (being the closing net asset value plus total dividends paid to date) has risen to 168.49 pence compared to 165.10 pence at the year-end. This represents a further increase of 2.1% over the period and an increase of 78.9% since the merger of the VCT's share classes in March 2010.

## Longer term performance of the Company

Shareholders who invested in the former class of 'S' Shares in 2007 (the current share class) have seen a total NAV return to date of 168.49 pence per share. This return compares with an initial investment of 100 pence per share, or a net cost (after initial income tax relief of 30%) of 70 pence per share. As part of this return, shareholders have received 62.50 pence in dividends representing an average annual yield upon their initial 70 pence net investment of 12.5% (2014: 10.2%). The underlying net asset value, which represents the balance of their total return, is 105.99 pence per share.

Similar details are contained in the tables showing the performance for all fundraisings, including the fund of ordinary shares launched in 2000/01 ("the 'O' Share Fund"), in the Performance Data tables on pages 26 – 27 of this Half-Year Report.

## Investment portfolio

The portfolio has performed well during the period, increasing in value by 8.0% (2014: 13.0%) on a like-for-like basis. The aggregate portfolio saw a net increase of £0.89 million in unrealised gains and £1.69 million in realised gains over the six month period and was valued at £43.76 million at the period-end (2014: £41.72 million).

During the six months under review, the Company has invested a total of £11.28 million. The two principal new investments supported the corporate restructuring of the Ward Thomas Group and the MBO of Media Business Insight ("MBI"). Within the total invested above, £2.25 million has been invested in the six months under review to support follow-on investments in existing portfolio companies ASL Technology, Entanet, Gro-Group and Racoon International. In addition, two investments were made in two new acquisition vehicles, Hollydale Management and Knighton Management.

A further new investment of £1.50 million to support the MBO of Synbra UK Limited (Jablite) completed following the period-end, on 23 April 2015. A further £12.03 million was also invested in a number of additional acquisition vehicles in early April. The rationale behind these investments is explained under VCT tax rules on page 3 opposite.

The sale proceeds for the period of £8.80 million included £7.61 million received from the realisations of Focus, Youngman and EMaC and £1.19 million received from seven other portfolio companies, principally making partial loan stock repayments.

Details of all these transactions and the performance of the portfolio are contained in the Investment Review on pages 6 – 8.

## Revenue account

The results for the period are set out in the Unaudited Income Statement on pages 12 – 13 and show a revenue gain (after tax) of 1.29 pence per share (2014: 1.87 pence). The revenue return for the period of £0.83 million has fallen by £0.18 million from last year's figure of £1.01 million. This is primarily due to a fall in income of £0.11 million, alongside a rise in costs and tax charge of £0.05 million and of £0.02 million respectively, as explained below.

The fall in income of £0.11 million is primarily because dividend income has fallen by £0.30 million, due to realisations of a number of mature, dividend paying companies, namely ATG Media, Focus Pharma and Machineworks. In addition, a large preference dividend was received from Blaze Signs in 2014, that has not been repeated. Offsetting this fall, loan interest receivable has again increased, by £0.20 million, with the first six months generating £1.25 million (2014: £1.05 million). This is due to new investments in Ward Thomas Group (Leap New Co and Aussie Man & Van), Tharstern, and most recently Media Business Insight, along with follow on investments in ASL Technology and Entanet.

Running costs charged to revenue returns rose by £0.05 million. Investment Adviser fees rose by £0.02 million, due to the continuing rise in net assets over the last year. The high level of profitable realisations has given rise to the accrual of a performance fee (£0.68 million) compared to last year's comparative period (£0.52 million), which is charged against the capital return.

Other expenses rose from £0.19 million to £0.22 million caused by higher registrar, printing and subscription costs.

## Dividends

The Board is committed to providing an attractive dividend stream to shareholders. Following a particularly strong series of realisations in 2014, it increased its target of paying a dividend in respect of each financial year to at least 6.00 pence per share.

The Board has declared an interim dividend of 6.00 pence per share for the year ending 30 September 2015, comprising 5.00 pence per share from capital and 1 penny per share from income. I am pleased to note that this payment will meet the Board's target for the current year at the half-year stage. This dividend will be paid on 30 June 2015 to shareholders on the Register on 5 June 2015 and will bring cumulative dividends per share paid to date to 68.50 pence.

In respect of the past three financial years, the Company has successively paid dividends of 26.00 pence, 10.00 pence and 18.00 pence per share.

Shareholders are encouraged to ensure that the Registrars have their up-to-date details and to check whether they have received all dividends payable to them. This is particularly important if they have recently moved house or changed their bank. We are aware that a number of dividends remain unclaimed by shareholders and whilst we will endeavour to contact you 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 telephone number and/or email address.

## Dividend Investment Scheme

The Company's Dividend Investment Scheme ("the Scheme") is a convenient, easy and cost effective way for shareholders to build up their shareholding in the Company. Instead of receiving cash dividends they can elect to receive new shares in the Company. By opting to receive their dividend in this manner, there are three benefits to shareholders:

- The dividend remains tax free;

- Shareholders are allotted new shares in the Company which will, subject to their particular circumstances, attract VCT tax reliefs applicable for the tax year in which the shares are allotted. The tax relief currently available to investors in new VCT shares is 30% for the 2015/16 tax year for investments up to £200,000 in any one tax year; and

- The Scheme also has one particular advantage. Under its terms, a member is able to re-invest at an advantageous price, being the average market price of the shares for the five business days prior to the dividend being paid. This price is likely to be at a discount of 10% to the underlying net asset value (provided that this is greater than 70% of the latest published net asset value per share).

Shareholders wishing to join the Scheme should submit a mandate form to Capita Asset Services, the Scheme Administrator, by no later than 15 June 2015, to ensure that they receive the above dividend as shares. Details of where to obtain an application form can be found in Shareholder Information on page 24.

## VCT tax rules

The Budget in March this year proposed some further amendments to VCT legislation, most of which are specifically aimed at enabling the scheme to gain continued approval under the European Commission's new State Aid guidelines. The proposals remain subject to approval by the European Commission so the date when these proposals become legislation is uncertain, but is expected to be later in 2015. The precise details and full implications for the VCT's future investment programme will only be fully clear once the legislation is enacted. However, in the longer term the Adviser does anticipate some reduction to the current range of companies that the VCT considers as potential qualifying investments.

These uncertainties in timing and implication apply to new investments made by VCTs on or after 6 April 2015. Being mindful of protecting shareholders' interests, the Board has moved to preserve the Company's existing successful investment strategy. Following discussions with the Company's advisers, the VCT made separate investments into a further nine new acquisition vehicles prior to 6 April 2015. Our projections show that this will provide sufficient funds to meet the Company's estimated requirements for investment for the next two years at least. These companies have been established by the Adviser to acquire target businesses on behalf of the Company and the other Mobeus VCTs. One of these acquisition vehicles, Duncary 16, has already been used to support the investment into Jablite following the period-end, as noted above.

## Fundraising

I am pleased to report that the Offer for Subscription launched by the Company, in conjunction with the three other Mobeus VCTs, on 10 December 2014, was well received and closed on 10 March 2015, having raised the full amount offered for subscription by the Company of £10 million.

The Board continues to review, on an ongoing basis, the level of liquidity in the Company. It seeks to enhance the Company's ability to use the money raised in earlier fundraisings to continue to pursue its investment strategy and to ensure that it continues to meet the VCT tests. The Board expects the level of liquidity to reduce markedly over the next two years.

## 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 2015 amounted to £31.11 million, bolstered by the recent fundraising of £10 million. This figure included £1.47 million held in money market funds with AAA credit ratings, £15.16 million held in deposit accounts with a number of well-known financial institutions across a range of maturities and £13.54 million awaiting investment in nine acquisition vehicles, completed just after the period-end. In addition, a further £4.45 million was already invested in three acquisition vehicles, pending further investment, at the period-end.

## Share buy-backs

During the six months ended 31 March 2015, the Company bought back 123,800 (2014: 225,938) shares (representing 0.2% (2014: 0.4%) of the shares in issue at the beginning of the period) at a total cost of £0.12 million (2014: £0.23 million), inclusive of expenses. These shares were subsequently cancelled by the Company. The Board regularly reviews its buyback policy and seeks to maintain the discount to NAV at which the Company's shares trade at around 10% below the latest published NAV. This has been largely achieved in the period.

## Shareholder communications

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

The Investment Adviser held its fifth annual Shareholder Event in January 2015, which appeared to be well received.

The event provided a forum for around 270 Mobeus VCT shareholders to hear presentations from the Investment Adviser and to learn more about the investment activity in greater depth from the chairman of both Tharstern and Tessella and from the managing director of Virgin Wines.

## Outlook

It has been pleasing to report on an extremely successful series of realisations at the year-end and for this to have continued in the first three months of this period with the sales of Focus, Youngman and EMaC. The Investment Adviser reports a healthy level of dealflow and that new investment is being maintained at an encouraging level. The Board expects to see the size of the portfolio increase over the coming period.

We are optimistic that the result of the UK General Election earlier this month will bring more stability to the market. Whilst the economic outlook for the UK economy is currently positive, the Board is, however, conscious that the political, economic and legislative environment could present the Company with a number of challenges over the remaining months of this financial year. We remain aware of the importance of investing in companies that have the potential to grow and thrive in a diversity of economic conditions, in order to meet the challenge of maintaining performance at its current level. The uncertainty surrounding the impact of the changes to the EU State Aid Rules upon the VCT Scheme in the UK, referred to earlier in this statement, has resulted in the Board taking action to preserve its investment strategy for the next two years at least and thus to protect shareholders' interests.

The Board continues to believe that the Company's investment strategy mitigates some of the risks when investing in smaller businesses and that a continuation of this strategy should deliver attractive returns to shareholders over the medium to long term.

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

Colin Hook
*Chairman*

27 May 2015

# Investment Policy

## Investment policy

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

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

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

The Company's cash and liquid resources are held in a range of instruments of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

## VCT regulation

The Investment Policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC.

Amongst other conditions, the Company may not invest more than 15% of its investments in a single company and must have at least 70% by value of its investments throughout the period in shares or securities comprised in VCT qualifying holdings of which a minimum overall of 30% by value (70% for funds raised after 6 April 2011) must be in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules). In addition, although the VCT can invest less than 30% (70% for funds raised after 6 April 2011) of an investment in a specific company in ordinary shares it must have at least 10% by value of its total investments in each VCT qualifying company in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules).

The companies in which investments are made must have no more than £15 million of gross assets at the time of investment and £16 million immediately following the investment to be classed as a VCT qualifying holding.

## Asset mix

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

## Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses across different industry sectors. To reduce the risk of high exposure to equities, each qualifying investment is structured to achieve the optimum balance between loan stock and equity to provide protection against downside risk alongside the best potential overall returns.

## Co-investment

The Company aims to invest in larger, more mature unquoted companies through investing alongside other VCTs which all have a similar investment policy and are also advised by Mobeus Equity Partners LLP.

## Borrowing

The Company's Articles permit borrowing of up to 10% of the adjusted capital and reserves (as defined therein). However, it has never borrowed and the Board has currently no plans to undertake any borrowing.

## Management

The Board has overall responsibility for the Company's affairs including the determination of its Investment Policy. Investment and divestment proposals are originated, negotiated and recommended by the Investment Adviser and are then subject to review and approval by the Directors.

# Investment Review

## New investment

A total of £11.28 million was invested during the six months under review. This included new investments to support the corporate restructuring of the Ward Thomas Group and the MBO of Media Business Insight. Follow on investments were also made into ASL Technology, Entanet and Racoon International to help develop their growth plans.

### Principal new investments in the half-year

| | Company | Business | Date of investment | Amount of new investment (£m) |
|---|---|---|---|---|
| | Ward Thomas | Specialist logistics, storage and removals business | December 2014 | 2.26 |

Ward Thomas is a brand-led specialist logistics, storage and removals business. The group comprises three distinct businesses operating under a common management structure with common shareholders. Separate investments were made into Leap New Co Limited which owns the Anthony Ward Thomas and Bishopsgate businesses (£1.57 million), and into Aussie Man & Van Limited (£0.69 million). This was an opportunity to invest in a cash generative, high margin branded group with a high quality management team and a proven track record. The latest audited accounts for Ward Thomas Removals Limited, for the year ended 30 September 2013, show annual sales of £12.17 million and profit before interest, tax and amortisation of goodwill of £1.96 million.

| | Company | Business | Date of investment | Amount of new investment (£m) |
|---|---|---|---|---|
| | Media Business Insight | Events and publishing | February 2015 | 3.67* |

Media Business Insight is a publishing and events business focused on the creative production industries, specifically advertising, TV production and film. Based in Shoreditch, East London, the company comprises four distinct brands. The investment represented an attractive opportunity to invest in a sector-leading company underpinned by strong recurring revenues from subscriptions and events. The company's latest audited accounts for the period ended 31 December 2013 show annual sales of £8.24 million and profit before interest, tax and amortisation of goodwill of £1.06 million.

* A further £1.54 million was invested into the acquisition vehicle, South West Services Investment (SWSI) adding to its earlier investment of £1.34 million. This enabled SWSI to acquire Media Business Insight ("MBI"). The Company has also advanced a non-qualifying loan of £0.79 million to MBI.

The VCT also invested a further £3.11 million into two new acquisition vehicle investments, Hollydale Management and Knighton Management, just before the period-end on 31 March 2015.

### Further investments into existing portfolio companies in the half-year

| | Company | Business | Date of investment | Amount of new investment (£m) |
|---|---|---|---|---|
| | ASL Technology | Printer and photocopier services | December 2014 | 0.95 |

ASL Technology is a printer and photocopier services business based in Cambridge and focused on SME customers primarily based in East Anglia and the northern Home Counties. The VCT completed a further investment into the company in December 2014 to provide capital to refinance the bank and support the company's buy and build strategy. ASL achieved £13.26 million in turnover and generated profit before interest, tax and amortisation of goodwill in the year ended 30 September 2014 of £1.18 million.

| | Company | Business | Date of investment | Amount of new investment (£m) |
|---|---|---|---|---|
| | Racoon International | Hair extension, hair care products and training | January 2015 | 0.08 |

Racoon International is a premier supplier of ethically sourced hair for hair extensions. A small further investment was made with the expectation that this, together with the appointment of a successful sales-orientated Mobeus operating partner to the management team of the business, will add value to a previously unsuccessful investment. Racoon had a £1.94 million turnover and generated profit before interest, tax and amortisation of goodwill in the year ended 31 March 2014 of £0.15 million.

| | Company | Business | Date of investment | Amount of new investment (£m) |
|---|---|---|---|---|
| | Entanet | Wholesale provider of internet connectivity solutions | February 2015 | 1.17 |

Entanet is one of the UK's leading independent wholesale voice and data communications providers. The VCT made a further loan stock investment in February 2015 as negotiated at the time of the original investment in February 2014. Entanet had a turnover of £29.42 million and generated a profit before interest, tax and amortisation of goodwill of £2.78 million during the year to 31 December 2013.

In addition to the three further investments above, the Company also invested a further £0.05 million into Gro-Group in November 2014 in the form of a loan agreed at the time of the original investment in March 2013.

**New investment post period-end**

| | Company | Business | Date of investment | Amount of new investment (£m) |
|---|---|---|---|---|
| | Jablite | Expanded Polystyrene products | April 2015 | 1.50* |

Jablite is the UK's largest domestic manufacturer of Expanded Polystyrene ("EPS") products operating under two divisions producing packaging (Styropack) and construction (Jablite) products. The business was bought out from its Dutch parent and operates from five production sites in the UK. For the year ended 31 December 2013, for Jablite Limited and Styropack (UK) Limited, annual sales were £27.43 million and £15.33 million respectively and profit/(loss) before interest, tax and amortisation of goodwill was £0.66 million and £(0.001) million respectively.

* £1.50 million was invested into the acquisition vehicle Duncary 16 on 2 April 2015. Duncary 16 acquired Jablite on 23 April 2015 and subsequently renamed itself Jablite Holdings Limited.

The VCT also invested a further £12.03 million into eight new acquisition vehicle investments following the period-end. For further information, please see the VCT tax rules section of the Chairman's Statement on page 3.

## Realisations in the half-year

The VCT realised three investments during the period under review for cash proceeds of £7.61 million. Other realisations were £0.26 million, including a post-sale receipt from Alaric Systems. With the loan repayments of £0.93 million, total cash proceeds for the period amounted to £8.80 million.

| | Company | Business | Period of investment | Total cash proceeds over the life of the investment/ Multiple over cost |
|---|---|---|---|---|
| | Focus Pharma | Generic pharmaceutical products | October 2007 – October 2014 | £1.96 million 3.79 times cost |

The VCT realised its investment in Focus Pharma through a trade sale to Cinven-backed Amdipharm Mercury Group for £1.05 million. Focus is engaged in the distribution of generic pharmaceuticals both for third parties, and on its own account, where it develops and licenses drugs for its own benefit. The business demonstrated strong growth throughout the investment period with turnover increasing three-fold to just under £40 million per annum. The original investment of £0.52 million has returned cash of £1.96 million.

| | | | | |
|---|---|---|---|---|
| | Youngman | Access towers and ladders | October 2006 – October 2014 | £2.52 million 2.52 times cost |

The VCT realised this investment through a sale to Werner Co (US) for £1.72 million. Based in Essex, Youngman was established in the 1920s and today produces access equipment including specialist step and loft ladders, access and work platforms and extension and combination ladders. The investment of £1.00 million has returned £2.52 million in cash over its life.

| | Company | Business | Period of investment | Total cash proceeds over the life of the investment/ Multiple over cost |
|---|---|---|---|---|
| | EMaC | Service plans for the motor trade | October 2011 – December 2014 | £5.78 million 3.08 times cost |

The VCT sold its investment in EMaC to Innovation Group plc for £4.90 million. EMaC is one of the UK's leading providers and administrators of outsourced service plans to car manufacturers and franchised dealers in the motor trade. During the period of this investment, EMaC consistently outperformed expectations and increased turnover by 60% post investment. The original investment of £1.88 million has returned £5.78 million in cash.

## Loan stock repayments

Loan stock repayments totalled £3.36 million for the period, including £2.43 million as part of the proceeds from the companies realised above. Strong cash flow at five other companies contributed to the balance of £0.93 million. These proceeds are summarised below:-

| Company | Business | Month | Amount £000's |
|---|---|---|---|
| Country Baskets | Artificial flowers, floral sundries and home décor products | December | 375 |
| Motorclean | Vehicle cleaning and valeting services | October and March | 229 |
| Aquasium Technology | Bespoke electron beam welding and furnace equipment | December | 167 |
| Tharstern | Software based Management Information Systems | March | 110 |
| Tessella | Consultancy services | December and March | 50 |
| | | **Total** | **931** |

## Investment outlook

The environment continues to be good for making new investments and for opportunities to provide further finance to existing portfolio companies. This should sustain the level of attractive new investment activity. The market to sell good businesses profitably also continues to be strong. However, having concluded seven significant realisations over the past twelve months, this has reduced the overall maturity of the investment portfolio. We would therefore expect the level of realisations to be at a lower level and the size of the portfolio to grow.

# Investment Portfolio Summary
*as at 31 March 2015*

| | Total cost at 31 March 2015 (unaudited) £ | Valuation at 30 September 2014 (audited) £ | Additional investments in the period £ | Valuation at 31 March 2015 (unaudited) £ |
|---|---|---|---|---|
| **Entanet Holdings Limited**<br>Wholesale communications provider | 3,175,171 | 2,005,371 | 1,169,800 | 4,793,340 |
| **Media Business Insight Holdings Limited (formerly South West Services Investment Limited)**[1]<br>A publishing and events business focused on the creative production industries | 3,666,556 | 1,342,800 | 2,323,756 | 3,666,556 |
| **ASL Technology Holdings Limited**<br>Printer and photocopier services | 2,722,106 | 1,915,032 | 952,316 | 3,116,117 |
| **Virgin Wines Holding Company Limited**<br>Online wine retailer | 2,745,503 | 2,745,503 | – | 2,939,256 |
| **Veritek Global Holdings Limited**<br>Maintenance of imaging equipment | 2,289,859 | 2,047,413 | – | 2,578,930 |
| **Tessella Holdings Limited**<br>Provider of science powered technology and consulting services | 1,457,368 | 2,119,707 | – | 2,271,202 |
| **Idox plc**[2]<br>Developer and supplier of knowledge management products | 453,881 | 1,718,833 | – | 1,645,912 |
| **Leap New Co Limited (trading as Ward Thomas Removals and Bishopsgate)**<br>A specialist logistics, storage and removals business | 1,566,000 | – | 1,566,000 | 1,566,000 |
| **Hollydale Management Limited**<br>Company seeking to acquire businesses in the food industry | 1,554,000 | – | 1,554,000 | 1,554,000 |
| **Knighton Management Limited**<br>Company seeking to acquire businesses in the engineering sector | 1,554,000 | – | 1,554,000 | 1,554,000 |
| **EOTH Limited (trading as Equip Outdoor Technologies)**<br>Distributor of branded outdoor equipment and clothing including the Rab and Lowe Alpine brands | 1,383,313 | 1,527,347 | – | 1,550,216 |
| **Turner Topco Limited (trading as ATG Media)**<br>Publisher and online auction platform operator | 1,529,075 | 1,562,600 | – | 1,524,773 |
| **Gro-Group Holdings Limited**<br>Baby sleep products | 2,398,928 | 2,266,554 | 57,642 | 1,486,434 |
| **Tharstern Group Limited**<br>Software based management Information systems for the printing industry | 1,454,278 | 1,543,000 | – | 1,454,278 |
| **CGI Creative Graphics International Limited**<br>Self-adhesive branding solutions for vehicles | 1,421,703 | 1,421,703 | – | 1,421,703 |
| **Fullfield Limited (trading as Motorclean)**<br>Vehicle cleaning and valet services | 1,890,008 | 2,172,021 | – | 1,377,950 |
| **Manufacturing Services Investment Limited**<br>Company seeking to acquire businesses in the manufacturing sector | 1,336,800 | 1,336,800 | – | 1,336,800 |
| **Bourn Bioscience Limited**<br>Management of In-vitro fertilisation clinics | 1,610,379 | 1,610,379 | – | 1,291,811 |
| **Westway Services Holdings (2014) Limited**<br>Installation, service and maintenance of air conditioning systems | 58,076 | 862,960 | – | 1,193,082 |
| **Aquasium Technology Limited**<br>Manufacturing and marketing of bespoke electron beam welding and vacuum furnace equipment | 333,334 | 823,147 | – | 876,884 |
| **RDL Corporation Limited**<br>Recruitment consultants within the pharmaceutical, business intelligence and IT sectors | 1,441,667 | 965,966 | – | 875,560 |

[1] A further £1.54 million was invested into South West Services Investment Limited ("SWSI"), adding to its earlier investment of £1.34 million. This enabled SWSI to acquire Media Business Insight Limited ("MBI"). The Company has also advanced a non-qualifying loan of £0.79 million to MBI, which is included in the cost and valuation figures of £3.67 million.

[2] AIM investment.

# Investment Portfolio Summary
*as at 31 March 2015*

| | Total cost at 31 March 2015 (unaudited) £ | Valuation at 30 September 2014 (audited) £ | Additional investments in the period £ | Valuation at 31 March 2015 (unaudited) £ |
|---|---|---|---|---|
| **Blaze Signs Holdings Limited**<br>Manufacturer and installer of signs | 418,281 | 1,174,224 | – | 761,217 |
| **Aussie Man & Van Limited**<br>Domestic removal and storage services | 689,040 | – | 689,040 | 689,040 |
| **Original Additions Topco Limited**<br>Sale of beauty products | 25,696 | 537,948 | – | 537,948 |
| **The Plastic Surgeon Holdings Limited**<br>Supplier of snagging and finishing services to the property sector | 406,082 | 403,581 | – | 529,003 |
| **BG Training Limited**<br>Technical training business | 509,923 | 485,328 | – | 440,114 |
| **Omega Diagnostics Group plc**[1]<br>In-vitro diagnostics for food intolerance, autoimmune diseases and infectious diseases | 280,026 | 408,346 | – | 315,010 |
| **Vectair Holdings Limited**<br>Designer and distributor of washroom products | 53,400 | 242,396 | – | 168,756 |
| **Newquay Helicopters (2013) Limited**<br>Helicopter service operator | 113,000 | 113,000 | – | 113,000 |
| **Racoon International Holdings Limited**<br>Supplier of hair extensions, hair care products and training | 625,851 | 1,000 | 74,999 | 74,999 |
| **LightWorks Software Limited**<br>Provider of software for CAD and CAM vendors | 20,471 | 31,627 | – | 47,965 |
| **Corero Network Security plc**[1]<br>Provider of e-business technologies | 600,000 | 19,646 | – | 10,805 |
| **PXP Holdings Limited (trading as Avebury Projects)**<br>Architectural design | 965,371 | 45,195 | – | – |
| **CB Imports Group Limited (trading as Country Baskets)**<br>Importer and distributor of artificial flowers, floral sundries and home décor products | 175,000 | 395,312 | – | – |
| **Oxonica Limited**<br>International nanomaterials group | 2,524,527 | – | – | – |
| **alwaysOn Group Limited**<br>Design, supply and integration of data storage solutions | 165,661 | – | – | – |
| **NexxtDrive Limited**<br>Developer and exploiter of mechanical transmission technologies | 487,014 | – | – | – |
| **Legion Group plc (in administration)**<br>Provider of manned guarding, mobile patrols, and alarm response services | 150,000 | – | – | – |
| **Biomer Technology Limited**<br>Developer of biomaterials for medical devices | 137,170 | – | – | – |
| **Watchgate Limited**<br>Holding company | 1,000 | – | – | – |
| **Realised investments** | | | | |
| **Youngman Group Limited**<br>Manufacturer of ladders and access towers | – | 1,093,204 | – | – |
| **EMaC Holdings Limited**<br>Provider of service plans for the motor trade | – | 3,863,225 | – | – |
| **Focus Pharma Holdings Limited**<br>Licensor and distributor of generic pharmaceuticals | – | 1,024,030 | – | – |
| **Total** | **44,389,518** | **39,825,198** | **9,941,553** | **43,762,661** |

[1] AIM investment.

# Responsibility Statement of the Directors

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Colin Hook (Chairman), Jonathan Cartwright (Chairman of the Audit Committee 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 the statement "Half-Yearly Reports" issued by the Accounting Standards Board, gives a true and fair view of the assets, liabilities, financial position and profit of the Company as required by DTR 4.2.4;

(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.

For and on behalf of the Board:

Colin Hook
*Chairman*

27 May 2015

## 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 Accounts for the year ended 30 September 2014. The Board acknowledges that there is regulatory risk and continues to manage the Company's affairs in such a manner as to comply with section 274 of the Income Tax Act 2007.

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 and Accounts for the year ended 30 September 2014 on pages 27 - 28 and in Note 19 on pages 63 - 69. 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 which comprises the Chairman's Statement, Investment Policy, Investment Review and Investment Portfolio Summary. The Directors have satisfied themselves that the Company continues to maintain a significant cash position and has raised additional funds during the period. The majority of companies in the portfolio continue to trade profitably and the portfolio taken as a whole remains resilient and well-diversified. The major cash outflows of the Company (namely investments, share buy-backs 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 19 on pages 63 - 69 of the Annual Report and Accounts for the year ended 30 September 2014. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the half-yearly report and annual 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.

# Unaudited Income Statement
*for the six months ended 31 March 2015*

| | Notes | Six months ended 31 March 2015 (unaudited) Revenue £ | Capital £ | Total £ |
|---|---|---|---|---|
| Unrealised gains on investments | 7 | – | 885,965 | 885,965 |
| Net realised gains on investments | 7 | – | 1,687,489 | 1,687,489 |
| Income | 2 | 1,432,249 | – | 1,432,249 |
| Investment Adviser's fees | 3 | (193,934) | (581,802) | (775,736) |
| Investment Advisers' peformance fees | 3 | – | (679,068) | (679,068) |
| Other expenses | | (219,185) | – | (219,185) |
| **Profit on ordinary activities before taxation** | | 1,019,130 | 1,312,584 | 2,331,714 |
| Tax on profit on ordinary activities | 4 | (194,620) | 194,620 | – |
| **Profit on ordinary activities after taxation** | | **824,510** | **1,507,204** | **2,331,714** |
| **Basic and diluted earnings per ordinary share** | 5 | **1.29p** | **2.36p** | **3.65p** |

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

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

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

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

The Notes on pages 17 – 22 form part of these Half-Year financial statements.

| Six months ended 31 March 2014 (unaudited) Revenue £ | Capital £ | Total £ | Year ended 30 September 2014 (audited) Revenue £ | Capital £ | Total £ |
|---|---|---|---|---|---|
| – | 3,376,292 | 3,376,292 | – | 3,730,169 | 3,730,169 |
| – | 552,484 | 552,484 | – | 2,713,796 | 2,713,796 |
| 1,543,619 | – | 1,543,619 | 3,203,322 | – | 3,203,322 |
| (169,926) | (509,779) | (679,705) | (374,025) | (1,122,076) | (1,496,101) |
| – | (515,860) | (515,860) | – | (1,392,454) | (1,392,454) |
| (193,717) | – | (193,717) | (411,517) | – | (411,517) |
| 1,179,976 | 2,903,137 | 4,083,113 | 2,417,780 | 3,929,435 | 6,347,215 |
| (174,410) | 174,410 | – | (393,153) | 393,153 | – |
| **1,005,566** | **3,077,547** | **4,083,113** | **2,024,627** | **4,322,588** | **6,347,215** |
| **1.87p** | **5.70p** | **7.57p** | **3.55p** | **7.58p** | **11.13p** |

# Unaudited Balance Sheet
*as at 31 March 2015*

| | Notes | 31 March 2015 (unaudited) £ | 31 March 2014 (unaudited) £ | 30 September 2014 (audited) £ |
|---|---|---|---|---|
| **Fixed assets** | | | | |
| Investments at fair value | 7 | 43,762,661 | 41,722,380 | 39,825,198 |
| **Current assets** | | | | |
| Debtors and prepayments | | 1,005,745 | 3,121,950 | 1,328,682 |
| Current asset investments | 8 | 16,630,799 | 19,836,805 | 18,914,849 |
| Cash at bank | | 14,478,977 | 4,308,750 | 11,387,997 |
| | | 32,115,521 | 27,267,505 | 31,631,528 |
| **Creditors: amounts falling due within one year** | | (1,214,402) | (1,203,938) | (1,959,183) |
| **Net current assets** | | 30,901,119 | 26,063,567 | 29,672,345 |
| **Creditors: amounts falling due after one year** | | – | – | (191,138) |
| **Net assets** | | **74,663,780** | **67,785,947** | **69,306,405** |
| **Capital and reserves** | 9 | | | |
| Called up share capital | | 704,429 | 579,281 | 604,769 |
| Share premium account | | 16,369,167 | 2,455,455 | 5,662,818 |
| Capital redemption reserve | | 4,988 | 290,192 | 3,750 |
| Revaluation reserve | | 5,284,075 | 10,114,522 | 7,662,673 |
| Special reserve | | 28,011,329 | 30,928,203 | 29,576,755 |
| Profit and loss account | | 24,289,792 | 23,418,294 | 25,795,640 |
| **Equity shareholders' funds** | | **74,663,780** | **67,785,947** | **69,306,405** |
| **Basic and diluted net asset value:** | | | | |
| Basic and diluted net asset value per share | 10 | **105.99p** | **117.02p** | **114.60p** |

The financial information for the six months ended 31 March 2015 and the six months ended 31 March 2014 has not been audited.

The Notes on pages 17 – 22 form part of these Half-Year financial statements.

# Unaudited Reconciliation of Movements in Shareholders' Funds

*for the six months ended 31 March 2015*

| | Notes | Six months ended 31 March 2015 (unaudited) £ | Six months ended 31 March 2014 (unaudited) £ | Year ended 30 September 2014 (audited) £ |
|---|---|---|---|---|
| Opening shareholders' funds | | 69,306,405 | 60,468,872 | 60,468,872 |
| Share capital bought back in the period | 9 | (118,985) | (228,381) | (596,384) |
| Share capital subscribed in the period | 9 | 10,764,955 | 5,688,719 | 8,921,832 |
| Profit for the period | | 2,331,714 | 4,083,113 | 6,347,215 |
| Dividends paid in period | 6 | (7,620,309) | (2,226,376) | (5,835,130) |
| **Closing shareholders' funds** | | **74,663,780** | **67,785,947** | **69,306,405** |

The Notes on pages 17 – 22 form part of these Half-Year financial statements.

# Unaudited Cash Flow Statement
*for the six months ended 31 March 2015*

| | Notes | Six months ended 31 March 2015 (unaudited) £ | Six months ended 31 March 2014 (unaudited) £ | Year ended 30 September 2014 (audited) £ |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Investment income received | | 1,530,666 | 1,567,329 | 3,239,745 |
| Investment Adviser's fees paid | | (2,419,284) | (730,706) | (1,496,101) |
| Investment Advisers' performance fees paid | | – | (59,672) | (59,672) |
| Other income | | 10,595 | – | 4,702 |
| Other cash payments | | (287,855) | (291,392) | (431,583) |
| **Net cash (outflow)/inflow from operating activities** | | (1,165,878) | 485,559 | 1,257,091 |
| **Investing activities** | | | | |
| Acquisitions of investments | 7 | (10,720,327) | (7,141,220) | (10,106,043) |
| Disposals of investments | 7 | 9,581,318 | 3,865,570 | 10,759,471 |
| **Net cash (outflow)/inflow from investing activities** | | (1,139,009) | (3,275,650) | 653,428 |
| **Dividends** | | | | |
| Equity dividends paid | 6 | (7,620,309) | (2,218,578) | (5,827,327) |
| **Cash outflow before financing and liquid resource management** | | (9,925,196) | (5,008,669) | (3,916,808) |
| **Management of liquid resources** | | | | |
| Decrease in current investments | | 2,284,050 | 2,962,396 | 3,884,352 |
| **Financing** | | | | |
| Shares isssued as part of Offer for Subscription and Dividend Investment Scheme | | 10,764,955 | 3,488,399 | 8,921,832 |
| Purchase of own shares | | (32,829) | (228,381) | (596,384) |
| **Cash inflow from financing** | | 10,732,126 | 3,260,018 | 8,325,448 |
| **Increase in cash for the period** | | **3,090,980** | **1,213,745** | **8,292,992** |

**Reconciliation of profit on ordinary activities before taxation to net cash (outflow)/inflow from operating activities for the six months ended 31 March 2015**

| | Six months ended 31 March 2015 £ | Six months ended 31 March 2014 £ | Year ended 30 September 2014 £ |
|---|---|---|---|
| Profit on ordinary activities before taxation | 2,331,714 | 4,083,113 | 6,347,215 |
| Net unrealised gains on investments | (885,965) | (3,376,292) | (3,730,169) |
| Net gains on realisation of investments | (1,687,489) | (552,484) | (2,713,796) |
| Decrease/(increase) in debtors | 97,937 | (34,549) | 41,689 |
| (Decrease)/increase in creditors | (1,022,075) | 365,771 | 1,312,152 |
| **Net cash (outflow)/inflow from operating activities** | **(1,165,878)** | **485,559** | **1,257,091** |

The Notes on pages 17 – 22 form part of these Half-Year financial statements.

# Notes to the Unaudited Financial Statements
*for the six months ended 31 March 2015*

## 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 unaudited results cover the six months to 31 March 2015 and have been prepared under UK Generally Accepted Accounting Practice (UK GAAP), consistent with the accounting policies set out in the statutory accounts for the year ended 30 September 2014 and the 2009 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ("the SORP") issued by the Association of Investment Companies. The financial statements are prepared under the historical cost convention except for the revaluation of certain investments.

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

### 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 revenue column of profit attributable to equity shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

### c) Investments

All investments held by the Company are classified as "fair value through profit and loss", and valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines, as updated in September 2009. 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 in 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.

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

All investments are held at the price of a recent investment for an appropriate period where there is considered to have been no change in fair value. Where such a basis is no longer considered appropriate, the following factors will be considered:

(i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used.

(ii) In the absence of i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:-

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

or:-

b) where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate. Where the value of an investment has 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.

(iii) Premiums 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.

(iv) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

### d) Capital gains and losses

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.

## 2. Income

| | Six months ended 31 March 2015 (unaudited) Total £ | Six months ended 31 March 2014 (unaudited) Total £ | Year ended 30 September 2014 (audited) Total £ |
|---|---|---|---|
| – from equities | 69,762 | 368,765 | 640,450 |
| – from OEIC funds | 26,714 | 23,473 | 48,387 |
| – from loan stock | 1,254,297 | 1,052,637 | 2,335,077 |
| – from bank deposits | 70,881 | 86,076 | 162,037 |
| – from other income | 10,595 | – | 4,703 |
| – from interest on preference share dividend arrears | – | 12,668 | 12,668 |
| **Total Income** | **1,432,249** | **1,543,619** | **3,203,322** |

## 3. Investment Adviser's fees and performance fees

| | Six months ended 31 March 2015 Total £ | Six months ended 31 March 2014 Total £ | Year ended 30 September 2014 Total £ |
|---|---|---|---|
| **Allocated to revenue return:** Investment Adviser's fee | 193,934 | 169,926 | 374,025 |
| **Allocated to capital return:** Investment Adviser's fee | 581,802 | 509,779 | 1,122,076 |
| Investment Advisers' performance fees | 679,068 | 515,860 | 1,392,454 |
| **Total** | **1,454,804** | **1,195,565** | **2,888,555** |
| **Investment Adviser's fee** | 775,736 | 679,705 | 1,496,101 |
| **Investment Advisers' performance fees** | 679,068 | 515,860 | 1,392,454 |
| **Total** | **1,454,804** | **1,195,565** | **2,888,555** |

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 remains in force, but only with the former adviser, Foresight, to whom, for the year ended 30 September 2014, £121,640 was paid in February 2015. For the period ended 31 March 2015, £11,921 has been accrued. The agreement is due to expire on 10 March 2019. Mobeus waived their right to their portion of the fee under the previous agreement.

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.

The Target Return for the year ended 30 September 2014 was a 5% uplift on the opening NAV of 113.90 pence, being 119.60 pence. As cumulative total NAV return was 124.24 pence per share at the year-end, the Target Return had been met and a fee was payable.

Under this amended 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 will include any fee payable to Foresight under the old agreement, although any such payment to Foresight is not capped. 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).

As a result of the new incentive fee agreement, £1,278,875 was payable to Mobeus for the year ended 30 September 2014. £1,087,737 of this was paid in February 2015. As a result of the 2% cap referred to above, the balance of £191,138 is not payable until the year ending 30 September 2015 at the earliest.

For the year ending 30 September 2015, the target return is 126.77p (being a 6% uplift of the target at the previous year end of 119.60 pence). As at 31 March 2015, the cumulative total NAV return is 127.99p, so the Target Return has currently been met and a fee of £667,147 has therefore been accrued.

Under the terms of an offer for subscription with the other Mobeus advised VCTs launched on 10 December 2014 ("the Offer"), Mobeus was entitled to fees of 3.25% of the investment amount received from investors. The Offer closed on 10 March 2015, being fully subscribed. Based upon fully subscribed Offers of £39 million across all four VCTs, this equalled £1,267,500, out of which all the costs associated with the Offer were met, excluding any payments to advisers facilitated under the terms of the Offer.

## 4. Taxation

There is no tax charge for the period as the Company has incurred tax losses, as its tax-deductible expenses exceed its taxable income.

## 5. Basic and diluted earnings per share

| | Six months ended 31 March 2015 £ | Six months ended 31 March 2014 £ | Year ended 30 September 2014 £ |
|---|---|---|---|
| i) Total earnings after taxation: | 2,331,714 | 4,083,113 | 6,347,215 |
| **Basic earnings per share** | **3.65p** | **7.57p** | **11.13p** |
| ii) Net revenue from ordinary activities after taxation | 824,510 | 1,005,566 | 2,024,627 |
| **Basic revenue earnings per share** | **1.29p** | **1.87p** | **3.55p** |
| Net unrealised capital gains on investments | 885,965 | 3,376,292 | 3,730,169 |
| Net realised capital gains on investments | 1,687,489 | 552,484 | 2,713,796 |
| Capital Investment Adviser fees less taxation | (387,182) | (335,369) | (728,923) |
| Investment Advisers' performance fees | (679,068) | (515,860) | (1,392,454) |
| iii) Total capital earnings | 1,507,204 | 3,077,547 | 4,322,588 |
| **Basic capital earnings per share** | **2.36p** | **5.70p** | **7.58p** |
| iv) Weighted average number of shares in issue in the period | 63,847,421 | 53,909,991 | 57,022,101 |

Other than the performance related incentive, there are no instruments in place that will increase the number of shares in issue in future. If shares are issued, no dilution of earnings per share will occur, as the estimated incentive fee payable has been charged in these accounts.

## 6. Dividends

| | Six months ended 31 March 2015 £ | Six months ended 31 March 2014 £ | Year ended 30 September 2014 £ |
|---|---|---|---|
| **Ordinary shares** | | | |
| Interim paid of nil pence (2014: 1 penny income and 5 pence capital) pence per share | – | – | 3,608,750 |
| Second interim dividend for the year ended 30 September 2014 of 2 pence income and 6 pence capital (2013: nil pence) per share paid on 30 October 2014 | 4,841,783 | – | – |
| Final dividend for the year ended 30 September 2014 of 4.00 pence capital (2014: 1.25 pence income and 2.75 pence capital) per share paid on 20 March 2015 | 2,778,526 | 2,226,376 | 2,226,380 |
| | **7,620,309*** | **2,226,376*** | **5,835,130*** |

* - Of this amount £1,000,105 (31 March 2014: £277,780; 30 September 2014: £727,916) of new shares were issued as part of the Company's Dividend Investment Scheme.

## 7. Summary of movements on investments during the period

| | Traded on AIM £ | Unquoted ordinary shares £ | Preference shares £ | Qualifying loans £ | Total £ |
|---|---|---|---|---|---|
| Valuation at 1 October 2014 | 2,146,825 | 11,128,882 | 48,755 | 26,500,736 | 39,825,198 |
| Purchases at cost | – | 2,945,257 | 313 | 6,995,983 | 9,941,553 |
| Sales – proceeds | – | (5,594,403) | (16,659) | (3,359,941) | (8,971,003) |
| – realised gains | – | 1,884,350 | - | (28,402) | 1,855,948 |
| Reclassification at valuation | – | (39,518) | (135) | 39,653 | – |
| Unrealised (losses)/gains on investments | (175,098) | 798,228 | 46,378 | 441,457 | 1,110,965 |
| **Valuation at 31 March 2015** | **1,971,727** | **11,122,796** | **78,652** | **30,589,486** | **43,762,661** |
| Book cost at 31 March 2015 | 1,333,907 | 14,475,072 | 35,572 | 28,544,967 | 44,389,518 |
| Unrealised gains at 31 March 2015 | 637,820 | 1,958,656 | 43,080 | 2,044,519 | 4,684,075 |
| Permanent impairment of valuation of investments | – | (5,310,932) | – | – | (5,310,932) |
| **Valuation at 31 March 2015** | **1,971,727** | **11,122,796** | **78,652** | **30,589,486** | **43,762,661** |
| **Gains on investments** | | | | | |
| Realised gains based on historical cost | – | 4,400,529 | – | 719,982 | 5,120,511 |
| Less amounts recognised as unrealised gains in previous years | – | (2,516,179) | – | (748,384) | (3,264,563) |
| Realised gains based on carrying value at 30 September 2014 | – | 1,884,350 | – | (28,402) | 1,855,948 |
| Net movement in unrealised (losses)/gains in the period | (175,098) | 798,228 | 46,378 | 441,457 | 1,110,965 |
| **(Losses)/gains on investments for the period ended 31 March 2015** | **(175,098)** | **2,682,578** | **46,378** | **413,055** | **2,966,913** |

Transaction costs on disposals of investments of £168,459 were incurred in the period. Deducting these from realised gains above gives £1,687,489 of gains as shown in the Income Statement.

Proceeds above of £8,971,003 are less than the Cash Flow Statement figure of £9,581,318 by £610,315. £778,774 of this is cash received relating to the restructuring of the investment in Westway Services Holdings (2014) Limited ("Westway Services") less transaction costs paid of £168,459. Purchases of investments above of £9,941,553 differ from the Cash Flow Statement figure of £10,720,327 by £778,774 relating to the Westway Services restructure.

Unrealised gains above of £1,110,965 differ from that shown in the Income Statement of £885,965 by £225,000. This sum is the fall in the fair value of contingent consideration from £825,000, recognised in the Balance Sheet at 30 September 2014 to £600,000 at 31 March 2015. This was because £225,000 of this contingent consideration was received in the period and is thus now recognised as a realised gain. The remaining deferred consideration of £600,000 also explains the difference between unrealised gains as at 31 March 2015 above of £4,684,075 and that shown in Note 9 of £5,284,075.

* - Although the cash movements above of £778,774 relating to the restructuring of the investment in Westway Services are included in the Cash Flow Statement, they have been netted off each other in the movements on investments above.

## 8. Current asset investments

| | 31 March 2015 £ | 31 March 2014 £ | 30 September 2014 £ |
|---|---|---|---|
| Monies held pending investment | 16,630,799 | 19,836,805 | 18,914,849 |

Current asset investments comprise investments of £1,470,979 (31 March 2014: £12,793,416, 30 September 2014: £12,796,794) in four OEIC money market funds (three Dublin based and one London based) subject to immediate access and £15,159,820 (31 March 2014: £7,043,389, 30 September 2014: £6,118,055) is held in bank deposits, repayable within one year. These sums are all regarded as monies held pending investment.

## 9. Capital and reserves for the six months ended 31 March 2015

| | Called up share capital £ | Share premium account £ | Capital redemption reserve £ | Revaluation reserve £ | Special reserve £ | Profit and loss account £ | Total £ |
|---|---|---|---|---|---|---|---|
| At 1 October 2014 | 604,769 | 5,662,818 | 3,750 | 7,662,673 | 29,576,755 | 25,795,640 | 69,306,405 |
| Shares bought back | (1,238) | – | 1,238 | – | (118,985) | – | (118,985) |
| Shares issued (net of expenses) (note a) | 90,435 | 9,716,707 | – | – | (42,292) | – | 9,764,850 |
| Dividends invested into new shares issued | 10,463 | 989,642 | – | – | – | – | 1,000,105 |
| Dividends paid | – | – | – | – | – | (7,620,309) | (7,620,309) |
| Write off realised losses to special reserve | – | – | – | – | (1,404,149) | 1,404,149 | – |
| Other expenses net of taxation | – | – | – | – | – | (1,066,250) | (1,066,250) |
| Net unrealised gains on investments | – | – | – | 885,965 | – | – | 885,965 |
| Net realised gains on investments | – | – | – | – | – | 1,687,489 | 1,687,489 |
| Realisation of previously unrealised gains | – | – | – | (3,264,563) | – | 3,264,563 | – |
| Profit for the period | – | – | – | – | – | 824,510 | 824,510 |
| **At 31 March 2015** | **704,429** | **16,369,167** | **4,988** | **5,284,075** | **28,011,329** | **24,289,792** | **74,663,780** |

Note a: Shares issued as part of the Offer for Subscription and Dividend Investment Scheme per the Cash Flow Statement of £10,764,855 differ to that shown as shares issued above of £9,764,850 due to £1,000,105 of shares allotted under the Company's Dividend Investment Scheme, shown separately above.

## 10. Net asset value per share

| | as at 31 March 2015 | as at 31 March 2014 | as at 30 September 2014 |
|---|---|---|---|
| Net assets | £74,663,780 | £67,785,947 | £69,306,405 |
| Number of shares in issue | 70,442,856 | 57,928,126 | 60,476,940 |
| Net asset value per share – basic and diluted | 105.99p | 117.02p | 114.60p |

Diluted NAV per share assumes that the Investment Advisers' incentive fees are satisfied by the issue of additional shares. If shares are issued, no dilution of NAV per share will occur, as the estimated incentive fee payable is already held as a creditor in these accounts.

## 11. Post balance sheet events

On 1 April 2015, the Company invested £1,504,000 into each of eight acquisition vehicles, namely Backhouse Management Limited, Barham Consulting Limited, Chatfield Services Limited, Creasy Marketing Services Limited, McGrigor Management Limited, Pound FM Consultants Limited, Tovey Management Limited and Vian Marketing Limited.

On 2 April 2015, the Company also invested £1,504,000 into a further acquisition vehicle, Duncary 16 Limited. On 23 April 2015, Duncary 16 Limited was used to support the MBO of Synbra UK Limited, the UK's largest domestic manufacturer of expanded polystyrene products. Duncary 16 Limited has since changed its name to Jablite Holdings Limited.

## 12. Statutory Information

The financial information for the six months ended 31 March 2015 and the six months ended 31 March 2014 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 2014 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.

## 13. 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. Recent changes to the European Commission's Transparency Directive mean that the Company is no longer required to publish quarterly Interim Management Statements. However, the Board intends to continue doing so to keep shareholders informed of the Company's progress.

Shareholders wishing to follow the Company's progress can visit the Company's website at www.incomeandgrowthvct.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 provides up to the minute details of the share price and latest NAV announcements, etc. A number of commentators such as Tax Efficient Review at www.taxefficientreview.com provide comparative performance figures for the VCT sector as a whole.

### Mobeus website

Shareholders can also check the performance of their investment by visiting the Investment Adviser's website at www.mobeusequity.co.uk. This is regularly updated with information on your investment including case studies of portfolio companies. The Company continues to have its own dedicated section of the website which shareholders may prefer to access directly by going to www.incomeandgrowthvct.co.uk. This includes performance tables and details of dividends paid as well as copies of past reports to shareholders and information on fundraisings while they are open.

### VCT newsletter

The Investment Adviser circulates a twice-yearly newsletter to its VCT shareholders in January and July of each year. The newsletter contains information on the investment portfolio, the latest performance figures and details of the VCT's latest investment activity.

### Shareholder event

The Investment Adviser held a further successful shareholder event on 27 January 2015. The event provided a forum for about 270 Mobeus VCT shareholders to hear presentations from the Investment Adviser and to learn more about its investment activity in greater depth from the Chairman of Tessella and Tharstern and the Managing Director of Virgin Wines. The Investment Adviser is planning a further event to be held in the first quarter of 2016.

### Net asset value per share

The Company's NAV per share as at 31 March 2015 was 105.99 pence per share. The Company announces its unaudited NAV on a quarterly basis.

### Dividend

The Directors have declared an interim dividend in respect of the year ending 30 September 2015 of 6.00 pence per share (comprising 5.00 pence from capital and 1.00 penny from income). The dividend will be paid on 30 June 2015 to shareholders on the Register on 5 June 2015. The Company's Dividend Investment Scheme will apply to this dividend (see overleaf).

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, Capita Asset Services, at the address below.

**Shareholders are encouraged to ensure that the Registrars have their up-to-date details and to check whether they have received all dividends payable to them. This is particularly important if they have recently moved house or changed their bank. We are aware that a number of dividends remain unclaimed by shareholders and whilst we will endeavour to contact you 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 telephone number and/or email address.**

## Dividend Investment Scheme

The Scheme is a convenient, easy and cost effective way to build up your shareholding in the Company. Instead of receiving cash dividends, you can elect to receive new shares in the Company. By opting to receive your dividend in this manner, there are three benefits to shareholders:

– The dividend is tax free to you;

– Shareholders are allotted new ordinary shares which will, subject to your particular circumstances, attract VCT tax reliefs applicable for the tax year in which the shares are allotted. The tax relief currently available to investors in new VCT shares is 30% for the 2015/16 tax year for investments up to £200,000 in any one tax year; and

– The Scheme also has one other, particular advantage. Under its terms, a member is able to re-invest at an advantageous price, being the average market price of the shares for the five business days prior to the dividend being paid. This price is likely to be at a discount of 10% to the underlying net asset value (provided that this is greater than 70% of the latest published net asset value per share).

An application form for the Scheme can be obtained from the Company's Registrars, Capita Asset Services, or by downloading a copy from the Company's website. **If shareholders wish to reinvest the recently declared dividend of 6p in further shares, the form must be received by Capita by 15 June 2015.**

## Financial calendar

| | |
|---|---|
| Late May 2015 | Announcement of the Half-Year results and circulation of the Half-Year Report for the six months ended 31 March 2015. |
| 30 June 2015 | Payment of the declared interim dividend of 6.00 pence per share. |
| 30 September 2015 | Year-end. |
| Late December 2015 | Annual Report for the year ended 30 September 2015 to be circulated to shareholders. |
| February 2016 | Annual General Meeting. |

## Selling your shares

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. **If you wish to sell your shares, 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 adviser before deciding to sell their shares.

## Managing your shareholding online

For details on your individual shareholding and to manage your account online, shareholders may log into or register with the Capita Shareholder Portal at the web address below:
www.capitashareportal.com

You can use the Shareholder Portal to change your address details, check your holding balance and transactions, view the dividends you have received, add and amend your bank details and manage how you receive your dividends.

## Boiler room fraud and unsolicited communications to shareholders

We are aware that from time to time our shareholders have received unsolicited telephone calls and/or mail which purport to come from the Company or to be authorised by it.

The Company is obliged by law to make its share register publicly available on request and, as a result, it is possible that shareholder address information could be used by third parties to obtain telephone numbers and/or send unsolicited mail. However, the Company has the right to challenge such a request when the reason given for the request is not acceptable to us and we will be taking advantage of these provisions as appropriate.

The practice of boiler room fraud has been highlighted by the Financial Conduct Authority ("FCA") and the Institute of Chartered Secretaries and Administrators ("ICSA"), and their advice includes the following information to shareholders:

– Make sure you get the correct name of the person and organisation

– Check that they are properly authorised by the FCA before getting involved by visiting www.fca.org.uk/register and contacting the firm using the details on the register.

– Report the matter to the FCA either by contacting its consumer helpline on 0800 111 6768 or by visiting www.moneyadviceservice.org.uk.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme ("FSCS"). The FSCS can be contacted via their website at www.fscs.org.uk.

An incident can be reported to the FCA by completing an online form which can be found under scams in the consumer section of their website.

Details of any share dealing facilities that the company endorses will be included in Company mailings.

More detailed information on this or similar activity can be found on the FCA website www.fca.org.uk/consumers/scams.

For further information, shareholders may also contact Mobeus, the Company Secretary, Tel : 020 7024 7600.

### Shareholder enquiries:

For enquiries concerning the Company, please contact the Investment Adviser, Mobeus Equity Partners LLP, on 020 7024 7600 or by e-mail to vcts@mobeusequity.co.uk.

For information on your holding, to notify the Company of a change of address or to request a dividend mandate form (should you wish to have future dividends paid directly into your bank account) please contact the Company's Registrars:

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
VCT investor line: 0371 664 0324 (standard rate)
www.capitashareportal.com

To contact the Chairman or any member of Board, please contact the Company Secretary, Mobeus Equity Partners LLP in the first instance, on 020 7024 7600 or by e-mail to vcts@mobeusequity.co.uk.

# Performance Data at 31 March 2015

**Share price as at 31 March 2015** 96.00 pence[1]
**NAV per share as at 31 March 2015** 105.99 pence

## 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 2015. 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 | Net allotment price [2] | Cumulative dividends paid per share | Total return per share to shareholders since allotment | | |
|---|---|---|---|---|---|---|
| | | | | (Share price[1] basis) | (NAV basis) | % increase since 30 September 2014 (NAV basis) |
| | (p) | (p) | (p) | (p) | (p) | |
| **Funds raised - Former 'O' Fund[3] (launched 18 October 2000)** | | | | | | |
| Between 3 November 2000 and 11 May 2001 | 100.00 | **60.62** | 69.44 | **142.19** | **149.76** | **1.74%** |
| **Funds raised 2007/8 - Former 'S' Share fund (launched 14 December 2007)** | | | | | | |
| Between 6 February 2008 and 6 June 2008 | 100.00 | **70.00** | 62.50 | **158.50** | **168.49** | **2.05%** |
| **Funds raised 2011 (launched 12 November 2010)** | | | | | | |
| 21 January 2011 | 104.80 | **73.36** | 62.00 | **158.00** | **167.99** | **2.06%** |
| 28 February 2011 | 107.90 | **75.53** | 60.00 | **156.00** | **165.99** | **2.08%** |
| 22 March 2011 | 105.80 | **74.06** | 60.00 | **156.00** | **165.99** | **2.08%** |
| 1 April 2011 | 105.80 | **74.06** | 58.00 | **154.00** | **163.99** | **2.11%** |
| 5 April 2011 | 105.80 | **74.06** | 58.00 | **154.00** | **163.99** | **2.11%** |
| 10 May 2011 | 105.80 | **74.06** | 58.00 | **154.00** | **163.99** | **2.11%** |
| 6 July 2011 | 106.00 | **74.20** | 58.00 | **154.00** | **163.99** | **2.11%** |
| **Funds raised 2012 (launched 20 January 2012)** | | | | | | |
| 8 March 2012 | 106.40 | **74.48** | 34.00 | **130.00** | **139.99** | **2.48%** |
| 4 April 2012 | 106.40 | **74.48** | 34.00 | **130.00** | **139.99** | **2.48%** |
| 5 April 2012 | 106.40 | **74.48** | 34.00 | **130.00** | **139.99** | **2.48%** |
| 10 May 2012 | 106.40 | **74.48** | 34.00 | **130.00** | **139.99** | **2.48%** |
| 10 July 2012 | 111.60 | **78.12** | 34.00 | **130.00** | **139.99** | **2.48%** |
| **Funds raised 2013 (launched 29 November 2012)** | | | | | | |
| 14 January 2013 | 116.00 | **81.20** | 34.00 | **130.00** | **139.99** | **2.48%** |
| 28 March 2013 | 112.60 | **78.82** | 28.00 | **124.00** | **133.99** | **2.60%** |
| 4 April 2013 | 112.60 | **78.82** | 28.00 | **124.00** | **133.99** | **2.60%** |
| 5 April 2013 | 112.60 | **78.82** | 28.00 | **124.00** | **133.99** | **2.60%** |
| 10 April 2013 Pre RDR[4] | 115.30 | **80.71** | 28.00 | **124.00** | **133.99** | **2.60%** |
| 10 April 2013 Post RDR[4] | 112.60 | **78.82** | 28.00 | **124.00** | **133.99** | **2.60%** |
| 7 May 2013 | 112.60 | **78.82** | 28.00 | **124.00** | **133.99** | **2.60%** |

[1] - Source: London Stock Exchange (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 [2] (p) | Cumulative dividends paid per share (p) | Total return per share to shareholders since allotment (Share price[1] basis) (p) | (NAV basis) (p) | % increase since 30 September 2014 (NAV basis) |
|---|---|---|---|---|---|---|
| **Funds raised 2014 (launched 28 November 2013)** | | | | | | |
| 09 January 2014 | 117.82[3] | **82.47** | 22.00 | **118.00** | **127.99** | 2.72% |
| 11 February 2014 | 119.02[3] | **83.31** | 22.00 | **118.00** | **127.99** | 2.72% |
| 31 March 2014 | 115.64[3] | **80.95** | 18.00 | **114.00** | **123.99** | 2.81% |
| 03 April 2014 | 116.17[3] | **81.32** | 18.00 | **114.00** | **123.99** | 2.81% |
| 04 April 2014 | 115.45[3] | **80.82** | 18.00 | **114.00** | **123.99** | 2.81% |
| 06 June 2014 | 121.55[3] | **85.09** | 18.00 | **114.00** | **123.99** | 2.81% |
| **Funds raised 2015 (launched 10 December 2014)** | | | | | | |
| 14 January 2015 | 108.33[3] | **75.83** | 4.00 | **100.00** | **109.99** | – |
| 17 February 2015 | 113.17[3] | **79.22** | 4.00 | **100.00** | **109.99** | – |
| 10 March 2015 | 109.88[3] | **76.92** | – | **96.00** | **105.99** | – |

[1] - Source: London Stock Exchange (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] - Average effective offer price.

## Cumulative dividends paid

| | Funds raised 2000/01 'O' Share Fund (p) | Funds raised 2007/08 'S' Share Fund (p) | Funds raised 2011 (p) | Funds raised 2012 (p) | Funds raised 2013 (p) | Funds raised 2014 (p) | Funds raised 2015 (p) |
|---|---|---|---|---|---|---|---|
| 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[2]** | **69.44** | **62.50** | **62.00** | **34.00** | **34.00** | **22.00** | **4.00** |

[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.

[2] - 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 tables on page 26 and above.

# Timeline of the Company

### October 2000
The Company is launched as **TriVest VCT** plc advised by three managers, Foresight Group, GLE Development Capital and LICA Development Capital.

### April 2001
The Company's first fundraising of its "O Share Fund" is completed.

### October 2002
Nova Capital Management succeeds LICA Development Capital as adviser to that section of the portfolio.

### April 2004
The team from GLE Development Capital join Matrix Group to form Matrix Private Equity Partners and continue the management of its share of the Company's portfolio.

### September 2007
The Company implements a change in its management arrangements with the funds now being jointly managed by Matrix Private Equity Partners and Foresight Group.

### October 2007
The Company changes its name to **The Income & Growth VCT plc** following the change to becoming a dual-managed VCT.

### December 2007
The 'S' Share Fund is launched.

### March 2009
The Company becomes a VCT solely advised by Matrix Private Equity Partners. The Company changes its Investment Policy to focus on more mature businesses.

### March 2010
The 'O' Share Fund (launched in 2000) merges with the 'S' Share Fund (launched in 2007) to create the current class of shares.

### November 2011
The Company sells its stake in App-DNA for 32 times cost and pays a special interim capital dividend of 20p per share in the following January.

### June 2012
Matrix Private Equity Partners LLP becomes a fully independent firm owned by its partners and renames itself Mobeus Equity Partners LLP.

### 2010-2014
The Company participates in four linked fundraisings with other Mobeus advised VCTs.

### March 2015
The Company closes a successful fundraising with the other Mobeus advised VCTs in which £10 million was raised for the Company.

# Corporate Information

**Directors**

Colin Hook
Jonathan Cartwright
Helen Sinclair

**Company's Registered Office**

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**Investment Adviser, Company Secretary and Administrator**

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Calls are at standard rates plus network extras.
Lines are open 9.00am to 5.30 pm. Mon-Fri.

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