The Income & Growth VCT plc

A VENTURE CAPITAL TRUST

Annual Report & Accounts
for the year ended 30 September 2014

mobeus
EQUITY PARTNERS

Contents

WARNING TO SHAREHOLDERS –

– 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 the VCT.

Further information on boiler scams and who to contact, should you believe that you have been approached by such a company, is included within Shareholder Information on pages 70 – 72.

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

Financial Highlights

- Net asset value total return of 9.4% per share for the year.
- Share price total return of 14.1% per share for the year.
- Dividends totalling 18.00 pence per share have been paid or are proposed in respect of the year. The proposed final dividend of 4.00 pence per share will bring cumulative dividends paid since inception of the current share class* to 62.50 pence per share.
- This has been an exceptional year for realisations in which a total of £10.81 million was received as total cash proceeds, enhancing the level of dividends paid to shareholders.
- Strong dealflow has resulted in £12.10 million being invested into new deals.
- Liquidity has been further enhanced by a successful fundraising in early 2014 which raised £8.43 million (before costs) for the Company. A further fundraising of up to £10 million by the Company was launched in December 2014.

* The first allotment of the former 'S' Share class, now the current share class, took place on 6 February 2008.

Performance Summary

The net asset value ("NAV") per share at 30 September 2014 was 114.60 pence

The table below shows the recent past performance of the Company's existing class of shares for each of the last five years. Detailed performance data, including a table of dividends paid to date, for all fundraising rounds is shown in the Performance Data Appendix on pages 76 – 77.

	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)
As at 30 September 2014	69.31	114.60	50.50	165.10	103.50[2]	154.00
As at 30 September 2013	60.47	113.90	40.50	154.40	99.50	140.00
As at 30 September 2012	50.55	109.62	28.50	138.12	97.00	125.50
As at 30 September 2011	49.15	120.79	4.50	125.29	91.60	96.10
As at 30 September 2010	36.60	99.01	0.50	99.51	87.00	87.50

[1] Source: London Stock Exchange (mid-price basis).

[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, as the listed share price was quoted ex this dividend at the year-end.

Dividends paid and proposed post year-end in respect of the year ended 30 September 2014

(not included in the above table)

A second interim dividend of 8.00 pence per share, comprising 2.00 pence from income and 6.00 pence from capital was paid to shareholders on 30 October 2014.

A final capital dividend of 4.00 pence per share will be recommended to shareholders at the Annual General Meeting of the Company to be held on 12 February 2015. If approved, the dividend will be paid on 20 March 2015 to shareholders on the register on 27 February 2015 and bring cumulative dividends paid per share since inception of the current share class to 62.50 pence.

Discount

The Board's intention is to continue with its existing buyback policy with the objective of maintaining the discount to NAV at which the shares trade at 10% or less. The discount for the Company's shares at 30 September 2014 was 9.0% (2013: 10.0%) based on the adjusted share price shown in the above table and the NAV at 30 June 2014 of 113.77 pence (adjusted to deduct the dividend of 6.00 pence per share paid on 3 July 2014).

Chairman's Statement

I am pleased to present to shareholders the Annual Report of the Company for the year ended 30 September 2014.

Overview

It has been another good year for the Company in which our investment strategy has delivered another strong performance. The year has been characterised by encouraging growth for a number of investee companies, several investments being realised at substantial gains over cost, and a high level of new investment. The size and number of recent realisations has enabled the Company to exceed its current dividend target for the third consecutive year. The Investment Adviser ("Adviser") continues to report a healthy pipeline of quality companies, the foremost among which have been converted into promising new investments during the year.

Performance

The Company's NAV total return per share rose by 9.4% during the year to 30 September 2014 (2013: 14.9%), after adjusting for 10.00 pence per share of dividends paid in the year. This further rise in NAV return over the year was attributable to two main factors. Firstly, there have been five substantial, profitable realisations, namely Alaric Systems, ATG Media (a partial sale), MachineWorks, Monsal and DiGiCo Global. Secondly, unrealised gains from rises in portfolio valuations have occurred, notably increases in the valuations of ASL Technology, EMaC, Focus Pharma and Youngman. The latter three investments, EMaC, Focus Pharma and Youngman, were realised following the year-end. A number of other portfolio companies have continued to make steady progress, which has been demonstrated by their increasing profits and by their loan stock repayments.

As a result of this year's performance, the cumulative NAV total return per share (being the closing net asset value plus total dividends paid to date since launch) rose during the year by 6.9% from 154.40 pence to 165.10 pence.

Using the benchmark of NAV cumulative total return, the VCT is ranked first over both five and ten years among generalist (including planned exit) VCTs used by the Association of Investment Companies ("AIC") (based on statistics prepared by Morningstar) to assess performance at 30 November 2014. This is a very pleasing indication of the consistency of the VCT's performance in the long-term as well as the strong performance in recent years.

For more detailed data on the performance of your investment in the Company, may I refer you to the Performance Data Appendix on pages 76 – 77 of this Annual Report. This provides information on NAVs and cumulative dividends paid per share, for the individual allotment dates in each of the VCT's fundraisings.

Dividends

Your Directors are recommending a final capital dividend in respect of the year ended 30 September 2014 of 4.00 pence per share. The dividend will be proposed to shareholders at the Annual General Meeting of the Company to be held on 12 February 2015, for payment to shareholders on the register on 27 February 2015, on 20 March 2015. The Company's Dividend Investment Scheme ("the Scheme") will apply to this dividend and elections under the Scheme should be received by the Scheme administrator, Capita Asset Services, by no later than 5 March 2015. Please see the Shareholder Information section of this Annual Report on page 71 for further details on the Scheme.

Three dividends totalling 18.00 pence per share have been paid or are proposed in respect of the year ended 30 September 2014:

		Pence per share		
Payment date	Type	Total dividend	Capital	Income
3 July 2014	Interim	6.00	5.00	1.00
30 October 2014	Interim	8.00	6.00	2.00
20 March 2015*	Final	4.00	4.00	0.00
Total in respect of the year		18.00	15.00	3.00

* Subject to approval at the Annual General Meeting to be held on 12 February 2015.

If approved by shareholders, the forthcoming final dividend will bring cumulative dividends paid per share since inception of the current share class to 62.50 pence per share.

The exceptional level of dividends paid from capital during and after the 2014 financial year-end is a result of the recent realisations that are referred to on page 4.00 and detailed in the Investment Review on pages 12 – 15. **The Board is committed to providing an attractive dividend stream to shareholders and this year set a revised target of paying at least 6.00 pence per share (previously 4.00 pence per share) in respect of each financial year**.

Chairman's Statement

Investment portfolio

For the year, the portfolio as a whole achieved a net increase of £2.71 million in realised gains net of transaction costs and £3.73 million in unrealised gains. Realised gains over the original cost of the investment were £7.68 million. The portfolio under management was valued at £39.83 million at the year-end representing 104.2% of cost and an increase of 19.6% in valuation over the year on a like-for-like basis.

During the year £12.10 million was invested into seven new companies. Four of these transactions were to support the MBOs of Virgin Wines, Entanet International, Creative Graphics International and Tharstern. A fifth new investment provided development capital to Bourn Bioscience. Finally, investments were made into two new acquisition vehicles (South West Services Investment and Manufacturing Services Investment). Following the partial disposal of ATG Media, the Company has £1.53 million of rolled over loan and equity investment in Turner Topco, the acquirer.

Following the year-end, the VCT invested £1.57 million into Leap New Co Limited (owner of the Anthony Ward Thomas and Bishopsgate businesses) and a further £0.69 million into Aussie Man & Van Limited, two companies controlled by common shareholders, to support a corporate re-structuring. A further £0.95 million was also invested to support the buy and build strategy and bank refinancing of ASL Technology.

Cash proceeds totalling £10.81 million were received from 17 companies, that were either sold or which repaid loans. Of this total, £8.95 million was received as total cash proceeds from three substantial disposals of Alaric Systems, DiGiCo Global and ATG Media (partial) and those of MachineWorks, Monsal and Faversham House. The balance of £1.86 million was loan repayments from companies still held.

Following the year-end, the VCT has disposed of its investments in Focus Pharma, Youngman and EMaC, receiving further cash proceeds totalling £7.01 million and realising total gains over cost of £4.34 million from these three successful investments.

Full details of the investment activity during the year and a summary of the performance highlights can be found in the Investment Review on pages 12 – 15 of this Annual Report.

New incentive fee arrangements

The Company has agreed revised terms for calculating any Performance Incentive Fees payable to Mobeus, which are effective from 1 October 2013. The new agreement amends and replaces the previous agreement (the terms of which will continue to apply to the former adviser, Foresight Group LLP until 10 March 2019). The changes in the agreement with Mobeus are designed to ensure that the arrangements for incentivising the Adviser remain in line with best market practice.

The principal terms are as follows. The payment to Mobeus is now 15% of any net gains on the realisation of investments for each year. A fee will only be payable if Cumulative NAV total return (the closing NAV per share for that year, plus total dividends paid per share since 1 October 2013 to that year-end), equals or exceeds a Target Return. The Target Return is the higher of two targets. These are firstly, 6% compound growth per annum (5% for 2014 only) or secondly, annual inflation plus 1% per annum, at any year-end, both applied to an opening base, being the NAV per share of 113.90 pence at 1 October 2013. Any incentive fee payable for the year under both agreements is excluded for the purpose of determining if the Target Return has been met. Once the fee is paid, Cumulative NAV total return is calculated after deducting any incentive fees paid or payable.

The Board believes the amendments strengthen the alignment with shareholders' long-term interests. This is because a fee is only paid when net profitable realisations have occurred, and when shareholders have benefited from good returns. The previous agreement did not require shareholders to have benefited from an overall return of 6% per annum. The substantial realised gains over cost this year, together with the Target Return condition having been met, mean that an incentive fee of £1,278,875 is due to Mobeus and a further £121,640 is due to Foresight for the year.

For further details, please see Note 3b to the Accounts on pages 52 – 53.

Fundraising and Liquidity

The Company participated with the other three Mobeus advised VCTs in a successful joint fundraising that closed on 30 May 2014, having raised £8.43 million gross of issue costs (£8.19 million after costs).

The four Mobeus advised VCTs launched new offers for subscription for the 2014/15 tax year on 10 December 2014 (the "Offers"). For the first time this year, each of the VCTs is making a separate Offer to investors. This enables investors to choose which Mobeus VCTs they would like to invest in, and how much to place in each, subject to the Offer(s) of their choice remaining open. Details of the Offers including a copy of the Securities Note and an application form have been sent to all shareholders and are available on the Mobeus website: www.mobeusequity.co.uk.

Your Company is seeking to raise £10 million under its Offer. Annual fundraisings by the Company have provided it with a comfortable level of liquidity that has enhanced its ability to use the money raised in earlier fundraisings to continue to pursue its investment strategy. Monies raised will be used to fund other types of investment opportunities, as well as to meet the Company's running costs, fund dividend payments and support its share buyback policy. The increased assets will spread the Company's fixed running costs over a larger asset base.

Industry awards for the Adviser

We are pleased to report that the Adviser was named VCT Manager of the Year 2014 for the third consecutive year at the ***unquote"*** British Private Equity Awards 2014. The award recognised the continuing high level of consistency achieved by the Adviser during the year under consideration in maintaining high standards in all areas of its activity including deals, exits, portfolio management and fundraising.

Strategic Report

Subsequent to a change in legislation, the Company produced a Strategic Report for the first time last year. As I envisaged in my 2013 Chairman's Statement, we have reviewed further the format and presentation of this section and made further changes. Shareholders can find this Report on pages 6 – 28.

The Strategic Report aims to inform shareholders by providing them with a means to assess how well the Board has promoted the success of the Company during the year under review. It begins by setting out the Company's Objective, Investment Policy and Business Model. The Performance section then shows shareholders how, and to what extent, the Company has achieved its Objective during the year and over the longer term. It considers the Company's progress against a series of key performance indicators, which the Board applies to assess the Company's performance. An Investment Review follows, which includes key data on the largest investments in the portfolio and an analysis of the full investment portfolio. Finally, the Report provides context to this performance, disclosing what the Board regards as the key risks faced by the Company, how those risks are dealt with and the Company's other key policies. In summary, this Report should give shareholders an overview of their Company's progress in the year, supported by further detail that you can review, as you wish, in other sections of the Annual Report.

To avoid repetition, much of the detail that would previously have been included in the Chairman's Statement can now be found within the Strategic Report. I would be interested to receive shareholders' views on whether you find this new format helpful and informative, as well as your suggestions on any improvements you believe could be made.

Industry developments

The Finance Act 2014 ("the Finance Act") introduced two measures that affect VCTs which will apply to shares issued after 6 April 2014. First, shareholders who sell their existing shares within six months before or after the date of subscribing for shares in the same VCT will not retain income tax relief on their new investment.

Secondly, VCTs are now prevented, in respect of these shares, from returning capital to investors within three years of the end of the accounting period in which the VCT issued the shares. Distributions made from realised profits are not affected by this change. Your Board does not expect these return of capital measures to affect the Company's dividend policy or practice.

With effect from 22 July 2014, the Company has appointed itself as its own Alternative Investment Fund Manager ("AIFM") to comply with new legislation which implements the European Commission's Alternative Investment Fund Managers' Directive. This development has tightened the rules on alternative investments although, as a small AIFM, the Company is exempt from many of its principal requirements. Mobeus continues to provide investment advisory and administrative services to the Company under the current agreement, subject to one change involving the safekeeping of the documents of title to the Company's investments. Named individuals, who carry out company secretarial work for the Company, are now directly responsible to the Board, under its instruction, for accessing and dealing with these documents.

The Company and the Adviser have contributed to a consultation by HMRC on the impact of the VCT Scheme and the appropriateness of its rules as part of the European Union's review of the rules on State Aid. The process of the EU review and re-approval of the VCT scheme is scheduled to be completed shortly. We are hopeful that the outcome will not have any significant impact on the VCT industry.

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

Shareholder Communications

Following a successful workshop in January of this year, the Adviser will be holding a further shareholder event on Tuesday, 27 January 2015 at the Royal Institute of British Architects in central London. This annual event will include presentations on the Mobeus advised VCTs' investment activity and performance. There will be separate day-time and evening sessions. Invitations to this event were circulated to shareholders earlier in December with their copy of the Securities Note for the Offer for Subscription. For further information on the event please see Shareholder Information on pages 70 – 72.

Outlook

It is pleasing to report on this year of excellent performance and the completion of a significant number of transactions. The challenge for the Company will be to maintain this performance over the longer term and to sustain current investment levels. We aim to invest only in well-run, profitable companies, operating mainly in niche markets that we believe have the potential to grow and which can thrive across a range of economic conditions. Currently, the rate of dealflow continues to be encouraging. Many of our investee companies should continue to trade profitably and grow. This should produce further good returns for shareholders over the medium term.

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

Colin Hook

Chairman

16 December 2014

Strategic Report

Introduction

The Directors are pleased to present the Strategic Report of the Company for the year ended 30 September 2014. The purpose of this Report is to inform shareholders and to help them to assess how the Directors have performed their duty to promote the success of the Company.

The Report has been prepared by the Directors in accordance with section 414A of the Companies Act 2006 ("the Act").

Company Objective

The Objective of the Company is to provide investors with an attractive return by maximising the stream of tax-free dividend distributions from the income and capital gains generated by a diverse and carefully selected portfolio of investments.

Summary of Investment Policy

The VCT's policy is to invest primarily in a diversified portfolio of UK unquoted companies. Investments are usually structured as part loan and part equity and in order to generate regular income from existing investments and capital gains from realisations.

Risk is further reduced by investing in a number of different businesses across different industry sectors. Investments are made selectively, primarily in MBO transactions in companies that are established and profitable. The VCT aims to invest in larger, more mature, unquoted companies through investing alongside three other VCTs advised by Mobeus with similar investment policies. This enables the VCT to participate in combined investments recommended by the Adviser of up to £5 million in each business per year.

The Company aims to maintain in excess of 70% of net funds raised in qualifying investments. Uninvested funds are held in a range of instruments of varying maturities, subject to the overriding criterion that the risk of loss of capital is minimised.

The full text of the Company's Investment Policy is set out on page 26 of this Strategic Report.

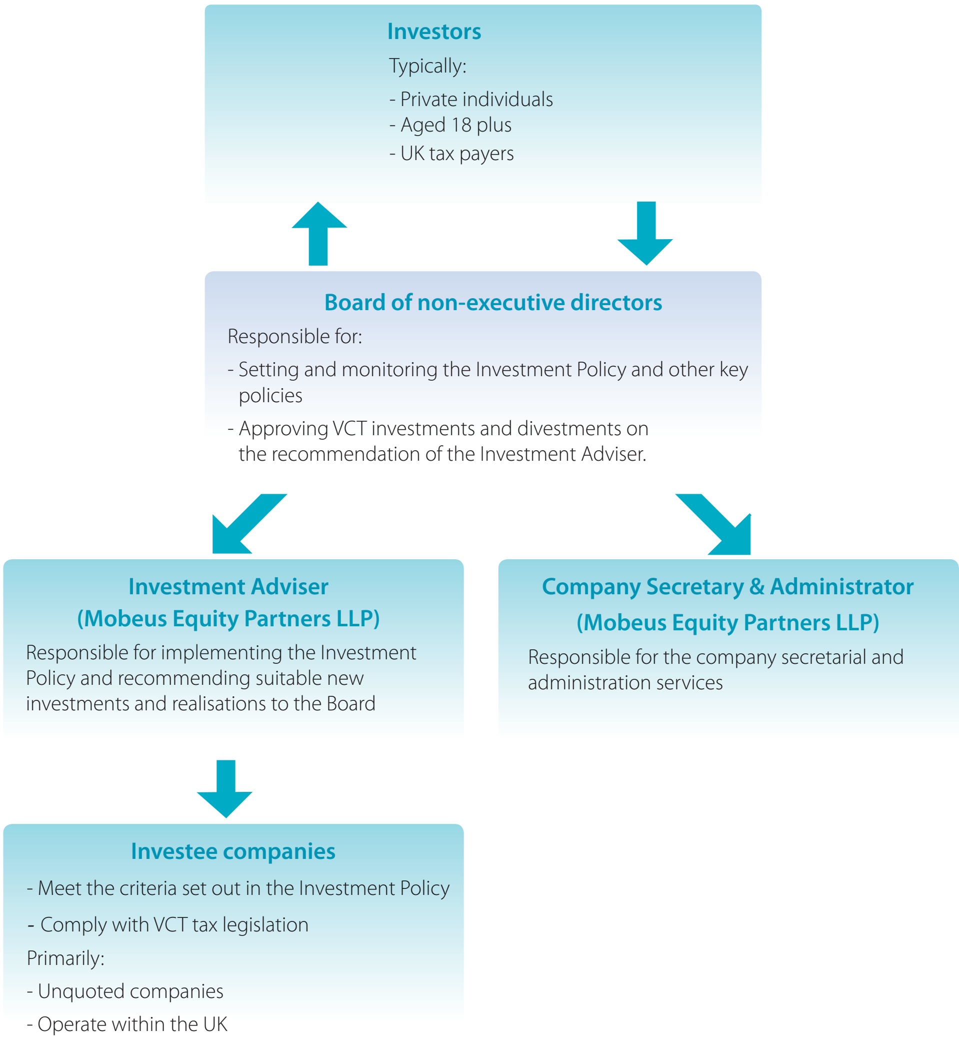
The Company and its business model

The Company's Investment Policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue & Customs ("HMRC") whilst maximising returns to shareholders from both income and capital. One of the rules to retain VCT status is that the Company remains a fully listed company on the London Stock Exchange, and thus must also comply with the listing rules governing such companies.

The Company is externally advised with a Board comprising non-executive directors. The Board has overall responsibility for the Company's affairs, including the determination of its Investment Policy. Investment advisory and operational support are outsourced to external service providers including the Adviser, Company Secretary and Administrator and Registrar, with the strategic and operational framework and key policies set and monitored by the Board. Investment and divestment proposals are originated, negotiated and recommended by the Adviser and are then subject to comment and approval by the Directors.

Private individuals invest in the Company to benefit from both income and capital returns generated by investment performance. By investing in a VCT they are eligible for up-front income tax relief (currently 30% of the amount subscribed for new shares by an investor), as well as tax-free dividends received from the Company. Investors are also not liable for any capital gains tax upon the eventual sale of the shares. Shares have to be held for a minimum of 5 years to retain the initial tax relief received.

The Company's business model is set out in the diagram below.



Performance

The Board has identified six key performance indicators that it uses in its own assessment of the Company's progress. It is intended that these will provide shareholders with sufficient information to assess how the Company has performed against its Objective in the year to 30 September 2014, and over the longer term, through the application of its investment and other principal policies:

1. Annual and cumulative returns per share for the year

Total shareholder returns per share for the year

The NAV and share price total returns per share for the year ended 30 September 2014 were 9.4% and 14.1% respectively, as shown below:

Total return (p)	NAV basis (p)		Share price basis (p)
Closing NAV per share (cum div)	114.60	Closing share price (cum div)	103.50[1]
Plus: dividends paid in year	10.00[2]	Plus: dividends paid in year	10.00[2]
Total for year	**124.60**	**Total for year**	**113.50**
Less: opening NAV per share	113.90	Less: opening share price	99.50
Return for year per share	**+10.70**	**Return for year per share**	**+14.00**
% return for year	**9.4%**	% return for year	**14.1%**

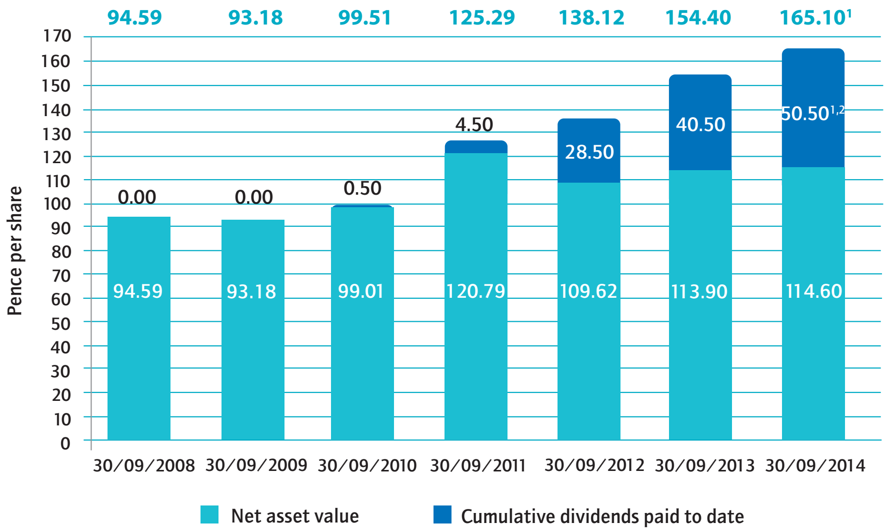
[1] The share price at the year-end was actually 95.50 pence per share because the share price was quoted excluding entitlement to the dividend of 8.00 pence per share paid on 30 October 2014. Accordingly, 8.00 pence has been added to the share price, to give a more accurate share price return for the year.

[2] Dividends paid in year are 4.00 pence per share paid as a final dividend for the year ended 30 September 2013 and the first interim dividend of 6.00 pence per share paid in respect of the year under review.

For similar performance data to that shown above for each allotment in each fundraising since the inception of the Company (including the former 'O' Share Fund raised in 2000/01), please see the Performance Data Appendix on pages 76 and 77 of this Annual Report.

Cumulative total shareholder return per share (NAV basis)

The longer term trend of performance on this measure is shown in the chart below:-



Cumulative NAV total shareholder return

[1] Cumulative NAV total shareholder return is NAV plus cumulative dividends paid per share to the year-end. It therefore excludes the final dividend (below) which is proposed but not yet paid, and the second interim dividend of 8.00 pence per share, paid after the year-end on 30 October 2014. The second interim dividend of 8.00 pence per share increased cumulative dividends paid to date to 58.50 pence per share and reduced the NAV above by a corresponding 8.00 pence per share.

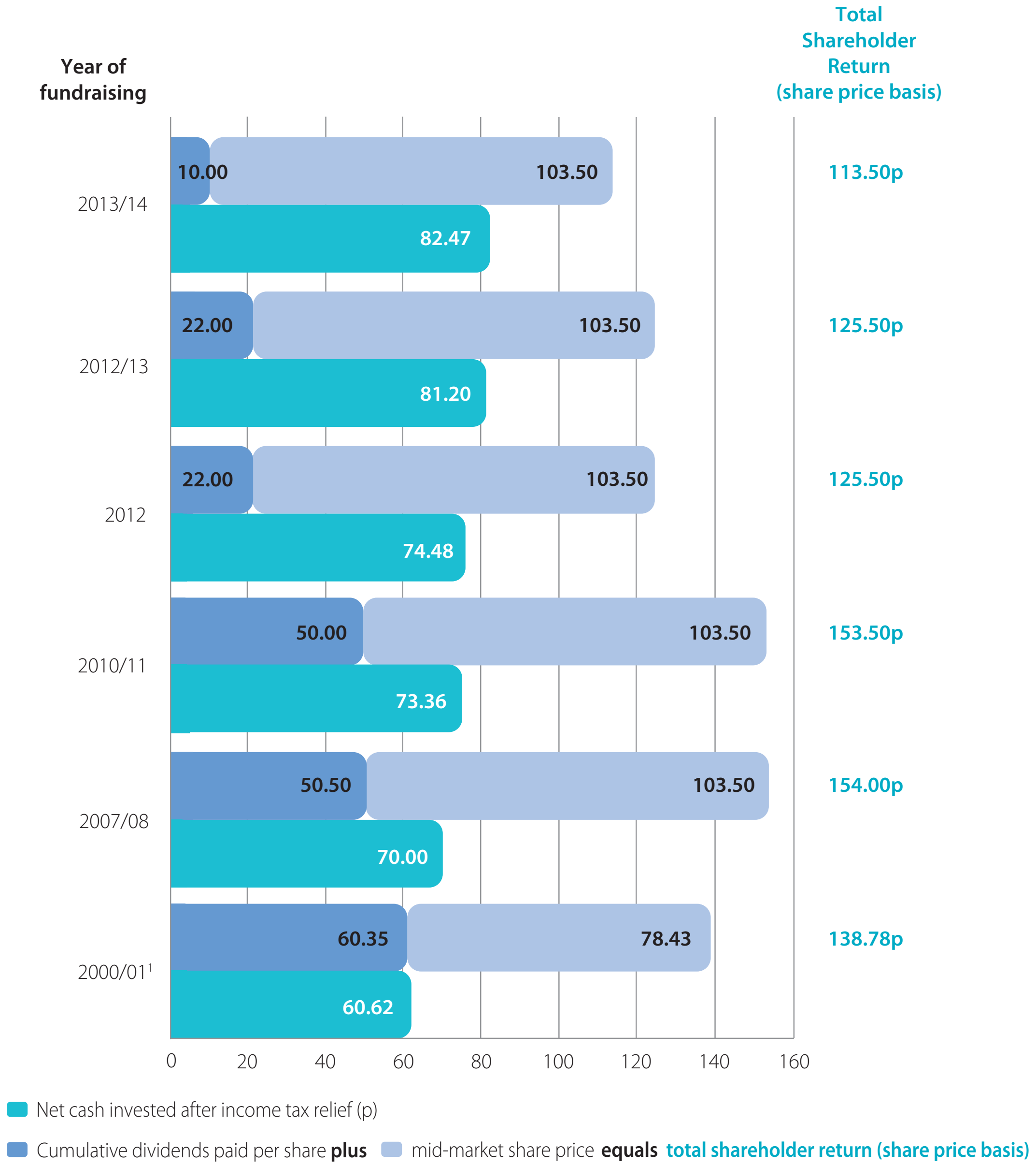
[2] A final dividend of 4.00 pence per share will be recommended to shareholders at the Annual General Meeting to be held on 12 February 2015 and, if approved, will bring cumulative dividends paid since the inception of the current share class to 62.50 pence per share and reduce the NAV per share by a corresponding 4.00 pence.

Taking into account initial income tax relief, shareholders have seen an average internal rate of return of 15.3% (2013: 16.0%) per annum since the launch of the current share class. This is the annual discount rate that equates the net investment cost of 70 pence per share, at the date of the original investment, with the value of subsequent dividends received and the latest NAV per share.

Strategic Report

Shareholder returns

The chart below shows the amounts that shareholders who invested in the first allotment of each fundraising round have received to date in dividends, together with the year end mid-market share price at 30 September 2014, compared with the amount invested (net of income tax relief already received). The year end share price has been adjusted upwards by 8.00 pence per share, to include the dividend of 8.00 pence per share paid on 30 October 2014 as this dividend had already been deducted from the quoted share price at the year-end.



The returns for shareholders are:

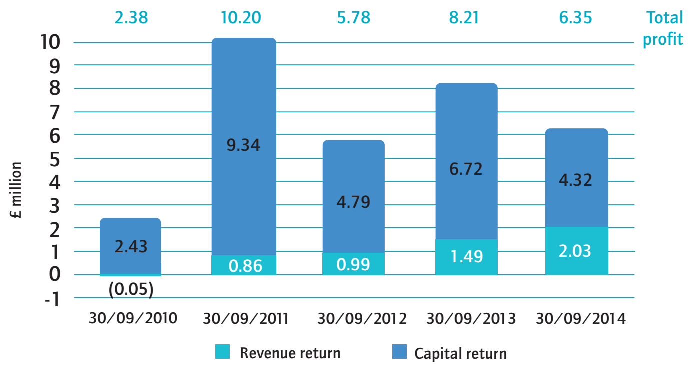
- Initial income tax relief received treated as a cash return at the time of the initial investment and deducted from the cash then invested. The amount returned was 20% of the initial investment for the tax year 2000/01, together with a deferral of any capital gains and 30% for the tax years 2006/07 onwards;
- Tax-free dividends received as further cash returns since that initial investment; and
- The closing mid-market share price.

[1] Data for the first fundraising in 2000/01 above are for the original 'O' Share Fund, which merged into the 'S' Share Fund in March 2010 to form the current share class. The initial investment, dividends paid to shareholders who invested at this time, and the share price, have been adjusted to reflect that an 'O' Fund shareholder received 0.7578 shares in the current class of shares for each 'O' Fund share they owned, at the date of the merger.

Review of financial results for the year

For the year ended	30 September 2014 £(m)	30 September 2013 £(m)
Capital return	**4.32**	6.72
Revenue return	**2.03**	1.49
Total profit	**6.35**	8.21

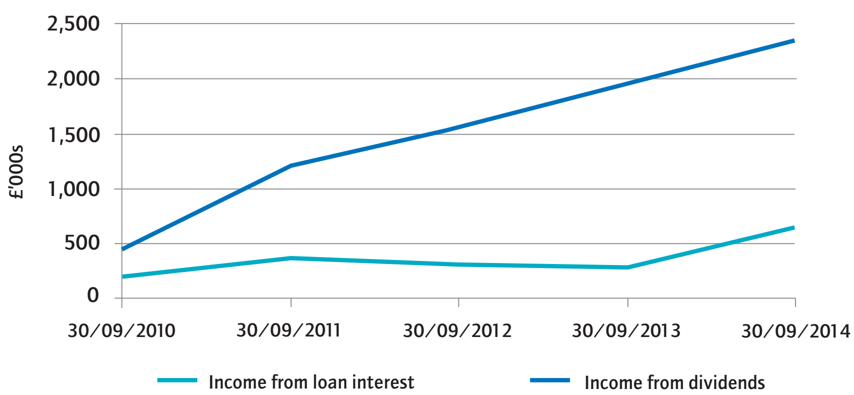
Over the last five years:



The positive capital return of £4.32 million for the year is due to a healthy uplift in portfolio valuations of a net £3.73 million on investments held at the year-end and gains realised in the year from disposals of £2.71 million. Investment advisory fees charged to capital returns were £2.51 million, being investment advisory fees of £1.12 million and performance incentive fees of £1.39 million, before tax relief of £0.39 million.

The increase in the revenue return for the year of £0.54 million is mainly due to a rise in income of £0.71 million, from £2.49 million to £3.20 million, explained in the table below:

	30 September 2014 £'000	30 September 2013 £'000	% Change	Reason
Loan interest from investee companies	2,335	1,929	**+21.0 %**	Due to new loan stock investments and settling of interest arrears, upon the realisation of investments.
Dividend income	640	280	**+128.6 %**	A number of portfolio companies increased their ordinary and preference dividends.
Return on cash	210	278	**-24.5 %**	Lower returns on cash held.
Other income	18	1	n/a	Interest on overdue preference dividends.
Totals	3,203	2,488	**+28.7 %**	

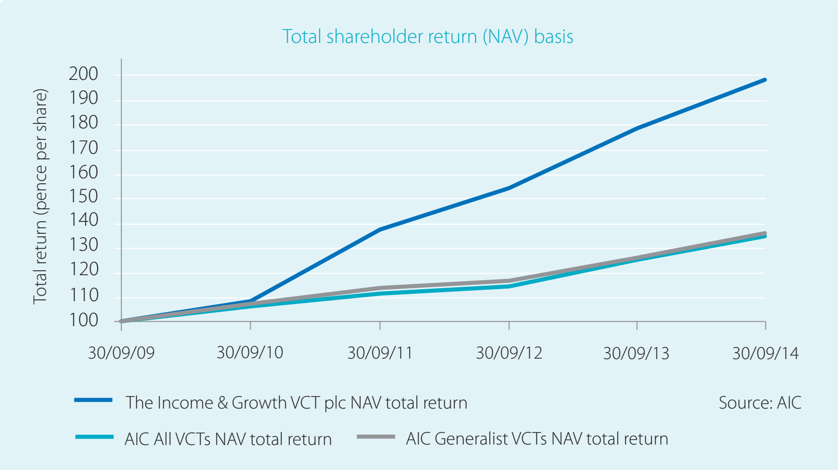


In addition to capital returns from investee companies, the portfolio is structured to generate regular income from loan stocks and dividends from equity investments. A five year history of these is shown here, which is marked by the rise in loan stock interest, as larger sums have been held in these loan instruments, alongside the increase in the size of the Company.

Strategic Report

2. The VCT's performance compared with its peer group

The Board places emphasis on benchmarking the Company's performance against its peer group of VCTs. This graph compares the NAV total return of the Company to an index of all VCTs and an index of generalist VCTs, which are members of the AIC over the last five years based on figures published by Morningstar.



The NAV total returns for the Company shown opposite exclude the tax reliefs received by shareholders at the time of investment.

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

The former 'O' Share class was merged into the former 'S' Share class on 29 March 2010 to form the current class of shares. This graph therefore shows the performance of the former 'S' Share up until the merger on 29 March 2010.

Other statistics produced by the AIC confirm that the Company's NAV cumulative total return per share was ranked first over both five and ten years (out of 29 and 45 VCTs, respectively), at 30 November 2014.

Industry awards for the Company and the Investment Adviser

The performance of the Adviser was recognised in the ***unquote"*** British Private Equity Awards 2014, where Mobeus was named VCT House of the Year 2014 for the third consecutive year. These awards recognised the high level of consistency achieved by the Company and the Adviser during the year in maintaining high standards in all areas of its activity including deals, exits, portfolio management and fundraising.

3. Compliance with VCT legislation

In order to comply with VCT tax legislation, the Company must meet a number of tests set by HMRC as detailed on page 26 under VCT Regulation within the Investment Policy. For the year ended 30 September 2014, the Company continued to meet these tests.

4. Costs

The Board monitors costs using the Ongoing Charges Ratio which is as set out in the table below.

	2014	2013
Ongoing Charges Ratio	2.7%	2.8%
Performance fee	2.1%	0.2%
Ongoing charges plus accrued performance fee	4.8%	3.0%

The Ongoing Charges Ratio has been calculated using the AIC recommended methodology. This figure shows shareholders the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded. Although the ongoing charges figure is based upon historical information, it provides shareholders with an indication of the likely level of costs that will be incurred in managing the fund in the future.

The Ongoing Charges Ratio replaces the Total Expense Ratio previously reported, although the latter will still form the basis of any expenses in excess of the expense cap, that would be borne by the Adviser. There was no breach of the expense cap for the year ended 30 September 2014 (2013: £nil).

The fall in the ratio (before performance fees) over the year reflects the benefit of spreading the element of costs that are fixed across a larger asset base.

Investment Adviser fees and other expenses

In line with the rise in net assets, adviser fees charged to both revenue and capital have increased from £1.29 million to £1.50 million and performance incentive fees have increased from £0.11 million to £1.39 million. This increase in the incentive fee reflects the exceptional level of profitable realisations achieved in the year. Running costs have risen slightly from £0.39 million to £0.41 million due to increases in professional, listing and registrar's fees.

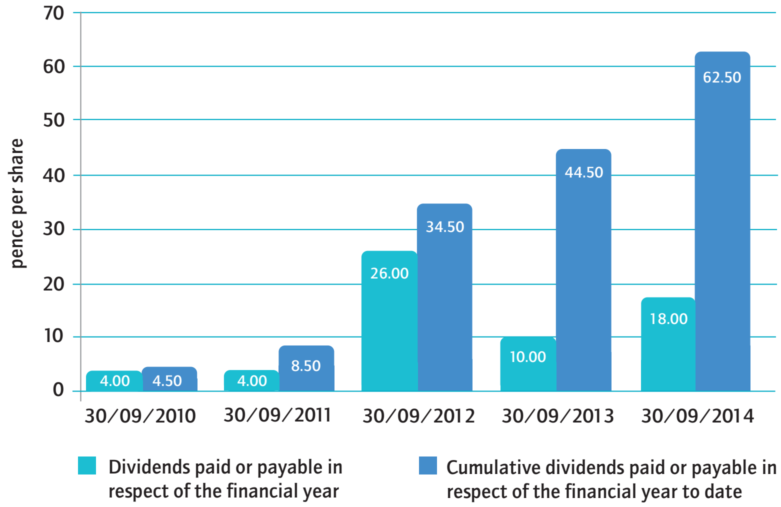
Further details of these fees and expenses are contained in the Financial Statements on pages 52 – 53.

In addition to its Investment Policy, the Board also monitors the key performance indicators arising from applying its Dividend and Share Buyback and Discount Policies. These indicators are respectively dividends paid in respect of each year and the discount to NAV at which shares are bought back by the Company.

5. Dividend policy

During the year, the Company increased its annual dividend target of paying a minimum of 4.00 pence per share to at least 6.00 pence per share in respect of each financial year. It has comfortably exceeded this revised target in each of its last three financial years, and its previous target for the last five financial years.

However, the ability of the Company to pay dividends in the future cannot be guaranteed and will be subject to performance and available cash and reserves.



Dividends paid or payable per share in respect of the financial year ended 30 September 2014 were 18.00 pence, subject to shareholder approval of the proposed final dividend of 4.00 pence per share.

Cumulative dividends paid to date are now 58.50 pence per share. The proposed final dividend of 4.00 pence per share, if approved, will increase cumulative dividends paid per share to 62.50 pence.

6. Share buyback and discount policy

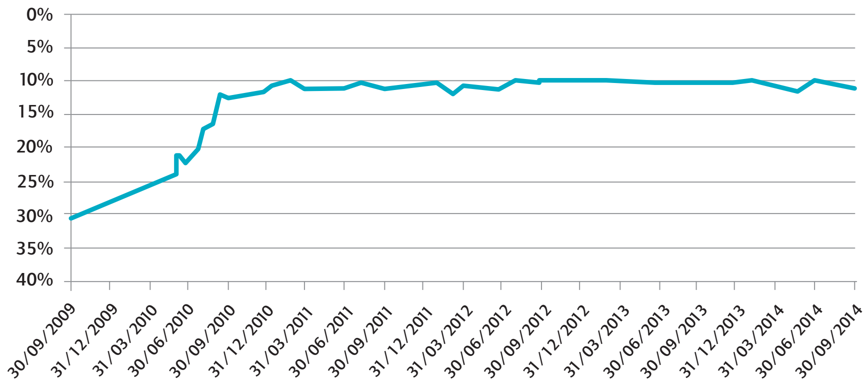
Subject to the Company having sufficient available funds and distributable reserves, it is the Board's current intention to pursue a buyback policy with the objective of maintaining the discount to the latest published NAV per share at which the shares trade at approximately 10%.

Continuing shareholders benefit from the difference between the NAV per share and the price at which the shares are bought back and cancelled.

The graph below shows how the discount of the share price to the NAV per share has moved over the last five years. The discount of approximately 10% has been maintained for much of the last four years, since the Board stated its intent to target such a discount level.

During the year ended 30 September 2014, shareholders holding 600,938 shares expressed their desire to sell their investments. The Company instructed its brokers, Panmure Gordon (UK) Limited ("Panmure Gordon"), to purchase these shares at prices representing discounts of approximately 10% to the previously announced NAV per share. The Company subsequently purchased these shares at prices of between 94.00 – 102.50 pence per share and cancelled them. The Company bought back 1.1% of the issued share capital of the Company at 1 October 2013 during the year.

Discount to NAV per share at which the Company's shares have been bought back throughout the last five years



Strategic Report

Investment Review

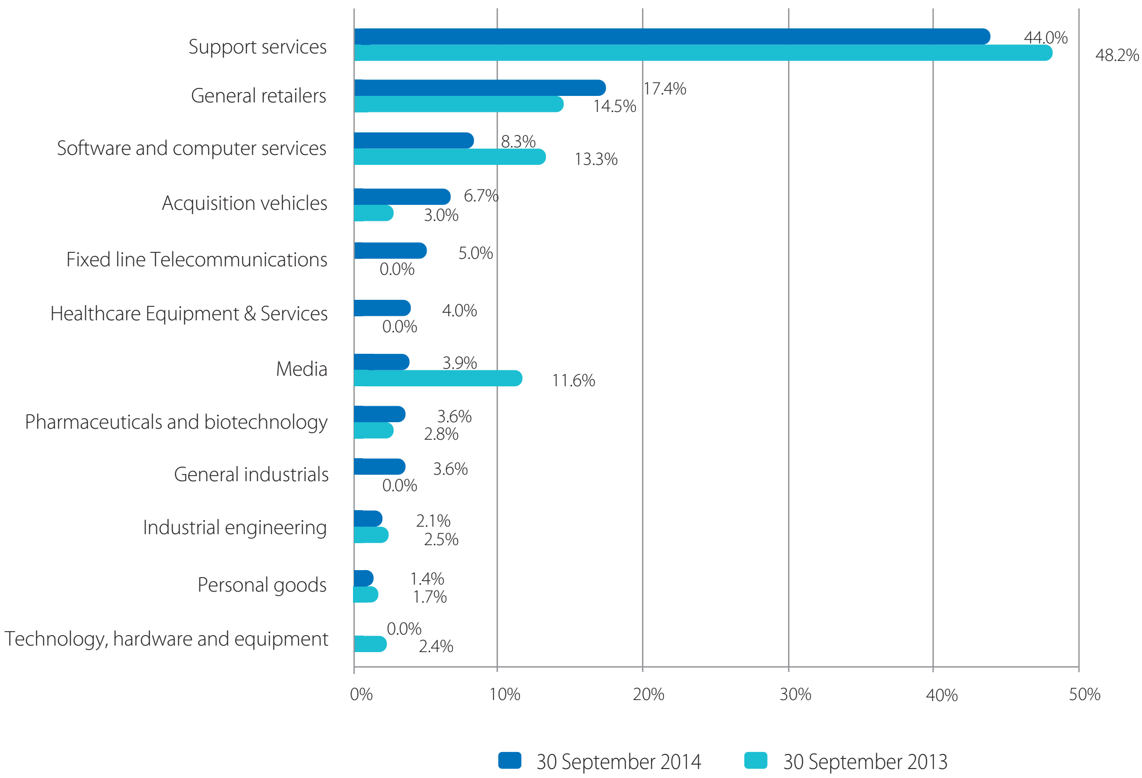
The portfolio has performed strongly in the year. The number and value of divestments during the year has been exceptional, whilst at the same time the remaining and the new portfolio companies have generally performed well.

There has been strong dealflow, resulting in a high level of new investment activity, which has continued throughout the year. The Adviser believes the healthy level of dealflow reflects both improved business confidence and the continued perception that the UK banking industry remains unable to meet the funding needs of smaller businesses. This is producing a higher level of attractive investment opportunities, some of which we expect to complete during the current financial year.

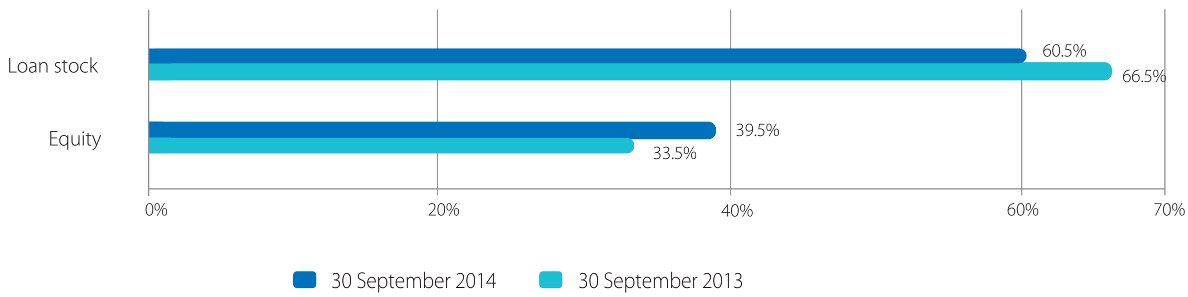
The performance of investee companies in the portfolio as a whole has remained good. The valuation of the portfolio has increased by 19.6% during the year on a like-for-like basis as a result of the strong trading performance of a number of companies.

Investments remain diversified across a number of sectors primarily in support services, general retailers, media and technology.

Investments by market sector at valuation



Investments by instrument at valuation



New investment

A total of £12.10 million was invested in new deals during the year under review. This included substantial new investments to support the MBOs of Virgin Wines, Entanet, Creative Graphics International and Tharstern, and provide development capital to Bourn Bioscience.

Principal new investments in the year

	Company	Business	Date of investment	Amount of new investment (£m)
	Virgin Wines	Online wine retailer	November 2013	**2.84***

Virgin Wines is an online wine merchant. It is a Virgin Group Partner with the sole UK rights to use the Virgin brand to source and sell boutique, handcrafted wines from all over the world. The company's latest audited accounts for the year ended 28 June 2013 show annual sales of £34.47 million and profit before interest, tax and goodwill of £2.01 million.

	Company	Business	Date of investment	Amount of new investment (£m)
	Bourn Bioscience	In vitro fertilisation clinics	February 2014	**1.61**

Bourn Bioscience owns and manages the Bourn Hall infertility clinics in the East of England. The investment will support the geographic expansion of this internationally renowned IVF clinic. The initial investment is supplemented by a commitment to invest significant follow-on finance as part of a buy and build strategy. The Company's latest audited accounts for the year ended 31 December 2013 show annual sales of £10.56 million and profit before interest, tax and goodwill of £0.51 million.

	Company	Business	Date of investment	Amount of new investment (£m)
	Entanet	Wholesale provider of internet connectivity solutions	February 2014	**2.01***

Entanet is one of the UK's leading independent wholesale voice and data communications providers. Headquartered in Telford and with over 80 staff, the company provides a diverse portfolio of business class data and voice services via a network of over 2,000 wholesale and reseller channel partners in the UK. The Company's latest audited accounts for the year ended 31 December 2013 show annual sales of £29.42 million and profit before interest, tax and goodwill of £2.78 million.

	Company	Business	Date of investment	Amount of new investment (£m)
	Creative Graphics International	Producer of adhesive decorative graphics for vehicles	June 2014	**1.42**

CGI Creative Graphics International is a leading specialist provider of adhesive decorative graphics to the automotive, recreational vehicle and airline markets. It operates from two centres, in Bedford and South Africa. The Company's latest audited accounts for the year ended 30 November 2012 show annual sales of £12.64 million and profit before interest, tax and goodwill of £2.49 million.

	Company	Business	Date of investment	Amount of new investment (£m)
	Tharstern	Software-based management information systems	July 2014	**1.54**

Tharstern is a leading UK supplier of software-based management information systems to the print sector. The Company's latest audited accounts for the year ended 31 January 2014 show annual sales of £3.87 million and profit before interest, tax and goodwill of £0.80 million.

* The investments into Virgin Wines and Entanet each utilised £1 million from each of Culbone Trading and Ackling Management respectively, two of the Company's acquisition vehicles, which is included in the above figures. For further details please see the Investment Portfolio Summary on pages 20 – 25.

The VCT also invested a further £2.68 million into two new acquisition vehicle investments in the year, namely South West Services Investment and Manufacturing Services Investment.

New investment post year-end

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

The VCT invested a total of £2.26 million into this brand-led specialist logistics, storage and removals business in December 2014 . Separate investments were made into two companies controlled by common shareholders. £1.57 million was invested into Leap New Co Limited which owns the Anthony Ward Thomas and Bishopsgate businesses and a further £0.69 million was invested into Aussie Man & Van Limited.

The VCT completed a further investment into ASL Technology of £0.95 million in December 2014, to provide capital to refinance the bank and support the company's buy and build strategy.

Strategic Report

Realisations

The year has been marked by a number of sizeable, profitable realisations which have all generated attractive returns for the Company. The VCT completed the partial sale of ATG Media and the full sales of each of Alaric Systems, MachineWorks, Monsal, DiGiCo Global and Faversham House for total net cash proceeds of £8.40 million. As part of the ATG Media transaction, the Company also received a non-cash consideration of £1.53 million by way of loan stock and equity investments in Turner Topco Limited, the acquirer, retaining a 3.8% shareholding in the business.

Other realisations were £0.55 million including further consideration received following the sale of App-DNA Group in 2011. With loan repayments of £1.86 million, as explained further below, total net proceeds therefore amounted to £12.34 million.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	Alaric Systems	Software for retail credit card payment systems	February 2002 – December 2013	£2.65 million 4.44 times cost

The Company realised its investment in Alaric Systems through a sale to a subsidiary of NCR Corporation for cash proceeds of £2.54 million. The Company may become entitled to receive additional sale proceeds of up to £0.50 million over the period to December 2017. These are currently held in escrow. £0.25 million of this amount has been received in December 2014.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	MachineWorks	Software for CAM and machine tool vendors	April 2006 – April 2014	£1.23 million 4.15 times cost

MachineWorks' core software products are used by manufacturers of machine tool controllers to simulate real life manufacturing situations. The company was de-merged from the Company's original investment in VSI in March 2011 and was sold to Westec Holding Company Limited. The investment of £0.30 million has returned £1.23 million in cash over its life.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	ATG Media	Publisher and online auction platform operator	October 2008 – present	£3.75 million to date 1.87 times cost to date

ATG Media has grown revenues and profits materially since initial investment in 2008. A partial sale of the company under a secondary MBO to a larger private equity house, ECI Partners, has realised net proceeds of £4.63 million, being cash of £3.10 million, with the balance being a new loan stock investment and a minority 3.8% equity stake, together valued at £1.56 million. The cash returns received to date have crystallised an annual return of 20%, making this a particularly successful investment.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	Monsal	Supplier of engineering services to the water and waste sectors	December 2007 – June 2014	£0.96 million 1.86 times cost

The sale of Monsal, a renewable energy consultancy, to the US conglomerate General Electric, realised £0.77 million. The 1.86x return on total original cost of £0.52 million represents a good return on an investment originally made in 2007 which required support from further funding rounds in 2009 and 2011.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	DiGiCo	Audio mixing desks	July 2007 – July 2014	£3.61 million 5.49 times cost

The VCT realised this investment through a sale to a new professional audio group backed by Electra Partners. The business has demonstrated strong and consistent growth since investment. Turnover has grown threefold from £8 million to £24 million over the period of the VCT's investment. This final sale, through a secondary buyout by Living Bridge (formerly ISIS Equity Partners), followed a partial realisation in December 2011.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	Faversham House	Publisher, exhibition organiser and operator	December 2010 – December 2013	£0.46 million 0.93 times cost

Faversham's progress had fallen short of expectations, and in 2013 we took the opportunity to agree with management a phased realisation of our holding. In March 2013, the VCT sold part of its loan stock and its entire equity investment. The residual loan stock investment realised £0.17 million in the final calendar quarter of 2013.

Loan stock repayments

Loan stock repayments totalled £4.54 million for the year, including £2.68 million as part of the proceeds from the companies realised above. Positive cashflow at eight other companies contributed to the balance of £1.86 million. These proceeds are summarised below:-

Company	Business	Month	Amount (£'000s)
Country Baskets	Artificial flowers, floral sundries and home décor products	June 2014	625
Motorclean	Vehicle cleaning and valeting services	June/September 2014	286
Blaze Signs	Signs and sign maintenance	October 2013	264
Westway	Air conditioning systems	January 2014	199
Focus Pharma	Generic pharmaceuticals	November 2013	163
Tessella	Consultancy	Quarterly	138
Virgin Wines	Online wine retailer	July 2014	98
Newquay Helicopters	Helicopter services	April 2014	83
		Total	**1,856**

Realisations post year-end

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
Focus Pharmaceuticals Ltd	Focus Pharma	Generic pharmaceutical products	October 2007 – October 2014	£1.93 million 3.74 times cost

The VCT realised its investment in Focus Pharma through a trade sale to Cinven-backed Amdipharm Mercury Group. Focus is engaged in the distribution of generic pharmaceuticals both for third parties, and on its own account, where it develops and licenses the drug for its own benefit. The business has demonstrated strong growth throughout the investment period with turnover increasing three-fold to just under £40 million per annum. The original investment of £0.51 million has returned cash of £1.93 million to date.

YOUNGMAN	Youngman	Access towers and ladders	October 2006 – October 2014	£2.42 million 2.42 times cost

The VCT realised this investment through a sale to Werner Co (US). 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 £2.42 million in cash over its life.

EMaC	EMaC	Service plans for the motor trade	October 2011 – December 2014	£5.25 million 2.79 times cost

The VCT sold its investment in EMaC to Innovation Group plc. 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 £1.90 million has returned £5.25 million in cash to date.

Adviser's investment outlook

This has been a significant year for the portfolio, both in terms of the number of new investments made and the returns earned from five major realisations.

We are pursuing a number of opportunities which we hope will materialise over the coming months into new investments for the Company. Dealflow remains healthy, reflecting our perception that the level of M&A activity in the small company sector continues to be buoyant. Our intention is to maximise the opportunities presented by these current favourable market conditions to guide new investment deals through to completion, to meet our aims of sustaining current investment levels and securing continued good returns to shareholders.

Strategic Report

Principal Investments in the Portfolio at 30 September 2014

Ingleby (1879) Limited

www.emac.co.uk

Cost £1,487,000

Valuation £3,863,000

Basis of valuation
Earnings multiple

Equity % held
9.4%

Income receivable in year
£155,884

Business
Provider of service plans for the motor trade

Location
Crewe

Original transaction
Management buyout

Audited financial information

Year ended	31 December 2013
Turnover	£7,379,000
Operating profit	£2,804,000
Net assets	£3,781,000
Period ended	31 December 2012
Turnover	£6,803,000
Operating profit	£2,564,000
Net assets	£2,772,000

Movements during the year

None.

Sold following the year-end.

Virgin Wines Holding Company Limited

www.virginwines.co.uk

Cost £2,746,000

Valuation £2,746,000

Basis of valuation
Cost

Equity % held
13.7%

Income receivable in year
£236,916

Business
Online wine retailer

Location
Norwich

Original transaction
Management buyout

Audited financial information

Year ended	28 June 2013[1]
Turnover	£34,475,000
Operating profit	£2,010,000
Net assets	£4,952,000
Year ended	28 June 2012[1]
Turnover	£37,390,000
Operating profit	£2,404,000
Net assets	£7,210,000

[1] The financial information quoted above relates to the operating subsidiary, Virgin Wine Online Limited and includes figures relating the performance of this company prior to the MBO which completed in November 2013.

Movements during the year

MBO investment made in November 2013. A loan repayment of £98,000 has since been received.

Gro-Group Holdings Limited

www.gro.co.uk

Cost £2,341,000

Valuation £2,267,000

Basis of valuation
Earnings multiple

Equity % held
5.7%

Income receivable in year
£181,777

Business
Manufacturer and distributor of baby sleep products

Location
Ashburton, Devon

Original transaction
Management buyout

Audited financial information

Year ended	30 June 2013[1]
Turnover	£11,444,000
Operating profit	£775,000
Net assets	£1,178,000
Year ended	30 June 2012[1]
Turnover	£10,945,000
Operating profit	£771,000
Net assets	£1,085,000

[1] The financial information quoted above is for Gro-Group Holdings Limited's only active subsidiary and includes figures prior to the MBO which completed in March 2013.

Movements during the year

None.

Fullfield Limited

www.motorclean.net

Cost	£2,119,000
Valuation	£2,172,000

Basis of valuation
Earnings multiple

Equity % held
13.2%

Income receivable in year
£225,693

Business
Provider of vehicle cleaning and valet services

Location
Laindon, Essex

Original transaction
Management buyout

Audited financial information

Year ended	31 March 2014
Turnover	£38,155,000
Operating profit	£2,554,000
Net assets	£2,567,000

Year ended	31 March 2013
Turnover	£24,537,000
Operating profit	£1,234,000
Net assets	£2,576,000

Movements during the year

Fullfield made loan repayments totalling £286,000.

Tessella Holdings Limited

www.tessella.com

Cost	£1,507,000
Valuation	£2,120,000

Basis of valuation
Earnings multiple

Equity % held
7.5%

Income receivable in year
£163,129

Business
Provider of science powered technology and consulting services

Location
Abingdon, Oxfordshire

Original transaction
Management buyout

Audited financial information

Year ended	31 March 2014
Turnover	£23,146,000
Operating profit	£3,652,000
Net assets	£4,213,000

Year ended	31 March 2013
Turnover	£14,443,000
Operating profit	£2,064,000
Net assets	£4,306,000

Movements during the year

Tessella made quarterly loan stock repayments totalling £138,000.

Veritek Global Holdings Limited

www.veritekglobal.com

Cost	£2,290,000
Valuation	£2,047,000

Basis of valuation
Earnings multiple

Equity % held
14.6%

Income receivable in year
£257,472

Business
Maintenance of imaging equipment

Location
Eastbourne, East Sussex

Original transaction
Management buyout

Audited financial information

Year ended	31 March 2014
Turnover	£14,443,000
Operating profit	£249,000
Net assets	£(804,000)

Year ended	31 March 2013[1]
Turnover	£24,684,000
Operating profit	£1,506,000
Net assets	£6,245,000

[1] The financial information quoted above is for Veritek Global Limited prior to the MBO which completed in July 2013.

Movements during the year

None.

Further details of the investments in the portfolio may be found on the Mobeus website: www.mobeusequity.co.uk.

Operating profit is stated before charging amortisation of goodwill where appropriate for all investee companies.

Entanet Holdings Limited

www.enta.net

Cost	£2,005,000
Valuation	£2,005,000

Basis of valuation
Cost

Equity % held
14.0%

Income receivable in year
£135,875

Business
Wholesale communications provider

Location
Telford, Shropshire

Original transaction
Management buyout

Audited financial information

Period ended	31 December 2013[1]
Turnover	£29,415,000
Operating profit	£2,782,000
Net assets	£2,332,000
Year ended	30 November 2012[2]
Turnover	£25,853,000
Operating profit	£2,431,000
Net assets	£5,691,000

[1] The financial information quoted above is for Entanet International Limited prior to the MBO which completed in February 2014.

Movements during the year

MBO investment made in February 2014.

ASL Technology Holdings Limited

www.aslh.co.uk

Cost	£1,770,000
Valuation	£1,915,000

Basis of valuation
Earnings multiple

Equity % held
9.6%

Income receivable in year
£nil

Business
Printer and photocopier services

Location
Cambridge

Original transaction
Management buyout

Audited financial information

Year ended	30 September 2013
Turnover	£14,484,000
Operating profit	£1,296,000
Net assets (liabilities)	£(1,216,000)
Period ended	30 September 2012
Turnover	£13,394,000
Operating profit	£665,000
Net assets	£204,000

Movements during the year

None.

Idox plc

www.idoxgroup.com

Cost	£454,000
Valuation	£1,719,000

Basis of valuation
Bid price (AIM quoted)

Equity % held
1.2%

Income receivable in year
£16,000

Business
Knowledge management products

Location
London

Original transaction
Development capital

Audited financial information

Year ended	31 October 2013
Turnover	£57,319,000
Operating profit	£13,972,000
Net assets	£44,686,000
Year ended	31 October 2012
Turnover	£55,382,000
Operating profit	£13,806,000
Net assets	£38,900,000

Movements during the year

None.

Bourn Bioscience Limited

www.bourn-hall-clinic.co.uk

Cost	£1,610,000
Valuation	£1,610,000

Basis of valuation
Cost

Equity % held
10.9%

Income receivable in year
£61,768

Business
In-vitro fertilisation clinics

Location
Cambridge

Original transaction
Development capital

Audited financial information

Year ended	31 December 2013
Turnover	£10,561,000
Operating profit	£506,000
Net assets	£4,002,000
Year ended	31 December 2012
Turnover	£9,897,000
Operating profit	£442,000
Net assets	£3,806,000

Movements during the year

Investment made in February 2014.

Turner Topco Limited

www.antiquestradegazette.com

Cost	£1,529,000
Valuation	£1,563,000

Basis of valuation
Cost

Equity % held
3.8%

Income receivable in year
£167,296

Business
Publisher and on-line auction platform operator

Location
London

Original transaction
Secondary buyout

Audited financial information

Year ended	30 September 2013
Turnover	£13,783,000
Operating profit	£3,161,000
Net assets	£5,764,000
Year ended	30 September 2012
Turnover	£10,990,000
Operating profit	£2,704,000
Net assets	£4,612,000

Movements during the year

Secondary buyout of ATG Media in June 2014.

Tharstern Group Limited

www.tharstern.com

Cost	£1,543,000
Valuation	£1,543,000

Basis of valuation
Cost

Equity % held
16.2%

Income receivable in year
£26,151

Business
Software-based management information systems for the printing industry

Location
Colne, Lancashire

Original transaction
Management buyout

Audited financial information

Year ended	31 January 2014
Turnover	£3,871,000
Operating profit	£799,000
Net assets	£885,000
Year ended	31 January 2013
Turnover	£3,358,000
Operating profit	£690,000
Net assets	£770,000

Movements during the year

Investment made in July 2014.

The remaining 28 investments in the portfolio (including two acquisition vehicles) had a current cost of £16.83 million and were valued at £14.26 million at 30 September 2014.

Further details of the investments in the portfolio may be found on the Mobeus website: www.mobeusequity.co.uk.

Operating profit is stated before charging amortisation of goodwill where appropriate for all investee companies.

Strategic Report

Investment Portfolio Summary

for the year ended 30 September 2014

	Ordinary Shares Cost at 30-Sep-14 £	Ordinary Shares Valuation at 30-Sep-14 £	Other Investments[1] Cost at 30-Sep-14 £	Other Investments[1] Valuation at 30-Sep-14 £	Total Cost at 30-Sep-14 £
Ingleby (1879) Limited (trading as EMaC)[8] Provider of service plans for the motor trade	563,437	2,301,341	923,411	1,561,884	1,486,848
Virgin Wines Holding Company Limited[4] Online wine retailer	65,288	65,288	2,680,215	2,680,215	2,745,503
Gro-Group Holdings Limited Baby sleep products	226,161	151,429	2,115,125	2,115,125	2,341,286
Fullfield Limited (trading as Motorclean) Vehicle cleaning and valet services	619,980	57,913	1,499,120	2,114,108	2,119,100
Tessella Holdings Limited Provider of science powered technology and consulting services	291,723	665,832	1,215,761	1,453,875	1,507,484
Veritek Global Holdings Limited (formerly Madacombe Trading Limited) Maintenance of imaging equipment	61,522	–	2,228,337	2,047,413	2,289,859
Entanet Holdings Limited (previously Ackling Management Limited)[5] Wholesale communications provider	601,612	601,612	1,403,759	1,403,759	2,005,371
ASL Technology Holdings Limited Printer and photocopier services	418,321	71,743	1,351,469	1,843,289	1,769,790
Idox plc[6] Developer and supplier of knowledge management products	453,881	1,718,833	–	–	453,881
Bourn Bioscience Limited Management of In-vitro fertilisation clinics	460,108	460,108	1,150,271	1,150,271	1,610,379
Turner Topco Limited (trading as ATG Media)[7] Publisher and online auction platform operator	4,472	37,997	1,524,603	1,524,603	1,529,075
Tharstern Group Limited Software based management Information systems for the printing industry	462,900	462,900	1,080,100	1,080,100	1,543,000
EOTH Limited (trading as Equip Outdoor Technologies) Distributor of branded outdoor equipment and clothing including the Rab and Lowe Alpine brands	138,331	172,011	1,244,982	1,355,336	1,383,313
CGI Creative Graphics International Limited Self-adhesive branding solutions for vehicles	639,084	639,084	782,619	782,619	1,421,703
South West Services Investment Limited Company seeking to acquire a business service company in the South West of England	537,120	537,120	805,680	805,680	1,342,800
Manufacturing Services Investment Limited Company seeking to acquire businesses in the manufacturing sector	668,400	668,400	668,400	668,400	1,336,800
Blaze Signs Holdings Limited Manufacturer and installer of signs	401,550	1,157,493	16,731	16,731	418,281
Youngman Group Limited[8] Manufacturer of ladders and access towers	100,052	148,918	900,000	944,286	1,000,052
Focus Pharma Holdings Limited[8] Licensor and distributor of generic pharmaceuticals	180,914	1,023,222	808	808	181,722
RDL Corporation Limited Recruitment consultants within the pharmaceutical, business intelligence and IT sectors	250,752	–	1,190,915	965,966	1,441,667

Notes

1 'Other investments' comprise principally loan stock instruments, and/or relatively small amounts of preference shares.

2 The percentage of equity held, and the amounts co-invested, in these companies by funds managed by Mobeus Equity Partners LLP are disclosed in Note 10 to the financial statements.

3 The percentage of equity held for these companies may be subject to further dilution of an additional 1% or more if, for example, management of the investee company exercises share options.

4 £1,000,000 of this investment into Virgin Wines Holding Company Limited was provided by Culbone Trading Limited, one of the Company's acquisition vehicles.

5 £1,000,000 of this investment into Entanet International Holdings Limited was provided by Ackling Management Limited, one of the Company's acquisition vehicles.

6 Investment formerly managed by Nova Capital Management Limited until 31 August 2007.

7 Shares and loan stock in Turner Topco Limited arose as non-cash proceeds from the part realisation of ATG Media Holdings Limited.

8 Sold following the year-end (see pages 15 and Note 22 to the Accounts on page 69 for further details).

Total valuation at 30-Sep-13 £	Additional investments at cost £	Total valuation at 30-Sep-14 £	Interest receivable in year £	Dividends receivable in year £	Unrealised gains/(losses) in year £	Realised gains in year £	Gross proceeds £	% of equity held [2 3]	% of portfolio by value
2,452,407	–	3,863,225	155,884	–	1,410,818	–	–	9.4%	9.7%
–	2,843,557	2,745,503	236,916	–	–	–	98,054	13.7%	7.0%
2,341,286	–	2,266,554	181,777	–	(74,732)	–	–	5.7%	5.7%
2,887,812	–	2,172,021	225,693	–	(429,426)	–	286,365	13.2%	5.5%
2,213,488	–	2,119,707	118,249	44,880	43,853	–	137,634	7.5%	5.3%
2,289,859	–	2,047,413	257,472	–	(242,446)	–	–	14.6%	5.1%
–	2,005,371	2,005,371	135,875	–	–	–	–	14.0%	5.0%
1,088,213	–	1,915,032	–	–	826,819	–	–	9.6%	4.8%
1,625,078	–	1,718,833	–	16,000	93,755	–	–	1.2%	4.3%
–	1,610,379	1,610,379	61,768	–	–	–	–	10.9%	4.0%
–	1,529,075	1,562,600	–	–	33,525	–	–	3.8%	3.9%
–	1,543,000	1,543,000	26,151	–	–	–	–	16.3%	3.9%
1,397,444	–	1,527,347	132,425	–	129,903	–	–	2.5%	3.8%
–	1,421,703	1,421,703	38,489	–	–	–	–	8.4%	3.6%
–	1,342,800	1,342,800	–	–	–	–	–	16.8%	3.4%
–	1,336,800	1,336,800	–	–	–	–	–	16.7%	3.4%
1,249,579	–	1,174,224	334	99,848	188,843	–	264,198	12.5%	2.9%
700,992	–	1,093,204	125,286	41,358	392,212	–	–	8.5%	2.7%
583,331	–	1,024,030	1,495	188,592	603,242	–	162,543	2.1%	2.6%
667,316	–	965,966	118,947	19,209	298,650	–	–	13.0%	2.4%

Strategic Report

Investment Portfolio Summary

for the year ended 30 September 2014

	Ordinary Shares Cost at 30-Sep-14 £	Ordinary Shares Valuation at 30-Sep-14 £	Other Investments[1] Cost at 30-Sep-14 £	Other Investments[1] Valuation at 30-Sep-14 £	Total Cost at 30-Sep-14 £
Westway Services Holdings (2010) Limited Installation, service and maintenance of air conditioning systems	57,941	862,825	135	135	58,076
Aquasium Technology Limited[4] Manufacturing and marketing of bespoke electron beam welding and vacuum furnace equipment	166,667	489,814	333,333	333,333	500,000
Original Additions Topco Limited[5] Sale of beauty products	–	–	25,696	537,948	25,696
BG Training Limited Technical training business	126,590	101,995	383,333	383,333	509,923
Omega Diagnostics Group plc In-vitro diagnostics for food intolerance, autoimmune diseases and infectious diseases	280,026	408,346	–	–	280,026
The Plastic Surgeon Holdings Limited Supplier of snagging and finishing services to the property sector	40,610	–	365,472	403,581	406,082
CB Imports Group Limited (trading as Country Baskets) Importer and distributor of artificial flowers, floral sundries and home decor products	175,000	20,312	309,375	375,000	484,375
Vectair Holdings Limited Designer and distributor of washroom products	53,207	242,203	193	193	53,400
Newquay Helicopters (2013) Limited Helicopter service operator	112,500	112,500	500	500	113,000
PXP Holdings Limited (trading as Pinewood Structures) Designer, manufacturer and supplier of timber frames for buildings	965,371	45,195	–	–	965,371
LightWorks Software Limited Provider of software for CAD and CAM vendors	20,471	31,627	–	–	20,471
Corero Network Security plc[4] Provider of e-business technologies	600,000	19,646	–	–	600,000
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	165,256	–	385,596	1,000	550,852
alwaysOn Group Limited (formerly Data Continuity Group Limited)[4] Design, supply and integration of data storage solutions	165,661	–	–	–	165,661
Oxonica Limited[4] International nanomaterials group	2,524,527	–	–	–	2,524,527
NexxtDrive Limited[6] Developer and exploiter of mechanical transmission technologies	487,014	–	–	–	487,014
Aigis Blast Protection Limited[4] Specialist blast containment materials company	272,120	–	–	–	272,120
Legion Group plc (in administration) Provider of manned guarding, mobile patrols and alarm response services	150,000	–	–	–	150,000
Biomer Technology Limited[6] Developer of biomaterials for medical devices	137,170	–	–	–	137,170
Watchgate Limited Holding company	1,000	–	–	–	1,000

Notes

1 'Other investments' comprise principally loan stock instruments, and/or relatively small amounts of preference shares.

2 The percentage of equity held, and the amounts co-invested, in these companies by funds managed by Mobeus Equity Partners LLP are disclosed in Note 10 to the financial statements.

3 The percentage of equity held for these companies may be subject to further dilution of an additional 1% or more if, for example, management of the investee company exercises share options.

4 Investment formerly managed by Foresight Group LLP up to various dates ending on or before 10 March 2009.

5 As part of the consideration on the disposal of Amaldis (2008) Limited, £537,948 of Original Additions Topco Limited loan stock was issued to the Company.

6 Investment formerly managed by Nova Capital Management Limited until 31 August 2007 and by Foresight Group until various dates ending on or before 10 March 2009.

Total valuation at 30-Sep-13 £	Additional investments at cost £	Total valuation at 30-Sep-14 £	Interest receivable in year £	Dividends receivable in year £	Unrealised gains/(losses) in year £	Realised gains in year £	Gross proceeds £	% of equity held [2 3]	% of portfolio by value
1,025,054	–	862,960	8,518	–	37,267	–	199,361	4.7%	2.2%
840,760	–	823,147	113,676	–	(17,613)	–	–	16.7%	2.1%
537,948	–	537,948	–	–	–	–	–	0.0%	1.4%
516,702	–	485,328	30,488	41,314	(31,374)	–	–	25.5%	1.2%
338,329	30	408,346	–	–	69,987	–	–	2.2%	1.0%
315,644	–	403,581	28,491	–	87,937	–	–	6.1%	1.0%
1,050,541	–	395,312	60,676	3,933	(30,229)	–	625,000	5.8%	1.0%
198,098	–	242,396	–	31,009	44,298	–	–	4.6%	0.6%
196,824	–	113,000	2,427	56,178	–	–	83,824	5.0%	0.3%
45,195	–	45,195	–	–	–	–	–	6.0%	0.1%
106,937	–	31,627	–	1,416	(75,310)	–	–	9.2%	0.1%
15,717	–	19,646	–	–	3,929	–	–	0.1%	0.0%
31,370	–	1,000	–	–	(30,370)	–	–	7.7%	0.0%
29,632	2,316	–	–	–	(31,948)	–	–	10.3%	0.0%
–	–	–	–	–	–	–	–	0.0%	0.0%
–	–	–	–	–	–	–	–	4.5%	0.0%
–	–	–	–	–	–	–	–	3.1%	0.0%
–	–	–	–	–	–	–	–	0.0%	0.0%
–	–	–	–	–	–	–	–	3.5%	0.0%
–	–	–	–	–	–	–	–	33.3%	0.0%

Strategic Report

Investment Portfolio Summary

for the year ended 30 September 2014

	Ordinary Shares Cost at 30-Sep-14 £	Ordinary Shares Valuation at 30-Sep-14 £	Other Investments[1] Cost at 30-Sep-14 £	Other Investments[1] Valuation at 30-Sep-14 £	Total Cost at 30-Sep-14 £
Disposed in year					
ATG Media Holdings Limited[4] Publisher and online auction platform operator	–	–	–	–	–
DiGiCo Global Limited Designer and manufacturer of digital audio mixing desks	–	–	–	–	–
Faversham House Holdings Limited Publisher, exhibition organiser and operator of websites for the environmental, visual communications and building services	–	–	–	–	–
MachineWorks Software Limited Provider of software for CAD and CAM vendors	–	–	–	–	–
Monsal Holdings Limited Supplier of engineering services to the water and waste sectors	–	–	–	–	–
Alaric Systems Limited[5] Software developer and provider of support services for retail credit card payment systems	–	–	–	–	–
Iglu.com Holidays Limited (further consideration received) Online cruise and ski holiday travel agent	–	–	–	–	–
Ackling Management Limited[6] Acquisition vehicle used to support the MBO of Entanet Holdings Limited	–	–	–	–	–
Culbone Trading Limited[7] Acquisition vehicle used to support the MBO of Virgin Wines Holding Company Limited	–	–	–	–	–
Sarantel Group plc[5] Developer and manufacturer of antennae for mobile phones and other wireless devices	–	–	–	–	–
App-DNA Group Limited (further consideration received) Provider of software repackaging services	–	–	–	–	–
Total	**13,646,739**	**13,275,707**	**24,585,939**	**26,549,491**	**38,232,678**

Notes

1. 'Other investments' comprise principally loan stock instruments, and/or relatively small amounts of preference shares.
2. The percentage of equity held, and the amounts co-invested, in these companies by funds managed by Mobeus Equity Partners LLP are disclosed in Note 10 to the financial statements.
3. The percentage of equity held for these companies may be subject to further dilution of an additional 1% or more if, for example, management of the investee company exercises share options.
4. Shares and loan stock in Turner Topco Limited arose as proceeds from the part realisation of ATG Media Holdings Limited.
5. Investment formerly managed by Foresight Group LLP up to various dates ending on or before 10 March 2009.
6. £1,000,000 of this investment into Ackling Management Limited (trading as Entanet International Limited) had been invested in this company, which was formerly an acquisition vehicle, in a previous period.
7. £1,000,000 of this investment into Virgin Wines Holding Company Limited was provided by Culbone Trading Limited, one of the Company's acquisition vehicles.
8. Unrealised gains of £3,301,590 shown above differ to that shown in the Income Statement of £3,730,169. The difference of £428,579 is further unrealised gains, being an increase in the estimated fair value of contingent consideration. This £428,579, plus £889,000 recognised in the previous year, net of £492,579 of such consideration received this year, means contingent consideration of £825,000 is recognised at the balance sheet date.

Total valuation at 30-Sep-13 £	Additional investments at cost £	Total valuation at 30-Sep-14 £	Interest receivable in year £	Dividends receivable in year £	Unrealised gains/(losses) in year £	Realised gains in year £	Gross proceeds £	% of equity held [2 3]	% of portfolio by value
3,686,911	–	–	89,244	78,052	–	1,033,488	4,720,399	–	–
776,204	–	–	58,023	–	–	394,960	1,171,164	–	–
144,859	–	–	2,399	–	–	21,004	165,863	–	–
574,339	–	–	–	18,661	–	180,512	754,851	–	–
28,297	–	–	117,375	–	–	711,853	740,150	–	–
2,064,071	–	–	–	–	–	477,947	2,542,018	–	–
–	–	–	–	–	–	59,334	59,334	–	–
1,000,000	–	–	2,771	–	–	–	–	–	–
1,000,000	–	–	4,228	–	–	–	–	–	–
–	–	–	–	–	–	2,042	2,042	–	–
–	–	–	–	–	–	–	492,579	–	–
34,020,237	**13,635,031**	**39,825,198**	**2,335,077**	**640,450**	**3,301,590[8]**	**2,881,140**	**12,505,379**	**–**	**100.0%**

Strategic Report

Key policies

The Board has put in place the following policies to be applied to meet the Company's overall Objective and to cover specific areas of the Company's business.

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 Adviser and are then subject to review and approval by the Directors.

Other Key Policies

Cash available for investment and liquidity

The Company's cash and liquid resources are held in a range of instruments of varying maturities including liquid, low risk Money Market Funds and bank deposits, subject to the overriding criterion that the risk of loss of capital be minimised. The Company has participated in the Mobeus VCTs' annual fundraisings since 2010 in order to maintain a sufficient level of funds that can be deployed in meeting the day-to-day expenses of the Company, dividend distributions and purchases of the Company's own shares. This enables money raised prior to 6 April 2012 to continue to be allocated for future MBO investment.

Diversity

The Directors have considered diversity in relation to the composition of the Board and have concluded that its membership is diverse in relation to gender and breadth of experience. The Board comprises currently two men and one woman. The Company does not have any senior managers or employees. The Board has made a commitment to consider diversity in making future appointments.

Further policies

In addition to the Investment Policy above and the policies on payment of dividends and share buybacks which are discussed earlier in this Strategic Report, the Company has adopted a number of additional policies relating to:

- Human rights
- Anti-bribery
- Environmental and social responsibility
- Global greenhouse gas emissions
- Whistleblowing

and these are set out in the Directors' Report on page 31.

Principal risks

The Directors acknowledge the Board's responsibilities for the Company's internal control systems and have instigated systems and procedures for identifying, evaluating and managing the significant risks faced by the Company. This includes a key risk management review which takes place at each quarterly board meeting. Further details of these are contained in the Corporate Governance Statement on pages 40 – 41. The principal risks identified by the Board are set out below.

Risk	Possible consequence	How the Board manages risk
Investment and strategic risk	Investment in unquoted small companies involves a higher degree of risk than investment in fully listed companies. Smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals.	• *The Board regularly reviews the Company's investment strategy.* • *Careful selection and review of the investment portfolio on a regular basis.*
Risk of loss of approval as a Venture Capital Trust	A breach of the VCT tax rules may lead to the Company losing its approval as a VCT, which would result in qualifying shareholders who have not held their shares for the designated period having to repay the income tax relief they obtained and future dividends paid by the Company would be subject to tax. The Company would also lose its exemption from corporation tax on capital gains.	• *The Company's VCT qualifying status is continually reviewed by the Adviser.* • *The Board receives regular reports from its VCT Status Adviser who has been retained by the Board to monitor the VCT's compliance with the VCT tax rules (specifically s 274 of the ITA).*
Regulatory risk	The Company is required to meet its legal and regulatory obligations as a VCT, a listed company and its own Alternative Investment Fund Manager. Failure to comply might result in suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report or loss of the Company's status as a VCT.	• *Regulatory and legislative developments are kept under review by the Board.*
Counterparty risk	A counterparty may fail to discharge an obligation or commitment that it has entered into with the Company.	• *The Board regularly reviews and agrees policies for managing these risks. Further details can be found in the discussion on 'credit risk' in Note 19 to the accounts on pages 63 – 69.*
Economic risk	Events such as an economic recession or movements in interest rates could affect trading conditions for smaller companies and consequently the value of the Company's qualifying investments.	• *The Board monitors (1) the portfolio as a whole to ensure that the Company invests in a diversified portfolio of companies and (2) developments in the macro-economic environment such as movements in interest rates.*
Financial and operating risk	Failure of the systems at any of the third party service providers that the Company has contracted with could lead to inaccurate reporting or monitoring. Inadequate controls could lead to the misappropriation or insecurity of assets.	• *The Board carries out an annual review of the Internal controls in place, reviews the risks facing the Company at each quarterly Board meeting and receives reports by exception* • *It reviews the performance of the service providers annually.*

Strategic Report

Risk	Possible consequence	How the Board manages risk
Market risk	Movements in the UK Stock Market indices will inevitably impact on the valuations of the VCT's investments.	• *The Board receives quarterly valuation reports from the Adviser.* • *The Adviser alerts the Board about any adverse movements.*
Asset liquidity risk	The Company's investments may be difficult to realise.	• *The Board receives reports from the Adviser and reviews the portfolio at each quarterly board meeting. It carefully monitors investments where a particular risk has been identified.*
Market liquidity risk	Shareholders may find it difficult to sell their shares at a price which is close to the net asset value.	• *The Board has a share buyback policy which seeks to mitigate market liquidity risk for shareholders. This policy is reviewed at each quarterly Board Meeting.*

Future prospects

For a discussion of the Company's future prospects, please see the Chairman's Statement on page 5.

By order of the Board

Colin Hook
Chairman

16 December 2014

Board of Directors

Colin Hook

Status:
Independent, Non-Executive Chairman

Age: 72

Date of apppointment: 13 October 2000.

Qualifications: MA.

Experience: Colin has extensive financial and commercial experience. He has worked in the City for more than thirty years. During this time, he successfully founded two fund management companies and directed fund management operations for more than ten years. His City involvement includes mergers and acquisitions. From 1994 to 1997 he was the Chief Executive of Ivory and Sime plc. Until February 2013, he was the Chief Executive of Pole Star Space Applications Limited, a company which he helped to found in 1998 and which is today the world's leading provider of real-time tracking information for the maritime industry. He remains a director on this board. Until September 2010, he was chairman and a director of Mobeus Income and Growth 4 VCT plc.

Last re-elected to the Board:
February 2014. Standing for re-election at the Annual General Meeting to be held on 12 February 2015.

Committee memberships:
Nominations and Remuneration Committee, Audit Committee, Investment Committee.

Number of Board and Committee meetings attended 2013/14: 12/12.

Remuneration 2013/14: £46,000.

Relevant relationships with the Investment Adviser or other service providers: None.

Shared directorships with other I&G Directors: None.

Shareholding in the Company: 68,219 shares.

Jonathan Cartwright

Status:
Independent, Non-Executive Director

Age: 61

Date of apppointment: 1 August 2010.

Qualifications: Fellow of the Institute of Chartered Accountants in England and Wales, BSc (Engineering Sciences).

Experience: Jonathan is a qualified Chartered Accountant. He has significant experience of the investment trust sector and of serving on the boards of both public and private companies in executive and non-executive roles. Jonathan joined Caledonia Investments plc in 1989, serving as finance director from 1991 to December 2009. Prior to this he was group financial controller at Hanson plc 1984 - 1989. He was a non-executive director of Bristow Group Inc. (from 1996 to 2009) and of Serica Energy plc (from 2008 to 2012). He is non-executive chairman of BlackRock Income & Growth Investment Trust plc and also of Aberforth Geared Income Trust plc. He is also a non-executive director of Tennants Consolidated Limited. Jonathan has served on the Self-Managed Investment Trust Committee of the Association of Investment Companies (to December 2009).

Last re-elected to the Board:
February 2014.

Committee memberships:
Audit Committee (Chairman), Investment Committee, Nominations and Remuneration Committee.

Number of Board and Committee meetings attended 2013/14: 12/12.

Remuneration 2013/14: £36,000.

Relevant relationships with the Investment Adviser or other service providers: None.

Shared directorships with other I&G Directors: None.

Shareholding in the Company: 14,316 shares.

Helen Sinclair

Status:
Independent, Non-Executive Director

Age: 48

Date of apppointment: 29 January 2003.

Qualifications: MA, MBA.

Experience: Helen has extensive experience of investing in a wide range of small and medium sized businesses. She graduated in economics from Cambridge University and began her career in banking. After an MBA at INSEAD business school, Helen worked from 1991 to 1998 at 3i plc, based in their London office. She was a founding director of Matrix Private Equity Limited when it was established in early 2000 and helped raise Mobeus Income & Growth 2 VCT plc (formerly Matrix e-Ventures VCT plc). After leaving Matrix in 2005, she was a non-executive director of Hotbed Fund Managers Limited from 2006 to 2008 and of Octopus Eclipse VCT 3 plc from 2011 until its merger with Octopus Eclipse VCT plc. She is chairman of British Smaller Companies VCT plc and a non-executive director of Downing ONE VCT plc, Spark Ventures plc and OFT 2 Limited. Helen also chairs the investment committees of the Third Sector Loan Fund and the Community Investment Fund which are part of Social and Sustainable LLP. Helen is also a director of Mobeus Income & Growth 4 VCT plc.

Last re-elected to the Board:
February 2014. Standing for re-election at the Annual General Meeting to be held on 12 February 2015.

Committee memberships:
Investment Committee (Chairman), Audit Committee, Nominations and Remuneration Committee.

Number of Board and Committee meetings attended 2013/14: 9/9.

Remuneration 2013/14: £36,000.

Relevant relationships with the Investment Adviser or other service providers: Director of Mobeus Income & Growth 4 VCT plc which is also managed by Mobeus.

Shared directorships with other I&G Directors: None.

Shareholding in the Company: 17,204 shares.

Directors' Report

The Directors present the Annual Report and Accounts of the Company for the year ended 30 September 2014.

The Board believes that the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Company is registered in England and Wales as a Public Limited Company (registration number 4069483).

The Company has satisfied the requirements for full approval as a Venture Capital Trust under section 274 of the Income Tax Act 2007 ("the ITA"). It is the Directors' intention to continue to manage the Company's affairs in such a manner as to comply with section 274 of the ITA.

To enable capital profits to be distributed by way of dividends, the Company revoked its status as an investment company as defined in section 833 of the Companies Act 2006 ("the Companies Act") on 30 November 2005. The Company does not intend to re-apply for such status.

Share capital

The Company's ordinary shares of 1 penny each, formerly 'S' Shares, are listed on the London Stock Exchange ("LSE"). The shares were first admitted to the Official List of the UK Listing Authority ("UKLA") and to trading on the LSE on 8 February 2008. Following the merger of the former classes of 'O' Shares (first admitted to the Official List of the UKLA and to trading on 15 November 2000) and 'S' Shares on 29 March 2010 ("the Merger"), the listing of the 'S' Shares was amended to ordinary shares of 1p in the capital of the Company on 30 March 2010 and the 'O' Share listing was cancelled.

Issue of shares

During the year under review, the Company issued a total of 7,989,659 (2013: 16,039,294) shares. Of this total, 7,260,906 (2013: 7,411,346) shares were issued under the Mobeus VCTs' Linked Offer for Subscription launched on 28 November 2013; 728,753 (2013: 752,016) shares were issued under the Company's Dividend Investment Scheme; and nil (2013: 7,875,932) shares were issued under the Enhanced Buyback Facility offered to shareholders in January 2013 ("EBF").

Buyback of shares

At the Annual General Meeting held on 12 February 2014, shareholders granted the Company authority, pursuant to section 701 of the Companies Act, to buyback up to 7,950,000 of its own shares representing 14.99% of the issued share capital of the Company on 16 December 2013. This authority has been in place throughout the year under review. For further details please see Note 15 to the accounts on page 61 of this Annual Report. A resolution to renew this authority will be proposed to shareholders at the Annual General Meeting of the Company to be held on 12 February 2015.

During the year under review, the Company bought back 600,938 (2013: 937,043) of its own shares at an average price of 99.28 (2013: 98.8) pence per share and a total cost of £596,599 (2013: £909,213 million) including expenses. These shares, represented 1.1% (2013: 2.0%) of the issued share capital of the Company at 1 October 2013.

Additionally, 8,129,688 of the Company's own shares were bought-back by the Company, as part of the Enhanced Buyback Facility referred to above, in the year ended 30 September 2013.

All shares bought back by the Company during the year were subsequently cancelled by the Company.

Issued share capital

The issued share capital of the Company as at 30 September 2014 was £604,769 (2013: £530,882) and the number of shares in issue at this date was 60,476,940 (2013: 53,088,219), subject to the cancellation from the register of the shares bought-back by the Company which were outstanding at the year-end.

A further 652,411 shares were issued following the year-end in respect of the Company's Dividend Investment Scheme, bringing the number of shares in issue as at the date of this report to 61,129,351.

Share premium account

The cancellation of the amount standing to the credit of the Company's share premium account was confirmed by a Court Order dated 12 March 2014. The purpose of the cancellation was to provide a special distributable reserve capable of being used for the purpose, inter alia, of funding future purchases of the Company's own shares.

Dividend

The Directors are proposing a final dividend of 4.00 (2013: 3.25) pence per share comprising 4.00 (2013: 1.75) pence from capital and nil (2013: 1.50) pence from income in respect of the year ended 30 September 2014, payable on 20 March 2015 to shareholders who are on the Register on 27 February 2015. This dividend, if paid, will increase cumulative dividends paid since inception to 62.50 pence per share.

Directors

The names of and brief biographical details on each of the Directors are given on page 29 of this Annual Report.

Copies of the Directors' appointment letters will be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting.

Details of each Director's interest in the Company's shares are set out on page 34 of the Directors' Remuneration Report.

The powers of the Directors have been granted by company law, the Company's articles and resolutions passed by the Company's members in general meeting. Resolutions are proposed annually at each annual general meeting of the Company to authorise the Directors to allot shares, disapply the pre-emption rights of members and buyback the Company's own shares on behalf of the Company. These authorities are currently in place and resolutions to renew them will be proposed at the Annual General Meeting of the Company to be held on 12 February 2015.

The Company's Articles of Association and the Companies Act 2006 contain provisions relating to the appointment, election and replacement of Directors. These are set out in the paragraph headed 'Terms of appointment' on pages 33 – 34 of the Directors' Remuneration Report.

Disclosure of Information to the Auditor

So far as the Directors in office at 30 September 2014 are aware, there is no relevant audit information of which the Auditor is unaware. They have individually taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Directors' and officers' liability insurance

The Company maintains a Directors' and Officers' liability insurance policy. The policy does not provide cover for fraudulent or dishonest actions by the Directors.

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 Strategic Report. The Directors have satisfied themselves that the Company continues to maintain a significant cash position and is currently raising additional funds. 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 buybacks and dividends) are within the Company's control. The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Note 19 on pages 63 – 69. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Furthermore, the Directors have considered whether there are any material uncertainties that the Company may face during the twelve months to 30 September 2015 that may impact on its ability to operate as a going concern. No such material uncertainties have been identified by the Board.

The Board has identified a number of principal risks that are faced by the Company in the normal course of its business and these are set out in the Strategic Report on pages 27 – 28.

Social and environmental policies

Human rights policy

The Board seeks to conduct the Company's affairs responsibly and gives full consideration to the human rights implications of its decisions, particularly with regard to investment decisions.

Anti-bribery policy

The VCT has adopted a zero tolerance approach to bribery. The following is a summary of the Company's policy.

- It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company is committed to acting professionally, fairly and with integrity in all its business dealings and relationships where it operates.
- Directors and service providers must not promise, offer, give, request, agree to receive or accept a financial or other advantage in return for favourable treatment, to influence a business outcome or to gain any other business advantage on behalf of themselves or of the Company or encourage others to do so.
- The Company has communicated its anti-bribery policy to each of its service providers. It requires each of its service providers to have policies in place which reflect the key principles of this policy and procedures and which demonstrate that they have adopted procedures of an equivalent standard to those instituted by the Company.

Environmental and social responsibility

The Board seeks to conduct the Company's affairs responsibly and considers relevant social and environmental matters when appropriate, particularly with regard to investment decisions. The Company has adopted electronic communications for shareholders. This gives shareholders the opportunity to elect to receive email notifications of when published information is available to download from the Company's website in place of hard copies, thus reducing the volume of paper that the Company uses to produce its reports. The Company uses mixed sources paper from well-managed forests as endorsed by the Forest Stewardship Council for the printing of its circulars and annual and half-year reports.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, (including those within the Company's underlying investment portfolio).

Whistleblowing

The Board has considered the recommendation made in the UK Corporate Governance Code with regard to a policy on whistleblowing and has reviewed the arrangements at the Adviser under which its staff may, in confidence, raise concerns. It has concluded that adequate arrangements are in place at the Adviser for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken by the Adviser.

Additional disclosures

The following additional disclosures are made in accordance with Part 6 of Schedule 7 of The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended 2013).

Articles of Association

The Company may amend its articles of association ("the Articles") by special resolution in accordance with section 21 of the Companies Act 2006.

Substantial interests

As at the date of this report the Company had not been notified of any beneficial interest exceeding 3% of the issued share capital.

Voting rights of shareholders

Each shareholder has one vote on a show of hands, and on a poll one vote per share held, at general meetings of the Company. No member shall be entitled to vote or exercise any rights at a general meeting unless all their shares have been paid up in full. Any instrument of proxy must be deposited at the place specified by the Directors no later than 48 hours before the time for holding the meeting.

There are no restrictions on voting rights and no agreements between holders of securities that may prevent or restrict the transfer of securities or voting rights.

Directors' Report

Annual General Meeting

Notice of the Annual General Meeting of the Company to be held at 11.00 am on 12 February 2015 at 33 St James's Square, London SW1Y 4JS is set out on pages 73 – 75 of this Annual Report. A proxy form for the meeting is enclosed separately with shareholders' copies of this Annual Report.

Resolutions 1 – 8 are being proposed as ordinary resolutions requiring more than 50% of the votes cast at the meeting to be in favour and Resolutions 9 and 10 will be proposed as special resolutions requiring the approval of at least 75% of the votes cast at the meeting. The following is an explanation of Resolutions 8 – 10, which along with Resolutions 1 – 7, will be proposed at the meeting.

Authorities for the Directors to allot shares in the Company (Resolution 8) and disapply the pre-emption rights of members (Resolution 9).

These two resolutions grant the Directors the authority to allot shares for cash to a limited and defined extent otherwise than pro rata to existing shareholders.

Resolution 8 will enable the Directors to allot new shares up to an aggregate nominal value of £210,477 representing approximately 30 per cent of the existing issued share capital of the Company as at the date of the notice convening the Annual General Meeting.

Under section 561(1) of the Companies Act 2006, if the Directors wish to allot new shares or sell or transfer treasury shares for cash they must first offer such shares to existing shareholders in proportion to their current holdings. It is proposed by Resolution 9 to sanction the disapplication of such pre-emption rights in respect of the allotment of equity securities

(i) with an aggregate nominal value of up to £150,000 in connection with offer(s) for subscription;

(ii) with an aggregate nominal value of up to 5 per cent of the issued share capital from time to time pursuant to any dividend investment scheme operated by the Company at a subscription price which is less than the net asset value per share; and

(iii) otherwise than pursuant to (i) or (ii) above, with an aggregate nominal value of up to 5 per cent of the issued share capital from time to time,

in each case where the proceeds may be used in whole or part to purchase the Company's shares in the market.

The Company does not currently hold any shares as treasury shares.

Both of these authorities will expire on the date falling fifteen months after the passing of the resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2016. The Directors may allot securities after the expiry dates specified above in pursuance of offers or agreements made prior to the expiration of these authorities. Both resolutions generally renew previous authorities approved at the Annual General Meeting of the Company held on 12 February 2014.

The Directors launched an Offer for Subscription with the other three Mobeus VCTs on 10 December 2014 to raise up to £10 million for the VCT. It is the Directors' intention that new shares may be issued pursuant to the Offer under these authorities (to the extent that existing authorities do not apply). It is further intended to allot shares under the Company's Dividend Investment Scheme in respect of the proposed final dividend to be paid to shareholders on 20 March 2015. The Directors have no further immediate intention of exercising the above powers.

Authority to purchase the Company's own shares (Resolution 10)

This resolution authorises the Company to purchase its own shares pursuant to section 701 of the Companies Act 2006. The authority is limited to the purchase of an aggregate of 9,065,493 shares representing approximately 14.99 per cent of the issued share capital of the Company as at the date of this Annual Report or, if lower, such number of shares (rounded down to the nearest whole share) as shall equal 14.99 per cent of the issued share capital at the date the resolution is passed. The maximum price that may be paid for a share will be the higher of (i) an amount that is not more than 5 per cent above the average of the middle market quotations of the shares as derived from the Daily Official List of the UK Listing Authority for the five business days preceding the date such shares are contracted to be purchased and (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation. The minimum price that may be paid for a share is 1 penny, being the nominal value thereof.

Market liquidity in VCTs is normally very restricted. The passing of this resolution will enable the Company to purchase its own shares thereby providing a mechanism by which the Company may enhance the liquidity of its shares and seek to manage the level and volatility of the discount to NAV at which its shares may trade.

It is the Directors' intention to cancel any shares bought back under this authority. Shareholders should note that the Directors do not intend to exercise this authority unless they believe to do so would result in an increase in net assets per share which would be in the interests of shareholders generally. This resolution will expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the Company's annual general meeting to be held in 2016 except that the Company may purchase its own shares after this date in pursuance of a contract or contracts made prior to the expiration of this authority.

By order of the Board

Mobeus Equity Partners LLP

Company Secretary

16 December 2014

Directors' Remuneration Report

This report has been prepared by the Directors in accordance with the requirements of Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Companies Act 2006 and the Listing Rules of the UK Listing Authority ("the Listing Rules").

The Company's independent auditor is required to give its opinion on the information provided on Directors' emoluments on page 35 of this report and this is explained further in its report to shareholders on pages 43 – 44.

The resolution to approve the Directors' Remuneration Policy as set out in the Annual Report for the year ended 30 September 2013 was approved unanimously by shareholders at the Annual General Meeting of the Company held on 12 February 2014. The Company also received proxy votes in favour of the resolution representing 87.1% of the Company. The Remuneration Policy will next be put to shareholders again at the annual general meeting of the Company to be held in 2017.

The resolution to approve the Annual Remuneration Report as set out in the Annual Report for the year ended 30 September 2013 was approved unanimously by shareholders at the Annual General Meeting of the Company held on 12 February 2014. The Company also received proxy votes in favour of the resolution representing 86.3% of the Company. An ordinary resolution will be proposed at the forthcoming Annual General Meeting of the Company to be held on 12 February 2015 for the approval of the Annual Remuneration Report as set out below.

Remuneration statement by the Chairman of the Nomination & Remuneration Committee

This report sets out the Company's forward looking Directors' Remuneration Policy and the Annual Remuneration Report which describes how this policy has been applied during the year.

The Committee has reviewed the fees paid in the year ended 30 September 2014 and decided not to make any changes to the level of fees paid at the current time. As part of this review, it considered information on the fees paid to directors of a peer group of VCTs of a similar size operating in its sector. The basic Directors' fees have remained unchanged since 1 January 2006 and the supplements paid to members of the Audit and Investment Committees, in recognition of the complexity and volume of the work of these committees, have not increased since 1 October 2012 and 1 October 2008 respectively.

Directors' Remuneration Policy

The remuneration policy is set by the Board on the recommendation of the Nominations and Remuneration Committee. In determining the Company's remuneration policy, the Committee seeks to determine a level of fees appropriate to attract and retain individuals of sufficient calibre to lead the Company in achieving its strategy. When considering the level of directors' fees, it takes account of the workload and responsibilities of each role and the value and amount of time that a director is required to commit to the Company. It further considers remuneration levels elsewhere in the Venture Capital Trust industry for companies of a similar size and structure, together with other relevant information.

The level of fees paid to each of the Directors is reviewed annually by the Nominations and Remuneration Committee which makes recommendations to the Board.

The Committee has access to independent advice where and when it considers it appropriate. However, it was not considered necessary to take any such advice during the year under review.

Supplements are paid to the Directors in respect of their membership of the Investment (£6,000) and Audit Committees (£5,000). The Directors may at their discretion pay additional sums in respect of specific tasks carried out by individual Directors on behalf of the Company.

Since all the Directors are non-executive, the Company is not required to comply with the provisions of the Listing Rules, the UK Corporate Governance Code and the AIC Code of Corporate Governance in respect of Directors' remuneration, except in so far as they relate specifically to non-executive directors.

Performance related remuneration

Whilst it is a key element of this policy to recruit directors of the calibre required to lead the Company in achieving its short and long-term objectives no component of the fees paid is directly related to performance.

Additional benefits

The Company does not have any schemes in place to pay bonuses or benefits to the Directors. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office. None of the Directors receive pension benefits from the Company and the Company has not granted any Director any options over the share capital of the Company.

Recruitment remuneration

Remuneration of any new director, who may subsequently be appointed to the Board, will be in line with the Remuneration Policy set out in this Report and the levels of remuneration stated herein, as modified from time to time.

Shareholders' views on remuneration

The Board prioritises the views of shareholders very highly and encourages a full and frank discussion at general meetings of the Company. It takes shareholders' views into account, where appropriate, when formulating its policy.

Terms of appointment

All of the Directors are non-executive. The Articles of Association provide that Directors may be appointed either by an ordinary resolution of the Company or by the Board provided that a person appointed by the Board shall be subject to re-election at the first annual general meeting following their appointment.

All Directors receive a formal letter of appointment setting out the terms of their appointment and their specific duties and responsibilities. None of the Directors has a service contract with the Company. A Director's appointment may be terminated on three months' notice being given by the Company and in certain other circumstances.

The Articles of Association of the Company ("the Articles") state that, subject to the provisions of the Companies Act, one-third of the Directors

Directors' Remuneration Report

shall retire from office by rotation at each annual general meeting, or if their number is not a multiple of three, the number nearest to but not greater than one-third. Colin Hook and Helen Sinclair have both agreed to offer themselves for re-election annually as both of these Directors have served on the Board for more than nine years and Helen Sinclair is considered to be a non-independent director as explained further on page 36.

The Directors retiring at each annual general meeting may become eligible for re-election in accordance with the Articles.

This policy applied throughout the year ended 30 September 2014 and will continue to apply to the current year ending 30 September 2015.

Directors' shareholdings and share interests

The Company does not require the Directors to hold shares in the Company. The Directors, however, believe that it is in the best interests of the Company and its shareholders for each Director to maintain an interest in the Company.

The Directors who held office throughout the year under review and their interests as at 30 September 2014 were:

	30 September 2014		30 September 2013	
	Shares held	Percentage of issued share capital	Shares held	Percentage of issued share capital
Director				
Colin Hook	62,946	0.10%	57,092	0.11%
Jonathan Cartwright	13,209	0.02%	11,981	0.02%
Helen Sinclair	17,204	0.03%	17,204	0.03%

During the year under review, each of the Directors was allotted or sold shares in the Company as follows:

	Shares allotted under the Company's Offer for Subscription	Shares allotted under the Company's Dividend Investment Scheme	Shares bought back by the Company	Total movement in shares held by each Director during the year
Director				
Colin Hook	–	5,854	–	5,854
Jonathan Cartwright	–	1,228	–	1,228
Helen Sinclair	–	–	–	–

Colin Hook and Jonathan Cartwright were allotted 5,273 and 1,107 shares respectively following the year-end under the company's Dividend Investment Scheme. Their holdings, as at the date of this report were therefore, Colin Hook: 68,219 and Jonathan Cartwright: 14,316.

Company performance

The table below illustrates how the Company's Objective is supported by its Remuneration Policy. It sets out details of each component of the pay package and the maximum amount receivable per annum by each Director. No performance conditions are attached to any aspect of the fees paid to Directors.

Company Objective

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.

Remuneration Policy

To ensure that the levels of remuneration paid are sufficient to attract, retain and motivate directors of the quality required to manage the Company in order to achieve the Company's Objective

Director	Directors' fees	Components of Pay Package: Investment Committee Supplement	Components of Pay Package: Audit Committee supplement	Total remuneration
Role		Oversight and implementation of the Company's Investment Policy	Compliance and risk management	
Colin Hook Chairman	**£35,000**	£6,000	£5,000	**£46,000**
Jonathan Cartwright Chairman, Audit and Nomination & Remuneration Committees	**£25,000**	£6,000	£5,000	**£36,000**
Helen Sinclair Chairman, Investment Committee	**£25,000**	£6,000	£5,000	**£36,000**

Annual Remuneration Report

This section of the Directors' Remuneration Report sets out how the above Remuneration Policy has been implemented during the year.

Nominations and Remuneration Committee

The Committee comprises the full Board and is chaired by Jonathan Cartwright. All members of the Committee are considered to be independent of the Investment Adviser with the exception of Helen Sinclair (see page 36 for further details). The Committee meets at least once a year and is responsible for reviewing the remuneration of the Directors and making recommendations to the Board on remuneration policy and the level of fees to be paid to each of the Directors. The Nominations and Remuneration Committee met once during the year under review with full attendance from all its members.

Total individual emoluments paid to the Directors during the year (audited)

	Total Directors' fees year to: 30 September 2014 £	30 September 2013 £
Colin Hook	46,000	46,000
Jonathan Cartwright	36,000	41,000*
Helen Sinclair	36,000	36,000
Total	118,000	123,000

* Jonathan Cartwright was paid an additional sum of £5,000 in respect of the year ended 30 September 2013 for additional work carried out on the incentive fee and the revised Performance Incentive Fee Agreement.

No sums were paid to third parties in respect of any of the director's services during the year under review.

Relative importance of spend on Directors' fees

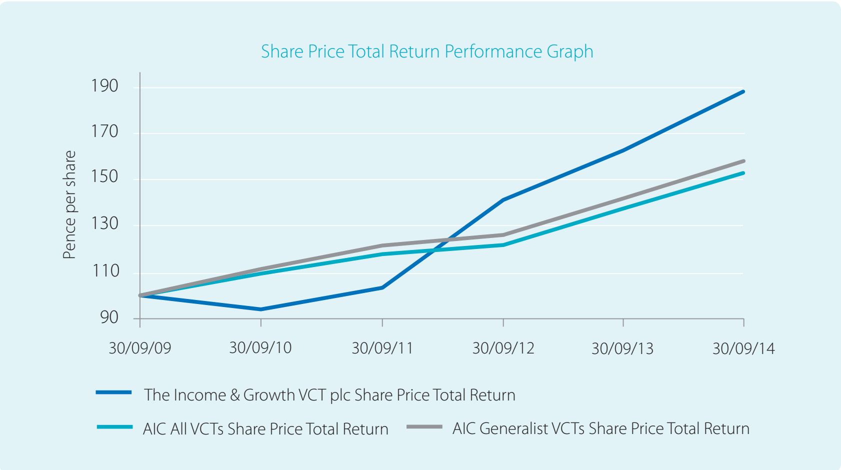
	year to 30 September 2014 £	year to 30 September 2013 £	Percentage increase/ (decrease) %
Total directors' fees	118,000	123,000*	(4.07)
Dividends paid in respect of the year	7,996,796	4,763,462	67.87

* Includes an additional payment of £5,000 to Jonathan Cartwright

Total cumulative shareholder return

The graph below charts the total cumulative shareholder return of the Company's shares (assuming all dividends have been re-invested and excluding the tax reliefs available to shareholders) over the past five years compared with that of an index of all VCTs and an index of generalist VCTs which are members of the AIC (based on figures provided by Morningstar).

The Board considers these indices to be the most appropriate to use to measure the Company's relative performance over the medium to long term. The total shareholder returns have been rebased to 100 at 30 September 2009.



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

The former 'O' Share class was merged into the former 'S' Share class on 29 March 2010 to form the current class of shares. This graph therefore shows the performance of the former 'S' Fund class of shares up until the merger on 29 March 2010.

An explanation of the performance of the Company is given in the Chairman's Statement on pages 3 – 5 and in the Investment Review and Investment Portfolio Summary on pages 12 – 25 and the Performance section of the Strategic Report on pages 7 – 11.

By order of the Board

Mobeus Equity Partners LLP

Secretary

16 December 2014

Corporate Governance Statement

The Board acknowledges its responsibility for the governance of the Company's affairs. This statement has been produced in accordance with the requirement under the FCA's Disclosure and Transparency Rule (DTR) 7.2 to produce a Corporate Governance Statement and paragraph 9.8.6 of the FCA's Listing Rules which requires all listed companies to set out how they have complied with the provisions of the UK Corporate Governance Code ("The UK Code").

The Financial Reporting Council (FRC) re-confirmed on 22 January 2013 that in complying with the Association of Investment Companies (AIC) Code of Corporate Governance 2013 ("the AIC Code"), investment companies will meet their obligations in relation to the UK Code and paragraph 9.8.6 of the Listing Rules. The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for investment companies ("AIC Guide"). The AIC Code as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code, including reference to the AIC Guide (which incorporates the UK Code), will provide the most appropriate information to shareholders.

The Directors have therefore adopted the AIC Code for the financial year ended 30 September 2014. The AIC Code is available on the AIC's website, www.theaic.co.uk.

Statement of compliance

The Board considers that throughout the financial year ended 30 September 2014, the Company has complied with the provisions of the AIC Code, insofar as they are relevant to the business of the Company, and has complied with the relevant provisions of the UK Code except as outlined below.

As an externally managed VCT, most of the Company's operations are delegated to third parties and the Company has no employees apart from its directors, who are all non-executive. The Board has therefore concluded that not all the provisions of the UK Code are relevant to the Company.

The UK Code contains provisions relating in particular, to the role of the chief executive, executive directors' remuneration, the requirement for an internal audit function and terms of appointment for directors. For the reasons set out in the AIC Guide, and as explained in the preamble to the UK Code, the Board considers that these provisions of the UK Code are not relevant to the Company as an externally managed VCT. The investment management and administration systems and procedures provided by Mobeus, the provision of VCT monitoring services, as well as the size of the Company's operations, also give the Board full confidence that an internal audit function is not necessary. The Company has therefore not reported further in respect of these provisions.

The Board

The Company has a Board of three non-executive Directors. All the Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that their policies and operations are in the best interests of all the Company's shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

The Board has agreed a schedule of matters specifically reserved for decision by the Board. These include compliance with the requirements of the Companies Act 2006 and the Income Tax Act 2007, the UK Listing Authority and the London Stock Exchange; strategy and management of the Company; changes relating to the Company's capital structure or its status as a plc; financial reporting and controls; board and committee appointments as recommended by the Nominations and Remuneration Committee and terms of reference of committees; material contracts of the Company and contracts of the Company not in the ordinary course of business.

A procedure has been adopted for individual Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. The Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring board procedures are followed. Both the appointment and removal of the Company Secretary is a matter for the Board as a whole. Where Directors have concerns, which cannot be resolved, about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in the Board minutes. On resignation, a Director who has any such concerns should provide a written statement to the Chairman, for circulation to the Board.

Director's independence and conflicts of interest

The Board has considered whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Helen Sinclair is also a director of Mobeus Income & Growth 4 VCT plc, a company that is also advised by Mobeus and is therefore not considered to be independent of the Adviser. The Board has concluded that the remaining two Directors were independent of the Adviser throughout the year ended 30 September 2014.

The Directors have declared any existing or potential conflicts of interest and these are reviewed and authorised by the Board as appropriate in accordance with the Board's procedures under the Articles of Association ("Articles") and applicable rules and regulations. The Articles allow the Directors not to disclose information relating to a conflict where to do so would amount to a breach of confidence. The Nominations and Remuneration Committee undertakes an annual review of the authorisations given by the Board. It is the policy of the Directors not to participate in decisions concerning investee companies in which they hold an interest. None of the Directors currently hold an interest in any of the Company's investee companies.

For the reasons described above, as well as in terms of their professional and personal integrity and experience, the Board has no hesitation in emphasising to shareholders the independent nature of each individual director in terms of both their character and judgement.

The Board regularly considers the time commitments of each Director and these, together with the significant directorships of the Chairman and the other Directors, are included in the biographical details on each Director on page 29. The Board assessed the independence of the Chairman on appointment and concluded that he fully met the independence criteria as identified in the UK Code, as re-stated in principle 1 of the AIC Code. As recommended by the AIC Code, the remaining Directors monitor the continuing independence of the Chairman, and inform the Chairman of their discussions.

Appointment letters for new directors include an assessment of the expected time commitment for each Board position and new directors are asked to give an indication of their other significant time commitments.

Tenure

The Board has considered a policy on tenure and agreed that for a company of the size and structure of I&G VCT, it is not appropriate to insist on a director's period of service being limited to a set number of years. The AIC Code does not explicitly make recommendations on the overall length of tenure for directors and has stated that it does not believe that there is any evidence that an individual director's lengthy service on a board may compromise his independence in the case of investment companies. It has specifically stated that investment company boards are perhaps more likely than most to benefit from having at least one director with considerably longer than nine years' experience. As part of its annual performance review, the Board has come to the conclusion that the length of service, experience and ability of its Directors enhances its performance. It does not believe that the length of service of any of the Directors has a negative effect on their independence and is satisfied with the balance of experience on the current Board. In particular, the Board considers that the Chairman's service of twelve years as a Director of the Company is an asset that he brings to the Board.

It is a policy of the Company that Directors of the Company who have served for more than nine years will offer themselves for re-election annually.

Recruitment and appointment of new Directors

The Board has adopted a formal process of recruitment for the appointment of new directors including, as appropriate, the use of advertising and recruitment consultants as well as drawing on Board members' extensive range of business contacts to attract the optimum number of high quality candidates. The Board will consider diversity, including gender, in making future appointments. The selection process involves interviews with the Board and meetings with Partners of the Adviser. New directors are provided with an induction pack and an induction session is arranged in conjunction with the Board, the Adviser and the Administrator.

The Directors were subject to election by shareholders at the first annual general meeting after their appointment, and retire by rotation thereafter. For further details please see the Directors' Remuneration Report on pages 33 – 34.

Performance review

The effectiveness of the Board and the Chairman is reviewed regularly as part of the internal control process led by the Audit Committee. The Board has carried out an annual performance evaluation review during the year ended 30 September 2014. As part of its review, the Directors consider the performance of each of the Directors and of the Board as a whole in relation to specific areas of their activity. Such areas included the composition of the Board, its procedures, investment matters, shareholder value, individual performance and relationships with the Company's main service providers. The performance of the Chairman is assessed separately. The Board as a whole discusses the outcome of the performance evaluation and, led by the Chairman, considers and agrees a plan of action to rectify any shortcomings where appropriate.

A formal training programme has not been required during the year under review as all the Directors are experienced directors of listed companies. All of the Directors participate in continuing professional development and regularly attend conferences and workshops relevant to the VCT industry. This is considered annually as part of the performance review of the Directors.

Re-election of Directors

Colin Hook and Helen Sinclair have both served on the Board for more than nine years and in accordance with the recommendation of the AIC Code of Corporate Governance and the Company's Policy on tenure, have agreed to stand for re-election annually. Following the performance evaluation of the Directors during the year, the Board confirms that each of Colin Hook and Helen Sinclair continue to demonstrate commitment to their role and to be effective in carrying out their duties on behalf of the Company. Further details on the performance review are given in the previous section of this report.

Board committees

The Board has established three Committees with responsibilities for specific areas of its activity. Each of the Committees has written terms of reference which detail their authority and duties. Shareholders may obtain copies of these by making a written request to the Company Secretary or via the Company's website: www.incomeandgrowthvct.co.uk.

The Board has satisfied itself that each of its Committees has sufficient resources to undertake its duties.

Investment Committee

The Investment Committee comprises all three Directors, Helen Sinclair (Chairman), Colin Hook and Jonathan Cartwright. The Committee meets as necessary to consider the investment proposals put forward by the Adviser. The Committee advises the Board on the development and implementation of the Investment Policy and leads the process for the ongoing monitoring of investee companies and the Company's investment therein. Investment guidelines have been issued to the Adviser and the Committee ensures that these guidelines are adhered to. New investments and divestments are approved by written resolution of the Committee following discussion between Committee members and are subsequently ratified by the Board. Investment matters are discussed extensively at Board meetings. During the year, the Committee formally approved 22 investment, divestment and variation decisions and met informally on numerous occasions.

Corporate Governance Statement

The Committee considers and agrees, on the advice of the Adviser for recommendation to the Board, all unquoted investment valuations. Investments are valued in accordance with the International Private Equity and Venture Capital (IPEVC) Valuation Guidelines under which investments are valued at fair value as defined in those guidelines. Any AIM or other quoted investment will be valued at the closing bid price of its shares as at the relevant reporting date, in accordance with generally accepted accounting practice.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee comprises all three Directors, Jonathan Cartwright (Chairman), Colin Hook and Helen Sinclair. The Committee meets at least once a year and comprises a majority of independent directors. The Committee held one formal meeting during the year with full attendance from all of the Directors and met informally on other occasions.

A full description of the work of the Committee with regard to remuneration is included within the Directors' Remuneration Report on page 35.

In considering nominations, the Committee is responsible for making recommendations to the Board concerning new appointments of Directors to the Board and its Committees; the periodic review of the composition of the Board and its Committees; and the annual performance review of the Board, the Directors and the Chairman including the ongoing review of each Director's actual or potential conflicts of interest which may arise as a result of the external business activities of Board members. No appointments have been made during the year under review.

Audit Committee

The Audit Committee comprises all three Directors, Jonathan Cartwright (Chairman), Colin Hook and Helen Sinclair. It meets at least twice a year to review the half-year and annual financial statements before submission to the Board, including meeting with the independent Auditor. The Committee makes recommendations to the Board on the appointment, re-appointment and removal of the external Auditor. It is responsible for monitoring the effectiveness of the Company's internal control system and for reviewing the scope and results of the audit and ensuring its cost effectiveness. The Audit Committee held four formal meetings during the year with full attendance from each of the Directors on each occasion. The Committee met informally on other occasions.

The Committee's responsibilities are set out in its terms of reference, which are available on the Company's website (www.incomeandgrowthvct.co.uk) or can be requested from the Company Secretary.

A summary of the Audit Committee's principal activities for the year to 30 September 2014 is provided below:

Financial statements

The Half-Yearly and Annual Reports to shareholders were thoroughly reviewed by the Committee prior to submission to the Board for approval.

Internal control

The Committee monitored the system of internal controls throughout the year under review and as described in more detail later in this Report on pages 40 – 41. It receives a report by exception at its annual and half-yearly results meetings and reviews a schedule of key risks at each meeting.

Valuation of investments

The Adviser prepared valuations of the investments in the portfolio at the end of each quarter and these were considered in detail and agreed by the Investment Committee for recommendation to the Board. The Audit Committee continued to monitor whether the controls in place for the preparation of these valuations were adequate. As part of this process, it focused on ensuring that both the bases of the valuations and any assumptions used were reasonable and in accordance with the IPEVC Valuation Guidelines. The Committee received a report on the valuations from the external auditor as part of both the year-end audit process and the half-yearly review. These reports were discussed in full by the Committee with the Auditor and the Adviser before a recommendation to approve the valuations was made to the Board.

The key accounting and reporting issues considered by the Committee during the year have included:

Going concern

The Committee monitors the Company's resources to satisfy itself that the Company has an adequate level of resources for the foreseeable future. Consideration is given to the cash balances and holdings in money market funds, together with the ability of the Company to realise its investments.

Recognition of impairment and realised losses

If an investment has been impaired such that there is no realistic expectation that there will be a full return from the investment, the loss is treated as a permanent impairment and is recognised as a realised loss in the financial statements. The Committee reviews the appropriateness and completeness of such impairments.

Compliance with the VCT tests

The Company engages the services of a VCT Status Adviser to advise on its ongoing compliance with the legislative requirements relating to VCTs. A report on the Company's compliance supported by the tests carried out is produced by the VCT Status Adviser on a bi-annual basis and reviewed by the Committee for recommendation to the Board.

Key risks faced by the Company

The Board has identified the key risks faced by the Company and established appropriate controls. The Committee monitors these controls and reviews any incidences of non-compliance. Further details are set out in the section of this report that discusses the Company's system of internal controls (pages 40 – 41).

Relationship with the external Auditor

The Committee is responsible for overseeing the relationship with the external Auditor, assessing the effectiveness of the external audit process and making recommendations on the appointment and removal of the external Auditor. It makes recommendations to the Board on the level of audit fees and the terms of engagement for the Auditor. The external Auditor is invited to attend

Audit Committee meetings, where appropriate, and also meets with the Committee and its Chairman without representatives of the Adviser being present.

The Auditor prepares an audit strategy document on an annual basis. This provides information on the audit team and timetable, audit scope and objectives, evaluation of materiality, initial assessment of key audit and accounting risks, confirmation of independence and proposed fees. This is reviewed and approved by the Audit Committee and provides the Committee with an opportunity to consider the audit approach and to raise any queries with the Auditor. The Chairman meets with the Auditor at the audit planning stage. The outcome of the review together with any actions that have arisen are formally minuted and a summary is submitted to the Board for consideration.

The Audit Committee undertakes a review of the external Auditor and the effectiveness of the audit process on an annual basis. When assessing the effectiveness of the process, the Committee considers whether the Auditor has:

– demonstrated strong technical knowledge and a clear understanding of the business;
– indicated professional scepticism in key judgements and raised any significant issues in advance of the audit process commencing;
– an audit team that is appropriately resourced;
– demonstrated a proactive approach to the audit planning process and engaged with the Committee chairman and other key individuals within the business;
– provided a clear explanation of the scope and strategy of the audit;
– the ability to communicate clearly and promptly with the members of the Committee and the Adviser and produce comprehensive reports on its findings;
– demonstrated that it has appropriate procedures and safeguards in place to maintain its independence and objectivity; and
– charged justifiable fees in respect of the scope of services provided.

Non-audit services

The Board regularly reviews and monitors the external Auditor's independence and objectivity. As part of this it reviews the nature and extent of services supplied by the Auditor to ensure that independence is maintained. The Audit Committee has concluded that it is in the interests of the Company to purchase certain non-audit services from the external Auditor given its knowledge of the Company. The services contracted for during the year were tax compliance services, incentive fee matters, the review of the half-yearly report and iXBRL tagging. Subsequent to its review, the Audit Committee was satisfied that audit independence had been maintained as the fees involved were relatively small compared to those for the audit and, with the exception of the half-yearly review and the review of the incentive fee, the work is undertaken by separate teams and does not involve undertaking any management role in preparing the information reported in the accounts.

Re-appointment of the external auditor

The Committee makes recommendations to the Board for the appointment and re-appointment of the independent Auditor. It is the Company's policy that the audit services contract should be put out to tender at least every ten years and the last tender process took place in 2007. However, should the Committee be dissatisfied with the standard of service received from the incumbent Auditor in the interim, a tender process would be undertaken.

The Audit Committee assesses the effectiveness of the external audit process annually and makes a recommendation to the Board on the re-appointment of the Auditor. This is considered by the Board prior to agreeing the recommendation to shareholders for the re-appointment of the Auditor at each annual general meeting of the Company. As part of its review, the Audit Committee considers the performance of the Auditor and whether it has met the agreed audit plan, the quality of its reporting in its management letter and the cost-effectiveness of the service provided as well as the manner in which it has handled key audit issues and responded to the Committee's questions. The Committee concluded that the re-appointment of BDO as Auditor was in the best interests of the Company and of shareholders and its recommendation was endorsed by the Board.

Investment management and service providers

Mobeus acts as Investment Adviser and provides administrative and company secretarial services to the Company. The Directors carry out an Annual Review of the performance of and contractual arrangements with the Adviser. The annual review of the Adviser forms part of the Board's overall internal control procedures as discussed elsewhere. As part of this review, the Board considers the quality and continuity of the investment management team, investment performance, quality of information provided to the Board, remuneration of the Adviser, the investment process and the results achieved to date. A review of the performance of the Company is included in the Strategic Report on pages 6 – 28. The Board concluded that the Adviser has performed consistently well over the medium term and has returned a good performance in respect of the year under review. The Company's investment portfolio has performed well, demonstrating the success of the Company's strategy of investing primarily in MBOs of established companies. The strength of the Adviser in its sector is further evidenced by the fact that Mobeus was voted VCT Manager of the Year 2014 at the ***unquote"*** British Private Equity Awards 2014, for the third consecutive year.

The Board places significant emphasis on the Company's performance against its peers and further information on this has been included in the Strategic Report on page 10. The Board further considered the Adviser's commitment to the promotion of the Company and was satisfied that this was highly prioritised by the Adviser as evidenced by, inter alia, the Mobeus VCT fundraisings and shareholder events which had taken place annually since 2010.

The Board considers that the Adviser continues to exercise independent judgement while producing valuations which reflect fair value. Overall, the Board continues to believe that the Adviser possesses the experience, knowledge and

Corporate Governance Statement

resources that are required to support the Board in achieving the Company's long term investment objectives. The Directors therefore believe that the continued appointment of Mobeus as Adviser to the Company on the terms currently agreed is in the interests of shareholders and this was formally approved by the Board on 17 September 2014.

The principal terms of the Company's Investment Management Agreement dated 29 March 2010, its Performance Incentive Fee Agreement dated 30 September 2014 and the previous contractual arrangements prior to this date are set out in Note 3 to the Accounts on pages 52 – 53 of this Annual Report. The Board seeks to ensure that the terms of these Agreements represent an appropriate balance between cost and incentivisation of the Adviser.

Board meetings and the relationship with the Investment Adviser

The Board meets at least quarterly and is in regular contact with the Adviser between these meetings. The Board held seven formal meetings during the year with full attendance from each of the Directors that were required to attend. The Board met informally on other occasions.

The Board and the Adviser aim to work together in a supportive, cooperative and open manner. The Board has overall responsibility for the Company's affairs including the determination of its Investment Policy. The Adviser takes the initiative on most aspects of the Company's operations, under the guidance and formal approval of the Board and the Board has agreed policies with the Adviser covering key operational issues. All investment, divestment and variation decisions are made by the Board having considered formal recommendations from the Adviser. The Adviser updates the Board on developments at each of the investee companies, including decisions and discussions at board meetings, if appropriate, through quarterly valuation reports, presentations to quarterly Board meetings of the VCT and otherwise when specific issues requiring the Board's attention emerge. The Board has delegated to the Adviser authority to attend and vote at general meetings of each of the investee companies in the portfolio as its Corporate Representative. The Adviser consults the Board concerning extraordinary agenda items particularly when a proposed resolution concerns an issue that may impact on the Company's economic interest. It is however authorised to vote as it thinks appropriate on standard agenda items.

The primary focus at Board meetings is the review of investment performance and associated matters as well as the monitoring of financial and other internal controls including maintenance of VCT status and the level of share price discount or premium. The Board regularly considers overall strategy and has since 2012 held, together with the Adviser, an annual strategy meeting. The Board monitors the investments made by the Adviser to ensure that the overall investment portfolio is in line with the Company's Investment Policy. The Board also considers peer group performance, asset allocation and wider industry and economic issues in reviewing investment performance and strategy.

Both the Administrator and Investment Adviser report by exception on matters that may be of relevance to financial reporting and on other matters as appropriate on a quarterly basis.

Custody of documents of title for unquoted investments

Responsibility for the safekeeping of the documents of title in respect of all the venture capital investments in the Company's portfolio is under the direct control of the Board with effect from 22 July 2014. Named individuals who provide company secretarial services to the Company are accountable to the Board for all movements of certificates in and out of the system. This new arrangement was introduced following a change in the Adviser's permissions as an authorised entity under the Financial Conduct Authority as a result of the Company's appointment as its own Alternative Investment Fund Manager. A system of controls has been agreed by the Audit Committee to monitor the safe-keeping and regular audit of these documents.

VCT status monitoring

The Company retained PriceWaterhouse Coopers (PwC) to advise on its compliance with the tax legislative requirements relating to VCTs until 11 December 2014 and appointed Robertson Hare LLP to succeed PwC on 11 December 2014. The VCT Status Adviser advises the company on compliance with requirements of the Venture Capital Trust tax legislation on the basis of information provided by Mobeus. Mobeus also seeks professional advice in relation to the application of the venture capital trust legislation to any company in which the Company is proposing to invest. The Directors monitor the continuing tests for the Company's VCT status at Board meetings

Internal control

The Board acknowledges that it is responsible for the Company's system of internal control and for reviewing its effectiveness. Internal control systems are designed to manage the particular needs of the Company and the risks to which it is exposed and can by their nature only provide reasonable and not absolute assurance against material misstatement or loss.

These aim to ensure the maintenance of proper accounting records, the reliability of the financial information used for publication and upon which business decisions are made, and that the assets of the Company are safeguarded. The financial controls operated by the Board include the authorisation of the investment strategy and regular reviews of the financial results and investment performance.

The Board has put in place ongoing procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process an annual review of the control systems is carried out in accordance with the Turnbull guidelines for internal control. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company and includes a review of the risks in relation to the financial reporting process. Each risk is considered with regard to:

- The controls exercised at Board level;
- Reporting by service providers;
- Controls relied upon by the Board;
- Exceptions for consideration by the Board;
- Responsibilities for each risk and its review period; and
- Risk rating.

As part of this process, investment risk is spread by means of a diversified investment portfolio, as more fully described in the Investment Review and set out in the Investment Portfolio Summary on pages 12 – 25. The Board reviews a schedule of key risks at each Board meeting which identifies the risk, controls, any deficiencies that have arisen in the quarter and action to be taken. Each Board meeting reviews the management accounts, and Annual or Half-Yearly Reports arising therefrom, prepared by the administrator.

The Board has delegated, contractually to third parties, the management of the investment portfolio, the day-to-day accounting, company secretarial and administration requirements and the registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company. The Board receives and considers regular reports from the Adviser and information is supplied to the Board as required. It remains the role of the Board to keep under review the terms of the Investment Services Agreement with the Adviser.

The Board, assisted by the Audit Committee, carries out separate assessments in respect of the Annual and Half-Year Reports and other published financial information. As part of these reviews, the Board appraises all the relevant risks ensuing from the internal control process referred to above. The main aspects of the internal controls which have been in place throughout the year in relation to financial reporting are:

- Full internal controls are in place for the preparation and reconciliation of the valuations prepared by the Adviser;
- The Board undertakes a quarterly review of the valuations of investments within the portfolio recommended by the Adviser. In addition to this internal review, the Board considers and takes comfort from the external Auditor's reports on the valuations produced at the half-year stage and as part of the annual audit of the Company;
- Bank and money market fund reconciliations are carried out monthly by the Administrator;
- The information contained in the Annual Report and other financial reports is reviewed separately by the Audit Committee prior to consideration by the Board; and
- The Board reviews all financial information prior to publication.

This system of internal control and the procedure for the review of control systems referred to above has been in place and operational throughout the year under review and up to the date of this Report. The assessment of the effectiveness of internal controls in managing risk was conducted on the basis of reports from the relevant service providers. The last review took place on 4 December 2014. The Board has identified no significant problems with the Company's internal control mechanisms.

Shareholder communications

The Board has a duty to promote the success of the Company and to ensure that its obligations to shareholders are met. The Company communicates with shareholders and solicits their views where it is appropriate to do so. The Adviser publishes a twice-yearly VCT shareholder newsletter which contains information on the portfolio and recent investment and corporate activity. Shareholders are welcome at annual general meetings of the Company which provide a forum for them to ask questions of the Directors and the Adviser and to discuss issues affecting the Company with them. The Adviser organises an annual shareholder event in which shareholders are encouraged to participate.

Shareholders may contact the Chairman of the Audit Committee if they have concerns which contact through the Chairman or Adviser has failed to resolve or for which such contact is inappropriate.

The Board approves the Annual Report for circulation to shareholders. The Board normally has a direct involvement in the content of communications regarding major corporate events even if the Adviser is asked to act as spokesman.

The Notice of the Annual General Meeting to be held on 12 February 2015 accompanies this Annual Report. Notice of general meetings is normally sent to shareholders allowing a minimum of 20 working days before each meeting. Separate resolutions are proposed for each substantive issue. The number of proxy votes received for each resolution is announced after each resolution has been dealt with on a show of hands and is published on the Company's website www.incomeandgrowthvct.co.uk.

Additional disclosures in the Directors' Report

Disclosures required by certain publicly-traded companies as set out in Part 6 of Schedule 7 of the The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are contained in the Directors' Report.

By order of the Board

Mobeus Equity Partners LLP

Secretary

16 December 2014

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year and the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with United Kingdom accounting standards, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- prepare a Strategic Report, a Directors' Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to Disclosure and Transparency Rule 4 of the UK Listing Authority

The Directors confirm to the best of their knowledge that:

(a) The Financial Statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and give a true and fair view of the assets, liabilities, financial position and the profit of the Company.

(b) The Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

Having taken advice from the Audit Committee, the Board considers the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A and schedule 10A of the Financial Services and Markets Act 2000.

The names and functions of the Directors are stated on page 29.

For and on behalf of the Board:

Colin Hook

Chairman

16 December 2014

Independent Auditor's Report to the Members of The Income & Growth VCT plc

We have audited the financial statements of The Income & Growth VCT plc for the year ended 30 September 2014 which comprises the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our assessment of risks of material misstatement and our audit approach to these risks

We identified the following risks that we consider to have had the greatest impact on our audit strategy and scope:

- **The assessment of the carrying value of investments, particularly unquoted investments.**

  This is a key accounting estimate where there is an inherent risk of management override arising from the investment valuations being prepared by the Investment Adviser, who is remunerated based on the net asset value of the fund, derived using those valuations.

  We challenged the assumptions inherent in the valuation of unquoted investments, which are mainly valued on an earnings multiple basis, and we assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements. Our audit procedures included reviewing the historical financial statements and recent management information available for the unquoted investments used to support assumptions about maintainable earnings used in the valuations, consideration of the earnings multiples applied by reference to observed listed company market data and we challenged the adjustments made to such market data in establishing the earnings multiple applied in arriving at the valuations adopted. Where alternative assumptions could reasonably be applied, we developed our own point estimates and considered the overall impact of such sensitisations on the portfolio of investments in determining whether the valuations as a whole are reasonable and unbiased.

  Where other valuation approaches were adopted, in addition to challenging the assumptions used, we considered the appropriateness of the valuation techniques adopted by reference to both the circumstances of the investee company and the International Private Equity and Venture Capital Valuation guidelines.

  We tested the prices of all quoted investments to independent sources.

- **Revenue recognition**

  Revenue consists of dividends receivable from investee companies and interest earned on loans to investee companies and cash balances. Revenue recognition is considered to be a significant audit risk as it is a key driver of dividend returns to investors. In particular, as the company invests primarily in unquoted companies, dividends receivable can be difficult to predict.

  We assessed the design and the implementation of the controls relating to revenue recognition and we developed expectations for interest income receivable based on loan instruments and investigated any variations in amounts recognised to ensure they were valid. We considered whether the accounting policy had been applied correctly by management in determining provisions against income where recovery is considered doubtful, considering management information relevant to the ability of the investee company to service the loan and the reasons for any arrears of loan interest. We also tested dividends receivable through comparing actual income to expectations set based on independent published data on dividends declared by the investee companies held. We tested the categorisation of dividends received from investee companies between revenue and capital.

  The Audit Committee's consideration of these key issues is set out on page 38.

Purpose of this report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements and our application of materiality

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Our application of the concepts of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider

Independent Auditor's Report to the Members of The Income & Growth VCT plc

materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements.

We determined materiality for the financial statements as a whole to be £790,000. In determining this, we based our assessment on a percentage of fixed asset investments held at fair value which reflects the underlying level of precision within the valuation of the investment portfolio and the range of reasonably possible alternative valuations that could be expected to apply to the unquoted investments. On the basis of our risk assessment, together with our assessment of the company's control environment, our judgement was that performance materiality for the financial statements should be 75% of materiality for the financial statements as a whole, namely £592,500. Our objective in adopting this approach is to ensure that total detected and undetected audit differences do not exceed our materiality of £790,000 for the financial statements as a whole.

International Standards on Auditing (UK & Ireland) also require the auditor to set a lower materiality for particular classes of transaction, balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. In this context, we set a lower level of materiality to apply to those classes of transactions and balances which impact on the costs and the net realised returns of the company. We determined materiality for this area to be £150,000.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £15,800, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 36 – 41 of the Annual Report with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- is otherwise misleading

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 31 in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

We have nothing to report in respect of these matters.

Jason Homewood
(Senior statutory auditor)
For and on behalf of BDO LLP,
statutory auditor
London
United Kingdom

17 December 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

For the year ended 30 September 2014

	Notes	Year ended 30 September 2014 Revenue £	Capital £	Total £	Year ended 30 September 2013 Revenue £	Capital £	Total £
Net unrealised gains on investments	9	–	3,730,169	3,730,169	–	5,900,080	5,900,080
Net gains on realisation of investments	9	–	2,713,796	2,713,796	–	1,093,304	1,093,304
Income	2	3,203,322	–	3,203,322	2,488,388	533,750	3,022,138
Investment Adviser's fees	3a	(374,025)	(1,122,076)	(1,496,101)	(321,777)	(965,335)	(1,287,112)
Investment Adviser's performance fees	3b	–	(1,392,454)	(1,392,454)	–	(106,778)	(106,778)
Other expenses	4	(411,517)	–	(411,517)	(412,241)	–	(412,241)
Profit on ordinary activities before taxation		**2,417,780**	**3,929,435**	**6,347,215**	**1,754,370**	**6,455,021**	**8,209,391**
Tax on profit on ordinary activities	5	(393,153)	393,153	–	(267,890)	267,890	–
Profit on ordinary activities after taxation for the financial year		**2,024,627**	**4,322,588**	**6,347,215**	**1,486,480**	**6,722,911**	**8,209,391**
Basic and diluted earnings per ordinary share:	6	**3.55p**	**7.58p**	**11.13p**	**2.98p**	**13.45p**	**16.43p**

All the items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year. The total column is the Profit and Loss Account of the Company. There were no other recognised gains and losses in the year.

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

The notes on pages 49 to 69 form part of these financial statements.

Balance Sheet

as at 30 September 2014

Company number: 4069483

	Notes	as at 30 September 2014 £	as at 30 September 2013 £
Fixed assets			
Investments at fair value	9	39,825,198	34,020,237
Current assets			
Debtors and prepayments	11	1,328,682	1,384,798
Current investments	12	18,914,849	22,799,201
Cash at bank	18	11,387,997	3,095,005
Total current assets		31,631,528	27,279,004
Creditors: amounts falling due within one year	13	(1,959,183)	(830,369)
Net current assets		29,672,345	26,448,635
Creditor: amounts falling due after one year	3b	(191,138)	–
Net assets		**69,306,405**	**60,468,872**
Capital and reserves			
Called up share capital	14	604,769	530,882
Share premium account	15	5,662,818	15,634,572
Capital redemption reserve	15	3,750	287,932
Capital reserve –unrealised	15	7,662,673	8,902,232
Special reserve	15	29,576,755	13,193,594
Profit and loss account	15	25,795,640	21,919,660
Equity shareholders' funds		**69,306,405**	**60,468,872**
Basic and diluted net asset value per share			
Ordinary Shares	16	**114.60p**	**113.90p**

The notes on pages 49 –69 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 16 December 2014 and were signed on its behalf by:

Colin Hook
Director

Reconciliation of Movements in Shareholders' Funds
For the year ended 30 September 2014

	Notes	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Opening shareholders' funds		60,468,872	50,551,985
Net share capital bought back in the year	15	(596,384)	(9,898,671)
Net share capital subscribed for in the year	15	8,921,832	17,647,874
Profit for the year		6,347,215	8,209,391
Dividends paid in the year	8	(5,835,130)	(6,041,707)
Closing shareholders' funds		**69,306,405**	**60,468,872**

The notes on pages 49 to 69 form part of these financial statements.

Cash Flow Statement
For the year ended 30 September 2014

	Notes	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Operating activities			
Investment income received		3,239,745	2,747,369
Other income		4,702	469
Investment Adviser's fees paid		(1,496,101)	(1,287,112)
Investment Adviser's performance fees paid		(59,672)	(3,050,234)
Other cash payments		(431,583)	(310,007)
Net cash inflow/(outflow) from operating activities	17	1,257,091	(1,899,515)
Investing activities			
Acquisition of investments	9	(10,106,043)	(2,788,442)
Disposal of investments	9	10,759,471	6,559,171
Net cash inflow from investing activities		653,428	3,770,729
Equity Dividends			
Payment of equity dividends	8	(5,827,327)	(6,049,507)
Net cash outflow before liquid resource management and financing		(3,916,808)	(4,178,293)
Management of liquid resources			
Decrease /(increase) in monies held pending investment	18	3,884,352	(5,275,761)
Financing			
Shares issued as part of the Mobeus VCTs' offer for subscription and dividend investment scheme	14	8,921,832	8,802,776
Purchase of own shares	15	(596,384)	(970,797)
Shares issued as part of the enhanced buyback facility		–	250,000
Shares bought back as part of enhanced buyback facility (including expenses)		–	(394,360)
Net cash inflow from financing		8,325,448	7,687,619
Increase/(decrease) in cash for the year	18	**8,292,992**	**(1,766,435)**

The notes on pages 49 to 69 form part of these financial statements.

Notes to the Accounts
For the year ended 30 September 2014

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below:

a) Basis of accounting

The accounts have been prepared under United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ("the SORP") issued by the Association of Investment Companies in January 2009. The financial statements are prepared under the historical cost convention except for the measurement of certain financial instruments at fair value, in accordance with FRS26.

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 the 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 are 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 on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

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 Manager 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 permanent 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 Adviser, will agree the values that represent the extent to which an investment loss 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 on 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.

Notes to the Accounts
For the year ended 30 September 2014

d) Cash and liquid resources
Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand. Liquid resources are current asset investments which are realisable without curtailing or disrupting the business and are readily convertible into known amounts of cash at their carrying values. Liquid resources also comprise term deposits of less than one year (other than cash) and investments in money market managed funds.

e) Income
Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received.

Interest income on loan stock and dividends on preference shares are accrued on a daily basis. Provision is made against this income where recovery is doubtful. Where the loan stocks only require interest or a redemption premium to be paid on redemption, the interest and redemption premium is recognised as income once redemption is reasonably certain. Until such date interest is accrued daily and included within the valuation of the investment, where appropriate.

f) Capital reserves
(i) *Realised (included within the Profit and Loss Account reserve)*
The following are accounted for in this reserve:

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

(ii) *Revaluation reserve (Unrealised capital reserve)*
Increases and decreases in the valuation of investments held at the year-end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

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

(iii) *Special distributable reserve*
The cost of share buybacks are charged to this reserve. In addition, any realised losses on the sale of investments, and 75% of the management fee expense, 100% of performance incentive fees and the related tax effect, are transferred from the Profit and Loss Account reserve to this reserve.

g) Dividends
Dividends payable are recognised as distributions in the financial statements when the Company's liability to make payment has been established. This liability is established for interim dividends when they are paid, and for final dividends when they are approved by the shareholders, usually at the Company's annual general meeting

h) Expenses
All expenses are accounted for on an accruals basis.

25% of the Investment Adviser's fees are charged to the revenue column of the Income Statement, while 75% is charged against the capital column of the Income Statement. This is in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

100% of any performance incentive fee payable for the period is charged against the capital column of the Income Statement, as it is based upon the achievement of capital growth. The amounts accrued will include amounts payable in excess of the 2% cap on opening net assets, which are payable beyond year one. See note 3b for further details.

Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment, which are written off to the capital column of the Income Statement or deducted from the disposal proceeds as appropriate.

i) Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in the tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

A deferred tax asset is recognised only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilised.

Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital reserve – realised and a corresponding amount is charged against revenue. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

2. Income

	2014 £	2013 £
Income from investments		
– from equities	640,450	813,927
– from OEIC funds	48,387	48,954
– from loan stock	2,335,077	1,929,482
– from bank deposits	162,037	229,306
– from interest on preference share dividend arrears	12,668	–
	3,198,619	3,021,669
Other income	4,703	469
Total income	**3,203,322**	**3,022,138**
Total income comprises		
Revenue dividends received	688,837	329,131
Capital dividends received	–	533,750
Interest	2,509,782	2,158,788
Other Income	4,703	469
Total income	**3,203,322**	**3,022,138**
Income from investments comprises		
Listed UK securities	16,000	29,168
Listed overseas securities	48,387	48,954
Unlisted UK securities	2,972,195	2,714,241
Total income	**3,036,582**	**2,792,363**

Total loan stock interest due but not recognised in the year was £270,298 (2013: £294,421).

Notes to the Accounts

For the year ended 30 September 2014

3a. Investment Adviser's fees

	Revenue 2014 £	Capital 2014 £	Total 2014 £	Revenue 2013 £	Capital 2013 £	Total 2013 £
Mobeus Equity Partners LLP	**374,025**	**1,122,076**	**1,496,101**	**321,777**	**965,335**	**1,287,112**

Under the terms of a revised investment management agreement dated 29 March 2010, Mobeus Equity Partners LLP ("Mobeus") provides investment advisory, administrative and company secretarial services to the Company, for a fee of 2.4% per annum of closing net assets, calculated on a quarterly basis by reference to the net assets at the end of the preceding quarter. One sixth of this fee is subject to minimum and maximum limits of £150,000 (2013: £150,000) and £170,000 (2013: £170,000) per annum respectively.

The investment adviser fees disclosed above are stated after applying a cap on expenses excluding IFA trail commission and exceptional items set at 3.25% of closing net assets at the year-end. In accordance with the investment management agreement any excess expenses are wholly borne by the Investment Adviser. The excess expenses during the year attributable to the Investment Adviser amounted to £nil (2013: £nil).

3b. Investment Adviser's performance fees

Portfolio	Revenue 2014 £	Capital 2014 £	Total 2014 £	Revenue 2013 £	Capital 2013 £	Total 2013 £
Mobeus Equity Partners LLP	–	1,087,737	1,087,737	–	38,811	38,811
Mobeus Equity Partners LLP – due > 1 year	–	191,138	191,138	–	–	–
Mobeus Equity Partners LLP/Foresight Group LLP	–	(8,061)	(8,061)	–	67,967	67,967
Foresight Group LLP	–	121,640	121,640	–	–	–
	–	**1,392,454**	**1,392,454**	**–**	**106,778**	**106,778**

Under a Deed of Termination and Variation relating to Performance Incentive Agreements dated 29 March 2010, the Investment Adviser's Incentive Agreement for the former 'O' Share Fund was continued, while the former 'S' Share Fund's Incentive Agreement was terminated. Under the terms of the pre-merger 'O' Share Fund Incentive Agreement, each of the ongoing Investment Adviser, Mobeus Equity Partners LLP and a former Investment Adviser, Foresight Group LLP ("Foresight") are entitled to a performance fee equal to 20% of the excess of the value of any realisation of an investment made after 30 June 2007, over the value of that investment in an Investment Adviser's portfolio at that date ("the Embedded Value"), which value is itself uplifted at the rate of 6% per annum subject to a High Watermark test.

Under the above agreement, the Investment Adviser (Mobeus) was entitled to an incentive fee for the year ended 30 September 2012 of £491,811 (on the Mobeus portfolio) (2013: £491,811). This sum of £491,811 was invoiced on 30 September 2014, and settled shortly after the year-end. No fee was payable upon the Mobeus portfolio for the year ended 30 September 2013. £59,672 was paid on the ex-Foresight portfolio for the year ended 30 September 2013, and was shared between Mobeus and Foresight. This was revised down from the figure accrued at 30 September 2013 of £67,733, by £8,061.

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 is payable. 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 net asset value of 113.90 pence, being 119.60 pence. As Cumulative Total NAV return is 124.24 pence per share, the Target Return has been met and a fee is 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 is payable to Mobeus for the year ended 30 September 2014. The 2% cap, referred to above, means that £191,138 of this is not payable until the following year. This is disclosed as a creditor falling due after one year, on the balance sheet.

Under the terms of the Mobeus advised VCTs' linked Offer for Subscription launched on 28 November 2013, Mobeus is entitled to fees of 3.25% of the investment amount received from investors. This amount totalled £1,096,156 across all four VCTs involved in the Offer, out of which all costs associated with the Offer were met, excluding any payments to advisers facilitated under the terms of the Offer.

Under the terms of an Offer for Subscription with the other Mobeus advised VCTs launched on 10 December 2014, Mobeus are entitled to fees of 3.25% of the investment amount received from investors. Based upon a fully subscribed offer of £39 million across all four VCTs, this would equal £1,267,500, out of which all the costs associated with the Offer are met, excluding any payments to advisers facilitated under the terms of the Offer.

4. Other expenses

	2014 £	2013 £
Directors' remuneration (including NIC) (see note 7)	128,213	136,788
IFA trail commission	58,993	55,896
Broker's fees	12,000	12,000
Auditor's fees – Audit of company (see note a)	29,520	29,915
– other services supplied relating to taxation	5,460	5,280
– other services supplied pursuant to legislation	3,000	3,660
– other services (see note b)	6,000	6,000
VCT monitoring fees	12,000	12,000
Registrar's fees	45,752	36,705
Printing	29,398	27,970
Legal & professional fees	26,830	16,205
Directors' insurance	7,048	6,280
Listing and regulatory fees	45,039	36,429
Sundry	2,264	2,155
Running costs	411,517	387,283
Provision against loan interest receivable (note c)	–	24,958
Other expenses	**411,517**	**412,241**

The Directors consider the Auditor was best placed to provide the other services disclosed above. The Audit Committee reviews the nature and extent of these services to ensure that auditor independence is maintained.

Note a: Included within this figure is £nil (2013: £2,440) in respect of additional fees paid to the auditor as part of the audit.

Note b: Included within this figure are fees of £6,000 (2013: £6,000) paid to the Auditor relating to the review of the Investment Advisers' performance fee calculation.

Note c: Provision against loan interest receivable above relates to an amount of £nil (2013: £24,958), being a provision made against loan stock interest regarded as collectable in previous years.

Notes to the Accounts

For the year ended 30 September 2014

5. Tax on ordinary activities

	2014 Revenue £	2014 Capital £	2014 Total £	2013 Revenue £	2013 Capital £	2013 Total £
a) Analysis of tax charge:						
UK Corporation tax on profits/(losses) for the year	393,153	(393,153)	–	267,890	(267,890)	–
Total current tax charge/(credit)	**393,153**	**(393,153)**	**–**	**267,890**	**(267,890)**	**–**
Corporation tax is based on a rate of 22% (2013: 20%)						
b) Profit on ordinary activities before tax	**2,417,780**	**3,929,435**	**6,347,215**	**1,754,370**	**6,455,021**	**8,209,391**
Profit on ordinary activities multiplied by main company rate of corporation tax in the UK of 20% (2013: small company rate: 20%)	531,911	864,476	1,396,387	350,874	1,291,004	1,641,878
Effect of:						
UK dividends	(140,899)	–	(140,899)	(56,035)	(106,750)	(162,785)
Unrealised gains not taxable	–	(820,637)	(820,637)	–	(1,180,016)	(1,180,016)
Realised gains not taxable	–	(597,035)	(597,035)	–	(218,661)	(218,661)
Disallowable expenses	2,141	–	2,141	–	–	–
Unrelieved expenditure	–	160,043	160,043	–	–	–
Impact of marginal rate	–	–	–	53,467	(53,467)	–
Losses brought forward	–	–	–	(80,416)	–	(80,416)
Actual current tax charge	**393,153**	**(393,153)**	**–**	**267,890**	**(267,890)**	**–**

Tax relief relating to investment management fees is allocated between revenue and capital where such relief can be utilised.

No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments as the Company is exempt from corporation tax in relation to capital gains or losses as a result of qualifying as a Venture Capital Trust.

There is no potential liability to deferred tax (2013: £nil). There is an unrecognised deferred tax asset of £1,326,000 (2013: £1,060,000).

6. Basic and diluted earnings per share

	2014 £	2013 £
Total earnings after taxation:	6,347,215	8,209,391
Basic and diluted earnings per share (note a)	**11.13p**	**16.43p**
Revenue profit from ordinary activities after taxation	2,024,627	1,486,480
Basic and diluted revenue earnings per share (note b)	**3.55p**	**2.98p**
Net unrealised capital gains on investments	3,730,169	5,900,080
Net realised capital gains on investments	2,713,796	1,093,304
Capital dividend	–	533,750
Capitalised Investment Adviser fees less taxation	(728,923)	(697,445)
Investment Advisers' performance fees	(1,392,454)	(106,778)
Total capital return	4,322,588	6,722,911
Basic and diluted capital earnings per share (note c)	**7.58p**	**13.45p**
Weighted average number of shares in issue in the year	57,022,101	49,959,629

Note a) Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
Note b) Revenue earnings per share is the revenue profit after taxation divided by the weighted average number of shares in issue.
Note c) Capital earnings per share is the total capital gain after taxation divided by the weighted average number of shares in issue.

7. Directors' remuneration

	2014 £	2013 £
Directors' emoluments		
Colin Hook	46,000	46,000
Helen Sinclair	36,000	36,000
Jonathan Cartwright	36,000	41,000
	118,000	123,000
Employer's NIC and VAT	10,213	13,788
	128,213	**136,788**

8. Dividends paid and payable

	2014 Revenue £	2014 Capital £	2014 Total £	2013 Revenue £	2013 Capital £	2013 Total £
Dividends on ordinary equity shares						
Interim – year ended 30 September 2013 – nil p (2012: 3p income and 3p capital)	–	–	–	1,431,155	1,431,155	2,862,310
Final – year ended 30 September 2013: – 1.25p revenue and 2.75p capital paid on 12 March 2014 (2012 - nil p)	695,725	1,530,655	2,226,380	–	–	–
Interim – year ended 30 September 2014 – 1p income and 5p capital paid on 3 July 2014 (2013: 1p income and 5p capital)	601,458	3,007,292	3,608,750	529,900	2,649,497	3,179,397
Total paid in year	**1,297,183**	**4,537,947**	**5,835,130***	**1,961,055**	**4,080,652**	**6,041,707***

*- Of these amounts £727,916 (30 September 2013: £710,241) was re-invested in new shares, issued as part of the Company's Dividend Investment Scheme. The amount of £5,835,130 above is £7,803 more than the amount of £5,827,327 shown in the Cash Flow Statement. £7,803 was received back in the year, on shares subject to a share buyback in the previous year.

	2014 Revenue £	2014 Capital £	2014 Total £	2013 Revenue £	2013 Capital £	2013 Total £
Amounts paid as a second interim distribution to equity holders after the year-end:						
Second interim dividend for the year ended 30 September 2014 of 2.00p (income) (2013: nil p); 6.00p (capital) (2013: nil p) per ordinary share) on 30 October 2014	1,210,439	3,631,316	4,841,755	–	–	–
Proposed distribution to equity holders at the year-end						
Final dividend for the year ended 30 September 2014 of nil p (income) (2013: 1.25p); 4.00p (capital) (2013: 2.75p) per ordinary share	–	2,445,174	2,445,174	695,725	1,530,655	2,226,380

Any proposed final dividend is subject to approval by shareholders at the Annual General Meeting of the Company to be held on 12 February 2015. This and the second interim dividend paid on 30 October 2014 have not been included as a liability in these financial statements.

Set out below are the total income dividends payable in respect of the financial year, which is the basis on which the requirements of Section 259 of the Income Tax Act 2007 are considered.

	2014 £	2013 £
Revenue available by way of dividends for the year	2,024,627	1,486,480
Interim income dividend for the year – 1p (2013: 1p)	601,458	529,900
Second interim income dividend for the year – 2p (2013: 1.25p) paid on 30 October 2014	1,210,445	663,603
Total income dividends for the year	1,811,903	1,193,503

Notes to the Accounts
For the year ended 30 September 2014

9. Investments

	2014 £	2013 £
Traded on AIM	2,146,825	1,979,124
Unquoted equity shares	11,128,882	11,416,576
Unquoted preference shares	48,755	34,963
Loan stock	26,500,736	20,589,574
Total	**39,825,198**	**34,020,237**
Brought forward net unrealised gains now realised	4,969,729	(1,391,006)
Realised gains during the year	2,881,140	1,104,312
Transaction costs	(167,344)	(11,008)
Total realised gains for the year	7,683,525	(297,702)
Unrealised gains for the year	3,730,169	5,900,080
Total gains for the year	**11,413,694**	**5,602,378**

Summary of movement on investments during the year

	Traded on AIM £	Unquoted ordinary shares £	Preference shares £	Qualifying loans £	Total £
Cost at 30 September 2013	3,215,129	10,760,871	50,318	19,673,215	33,699,533
Realised losses on investments still held	(2,376,252)	(4,516,905)	(787)	(227,462)	(7,121,406)
Unrealised (losses)/gains	1,140,247	5,172,610	(14,568)	1,143,821	7,442,110
Valuation at 30 September 2013	**1,979,124**	**11,416,576**	**34,963**	**20,589,574**	**34,020,237**
Purchases at cost	30	2,774,400	1,795	8,858,806	11,635,031
Sales – proceeds	(2,042)	(7,961,602)	(1,111)	(4,540,624)	(12,505,379)
Reclassification	–	(133,100)	1,838	131,262	–
Realised gains	2,042	2,578,411	–	300,687	2,881,140
Unrealised gains in the year	167,671	2,454,197	11,270	1,161,031	3,794,169
Valuation at 30 September 2014	**2,146,825**	**11,128,882**	**48,755**	**26,500,736**	**39,825,198**
Cost at 30 September 2014	1,333,907	12,312,832	52,840	24,533,099	38,232,678
Realised losses on investments still held	(500,000)	(4,516,904)	(787)	(227,462)	(5,245,153)
Unrealised gains/(losses) at 30 September 2014	1,312,918	3,332,954	(3,298)	2,195,099	6,837,673
Valuation at 30 September 2014	**2,146,825**	**11,128,882**	**48,755**	**26,500,736**	**39,825,198**

Transaction costs on the purchase and disposal of investments of £167,344 were incurred in the year. These are excluded from realised gains shown above of £2,881,140, but were deducted in arriving at gains on realisation of investments in the Income Statement of £2,713,796. Also, unrealised gains above of £3,794,169 differ from that shown in the Income Statement of £3,730,169. The difference of £64,000 is a net reduction for the year in the estimated fair value of contingent consideration held at the balance sheet date of £825,000 (2013: £889,000), included within other debtors in Note 11. This reduction is because consideration of £492,579 was received in the year, against which a further increase of £428,879 in the value of remaining contingent consideration has been made. This £825,000 contingent consideration also explains all of the difference between unrealised gains/(losses) at 30 September 2014 above of £6,837,673 and that shown on note 15 of £7,662,673.

Reconciliation of cash movements in investment transactions

The difference between disposals in the investments note above of £12,505,379 and the disposals figure per the Cash Flow Statement of £10,759,471 is £1,745,908. This relates to transaction costs of £167,344, proceeds of £1,529,075 received in the form of equity and loan stock as part of the partial realisation of ATG Media Holdings Limited and retention amounts due to the Company of £49,489, also due from the ATG Media Holdings Limited transaction.

The difference between investment additions above of £11,635,031 and that per the Cash Flow Statement of £10,106,043 is £1,528,988, being £1,529,075 of equity and loan stock proceeds from ATG Media Holdings Limited as referred to above and £87 relating to investments not completed by the year-end.

Provisions and write-offs against unlisted investments

The amounts provided below cost at the end of the year or written-off against unlisted investments were as follows:

	Total Provisions at end of year £	Net write-offs in year[1] £
Financial Year		
2014	6,381,156	(1,876,253)[2]
2013	10,475,290	2,001,476
2012	11,991,733	313,850
2011	11,206,678	1,881,554
2010	11,575,422	2,524,527
2009	10,537,427	300,000
2008	8,588,728	1,439,350

Details of the movements in unrealised gains and losses in the year are disclosed within the Investment Portfolio Summary on pages 20 – 25.

Major movements in investments

ATG Media Holdings Limited was partially realised during the year realising net cash proceeds of £3,099,315, and new equity instruments and loan stock with a value totalling £1,529,075 at the date of sale. The carrying value at 30 September 2013 was £3,686,911. Machineworks Software Limited was realised in the year for net proceeds of £734,282, realising a net gain in the year of £159,943. DiGiCo Global Limited was realised in the year for net proceeds of £1,139,517, realising a net gain in the year of £390,932. Monsal Holdings Limited was realised in the year for net proceeds of £673,792, realising a net gain in the year of £661,536. Alaric Systems Limited was realised in the year for net proceeds of £2,542,018, realising a net gain in the year of £477,947.

Net unrealised gains of £3,730,169 include valuation uplifts of £1,410,818 relating to Ingleby (1879) Limited (trading as EMaC), and £603,242 relating to Focus Pharma Holdings Limited and valuation reductions of £429,426 for RDL Corporation Limited and £75,310 for Lightworks Software Limited.

[1] These relate to where the value of an investment has fallen permanently below cost and is treated as a realised loss, even though the investment is still held.

[2] During the year, the Company has written back £1,876,253 of such permanent impairments, on assets now disposed of.

Notes to the Accounts
For the year ended 30 September 2014

10. Significant interests

At 30 September 2014 the Company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

	Total investment (at value) £	Percentage of investee company's total equity £
Ingleby (1879) Limited (trading as EMaC Limited)	3,863,225	9.4%
Virgin Wines Holding Company Limited (formerly Culbone Trading Limited)	2,745,503	13.7%
Gro-Group Holdings Limited	2,266,554	5.7%
Fullfield Limited (trading as Motorclean)	2,172,021	13.2%
Tessella Holdings Limited	2,119,707	7.5%
Veritek Global Limited	2,047,413	14.6%
Entanet Holdings Limited (formerly Ackling Management Limited)	2,005,371	14.0%
ASL Technology Holdings Limited	1,915,032	9.6%
Bourn Bioscience Limited	1,610,379	10.9%
Turner Topco Limited (trading as ATG Media)	1,562,600	3.8%
Tharstern Group Limited	1,543,000	16.2%
CGI Creative Graphics International Limited	1,421,703	8.4%
South West Services Investment Limited	1,342,800	16.8%
Manufacturing Services Investment Limited	1,336,800	12.5%
Blaze Signs Holdings Limited	1,174,224	12.5%
Youngman Group Limited	1,093,204	8.5%
RDL Corporation Limited	965,966	13.0%
Westway Services (2010) Limited	862,960	4.7%
Aquasium Technology Limited	823,147	16.7%
BG Training Limited (formerly Duncary 8 Limited)	485,328	25.5%
The Plastic Surgeon Holdings Limited	403,581	4.6%
CB Imports Group limited	395,312	4.2%
Vectair Holdings Limited	242,396	4.6%
Newquay Helicopters (2013) Limited	113,000	5.0%
PXP Holdings Limited	45,195	6.0%
Lightworks Software Limited	31,627	9.2%
Racoon International Holdings Limited	1,000	7.7%
Watchgate Limited	–	33.3%
Oxonica plc	–	10.6%
AlwaysOn Group Limited (formerly Data Continuity Group Limited)	–	10.3%
Nexxtdrive Limited	–	3.9%*
Biomer Technology Limited	–	3.5%*

* The percentage of equity held for these companies may be subject to further dilution of an additional 1% or more if, for example, management of the investee company exercise share options.

It is considered that, as permitted by FRS9, "Associates and Joint Ventures", the above investments are held as part of an investment portfolio, and that, accordingly, their value to the Company lies in their marketable value as part of that portfolio. In view of this, it is not considered that any of the above represents investments in associated undertakings.

All of the above companies are incorporated in the United Kingdom.

Mobeus also advises Mobeus Income and Growth VCT plc, Mobeus Income and Growth 2 VCT plc and Mobeus Income and Growth 4 VCT plc who have investments as at 30 September 2014 in the following:

	Mobeus Income & Growth VCT plc* at cost £	Mobeus Income & Growth 2 VCT plc at cost £	Mobeus Income & Growth 4 VCT plc at cost £	Total at cost £	% of equity held by funds managed by Mobeus %
Virgin Wines Holding Company Limited	2,439,351	1,284,333	1,930,812	5,654,496	42.0
Turner Topco Limited (trading as ATG Media)	2,556,578	1,349,925	1,562,600	5,469,103	17.1
Fullfield Limited (trading as Motorclean)	2,269,806	1,431,343	1,579,751	5,280,900	46.0
Veritek Global Limited	2,045,276	967,781	1,620,086	4,633,143	44.0
Gro-Group Holdings Limited	1,927,551	1,096,102	1,540,061	4,563,714	37.6
ASL Technology Holdings Limited	1,912,945	1,360,130	1,257,135	4,530,210	34.0
CGI Creative Graphics International Limited	2,556,578	731,032	1,060,269	4,347,879	26.9
Entanet Holdings Limited					
(formerly Ackling Management Limited)	1,713,522	912,057	1,369,050	3,994,629	42.0
Tharstern Group Limited	1,460,500	838,000	1,158,500	3,457,000	52.5
Tessella Holdings Limited	1,450,383	783,183	1,095,749	3,329,315	24.0
Ingleby (1879) Limited (trading as EMaC)	1,395,183	867,447	1,000,522	3,263,152	30.0
EOTH Limited	1,298,031	817,185	951,471	3,066,687	8.0
RDL Corporation Limited	1,558,334	374,870	1,000,000	2,933,204	45.2
South West Services Investment Limited	1,143,200	606,000	908,000	2,657,200	50.0
Manufacturing Services Investment Limited	1,142,400	608,000	912,800	2,663,200	50.0
Youngman Group Limited	1,000,052	1,000,052	500,026	2,500,130	29.7
Racoon International Holdings Limited	1,213,035	878,527	406,805	2,498,367	49.0
Bourn Bioscience Limited	–	757,101	1,132,521	1,889,622	23.8
CB Imports Group limited	968,750	–	484,375	1,453,125	24.0
PXP Holdings Limited	1,277,722	57,143	33,376	1,368,241	32.9
The Plastic Surgeon Holdings Limited	478,421	392,264	458,837	1,329,522	30.0
Blaze Signs Holdings Limited	610,308	437,030	190,631	1,237,969	52.5
Newquay Helicopters (2013) Limited	519,382	355,866	98,412	973,660	34.9
Focus Pharma Holdings Limited	439,598	232,114	271,566	943,278	13.0
Omega Diagnostics plc	305,030	–	200,028	505,058	9.8
Legion Group plc	150,106	150,106	150,102	450,314	0.0
Lightworks Software Limited	222,584	25,727	9,329	257,640	48.9
Vectair Holdings Limited	138,574	60,293	24,732	223,599	24.0
BG Training Limited (formerly Duncary 8 Limited)	–	–	101,995	101,995	30.6
Westway Services (2010) Holdings Limited	62,775	–	38,778	101,553	13.0
Watchgate Limited	1,000	–	1,000	2,000	100.0

* - The cost for Mobeus Income & Growth VCT plc includes the original cost of acquiring investments previously owned by Mobeus Income & Growth 3 VCT plc.

Notes to the Accounts
For the year ended 30 September 2014

11. Debtors

	2014 £	2013 £
Amounts due within one year:		
Accrued income	434,535	475,659
Prepayments	13,911	12,339
Other debtors	880,236	896,800
	1,328,682	1,384,798

12. Current Investments

	2014 £	2013 £
Monies held pending investment	18,914,849	22,799,201

This comprises cash of £12,796,794 (2013: £12,790,694) invested in five (four Dublin based and one UK based) OEIC money market funds, subject to immediate access, and £6,118,055 (2013: £10,008,507) in bank deposits at three financial institutions. These sums are regarded as monies held pending investment.

13. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	503,711	6,900
Other creditors	16,954	15,731
Accruals	1,438,518	807,738
	1,959,183	**830,369**

14. Called up share capital

	2014 £	2013 £
Allotted, called-up and fully paid:		
Ordinary Shares of 1p each: 60,476,940 (2013: 53,088,219)	604,769	530,882
	604,769	**530,882**

Under the Joint VCT Offer for Subscription launched on 28 November 2013, and which closed on 30 May 2014, a total of 7,260,906 Ordinary shares were allotted at average effective offer prices ranging from 115.45 pence to 121.55 pence per share, raising net funds of £8,193,916.

Under the terms of the Dividend Investment Scheme, a total of 728,753 shares were allotted during the year for a total consideration of £727,916 (2013: £710,241). Net share capital subscribed for the year was therefore £8,921,832.

During the year the Company purchased 600,938 (2013: 937,043) of its own shares for cash (representing 1.1% (2013: 2.0%) of the ordinary shares in issue at the start of the year) at the prevailing market price for a total cost of £596,384 (2013: £909,213).

15. Movement in share capital and reserves

	Called up Share capital £	Share premium account £	Capital redemption reserve £	Capital reserve (unrealised) (non-distributable) £	Special distributable reserve* £	Profit and loss account* (note a) £
At 30 September 2013	530,882	15,634,572	287,932	8,902,232	13,193,594	21,919,660
Shares bought back (note b)	(6,010)	–	6,010	–	(596,384)	–
Shares issued under Linked Offer for Subscription	72,610	8,124,794	–	–	(3,488)	–
Dividends re-invested into new shares	7,287	720,629	–	–	–	–
Cancellation of Share Premium account (note c)	–	(18,817,177)	(290,192)	–	19,107,369	–
Dividends paid	–	–	–	–	–	(5,835,130)
Transfer between reserves (note d)	–	–	–	–	(2,124,336)	2,124,336
Other expenses net of taxation	–	–	–	–	–	(2,121,377)
Net unrealised gains on investments	–	–	–	3,730,169	–	–
Gains on disposal of investments (net of transaction costs)	–	–	–	–	–	2,713,796
Realisation of previously unrealised gains	–	–	–	(4,969,728)	–	4,969,728
Profit for the year	–	–	–	–	–	2,024,627
At 30 September 2014	**604,769**	**5,662,818**	**3,750**	**7,662,673**	**29,576,755**	**25,795,640**

* - Distributable reserves total £55,372,395 (2013: £35,113,254). The Special reserve has been treated as distributable in determining the amounts available for distribution.

Note a – the realised capital reserve and the revenue reserve together comprise the Profit and Loss Account of the Company shown in the Balance Sheet.

Note b –The shareholders authorised the Company to purchase its own shares pursuant to section 701 of the Companies Act 2006 at the Annual General Meeting held on 12 February 2014. The authority was limited to a maximum number of 7,950,000 shares (this being approximately 14.99% of the issued share capital at the date of the notice of the meeting). This authority will, unless previously revoked or renewed, expire on the conclusion of the Annual General Meeting of the Company to be held on 12 February 2015. The minimum price which may be paid for a share is 1 penny per share, the nominal value thereof. The maximum price that may be paid for a share is an amount that is not more than 5% above the average of the middle market quotations of the shares as derived from the Daily Official List of the London Stock Exchange for the five business days preceding such purchase. The authorities provide that the Company may make a contract or contracts to purchase its own shares prior to the expiry of the authority which may be executed in whole or part after the expiry of such authority, and may purchase its shares in pursuance of any such contract. A resolution to renew these authorities will be proposed at the Annual General Meeting to be held on 12 February 2015.

Note c – The cancellation of £18,817,177 from the Share Premium Account and £290,192 from the Capital Redemption Reserve (as approved at the General Meeting on 22 February 2013 and by the court order dated 12 March 2014 has increased the Company's special reserve out of which it can fund buybacks of shares as and when it is considered by the Board to be in the interests of the shareholders, and to absorb any existing and future realised losses. As a result, the Company has a special reserve of £29,576,755, of which £29,576,755 relates to reserves from shares issued on or before 5 April 2014.

Note d – The transfer of £2,124,336 to the special reserve from the realised capital reserve above is the total of realised losses incurred by the Company this year.

Notes to the Accounts
For the year ended 30 September 2014

16. Net asset value per share

	2014 £	2013 £
Net assets	69,306,405	60,468,872
Number of shares in issue	60,476,940	53,088,219
Basic and diluted net asset value per share	**114.60p**	**113.90p**

17. Reconciliation of profit on ordinary activities before taxation to net cash inflow/(outflow) from operating activities

	2014	2013 £
Profit on ordinary activities before taxation	6,347,215	8,209,391
Net unrealised gains on investments	(3,730,169)	(5,900,080)
Net gains on realisation of investments	(2,713,796)	(1,093,304)
Decrease/(increase) in debtors	41,689	(241,315)
Increase/(decrease) in creditors and accruals	1,312,152	(2,874,207)
Net cash inflow/(outflow) from operating activities	**1,257,091**	**(1,899,515)**

18. Analysis of changes in net funds

	Cash £	Liquid resources £	Total £
At beginning of year	3,095,005	22,799,201	25,894,206
Cash flows	8,292,992	(3,884,352)	4,408,640
At 30 September 2014	**11,387,997**	**18,914,849**	**30,302,846**

19. Financial instruments

The Company's financial instruments in both years comprise:

- Equity and preference shares and fixed and floating rate interest securities that are held in accordance with the Company's investment objective.
- Cash, liquid resources and short-term debtors and creditors that arise directly from the Company's operations.

The principal purpose of these financial instruments is to generate revenue and capital appreciation for the Company's operations. The Company has no gearing or other financial liabilities apart from short-term creditors. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

Classification of financial instruments

The Company held the following categories of financial instruments at 30 September 2014:

	2014 (Book value) £	2014 (Fair value) £	2013 (Book value) £	2013 (Fair value) £
Assets at fair value through profit and loss:				
Investment portfolio	39,825,198	39,825,198	34,020,237	34,020,237
Current investments	18,914,849	18,914,849	22,799,201	22,799,201
Cash at bank	11,387,997	11,387,997	3,095,005	3,095,005
Loans and receivables				
Accrued income	434,535	434,535	475,659	475,659
Other creditors	880,236	880,236	896,800	896,800
Liabilities at amortised cost or equivalent				
Other creditors	(2,150,321)	(2,150,321)	(830,369)	(830,369)
Total for financial instruments	69,292,494	69,292,494	60,456,533	60,456,533
Non financial instruments	13,911	13,911	12,339	12,339
Net assets	**69,306,405**	**69,306,405**	**60,468,872**	**60,468,872**

The investment portfolio principally consists of unquoted investments 94.6%; (2013: 94.2%) and AIM quoted stocks 5.4%; (2013: 5.8%). The investment portfolio has a 100% (2013:100%) concentration of risk towards small UK based, sterling denominated companies, and represents 57.5% (2013: 56.3%) of net assets at the year-end.

Current investments include money market funds and bank deposits not accessible within 24 hours, discussed under credit risk below, which, including cash at bank, represent 43.7% (2013: 42.8%) of net assets at the year-end.

The main risks arising from the Company's financial instruments are due to fluctuations in market prices (market price risk), credit risk and cash flow interest rate risk, although liquidity risk and currency risk are also discussed below. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These have been in place throughout the current and preceding years.

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Market price risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future performance of the UK economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its investment portfolio in the face of market movements.

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and as such the prices are more uncertain than those of more widely traded securities. As in a number of cases, the unquoted investments are valued by reference to price earnings ratios prevailing in quoted comparable sectors, their valuations are exposed to changes in the price earnings ratios that exist in the quoted markets.

The Board's strategy in managing the market price risk inherent in the Company's portfolio of equities and loan stock investments is determined by the requirement to meet the Company's investment objective, as set out at the front of this Annual Report. As part of the investment management process, the Board seeks to maintain an appropriate spread of market risk, and also has full and timely access to relevant information from the Adviser. No single investment is permitted to exceed 15% of total investment assets at the point of investment. The Investment Committee meets regularly and reviews the investment performance and financial results, as well as compliance with the Company's objectives. The Company does not use derivative instruments to hedge against market risk.

Market price risk sensitivity

The Board believes that the Company's assets are mainly exposed to market price risk, as the Company is required to hold most of its assets in the form of £ sterling denominated investments in small companies.

Although a small part of these assets are quoted on AIM, nearly all of these assets are unquoted. All of the investments made by the Adviser in unquoted companies, irrespective of the instruments the Company actually holds, (whether shares, preference shares or loan stock) carry a full market risk, even though some of the loan stocks may be secured on assets, but behind any prior ranking bank debt in the investee company.

The Board considers that the value of investments in equity and loan stock instruments are ultimately sensitive to changes in quoted share prices, insofar as such changes eventually affect the enterprise value of unquoted companies. The table below shows the impact on profit and net assets if there were to be a 20% movement in overall share prices, which might in part be caused by changes in interest rate levels. However, it is not considered possible to evaluate separately the impact of changes in interest rates upon the value of the Company's portfolios of investments in small, unquoted companies.

The sensitivity analysis below assumes that each of these sub categories of investments (shares, preference shares and loan stocks) held by the Company produces a movement overall of 20%, and that the actual portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. However, shareholders should note that this level of correlation is unlikely to be the case in reality, particularly in the case of the loan stock instruments, which this year amount to approximately two-thirds of the portfolio value. This is because loan stock instruments would not share in the impact of any increase in share prices to the same extent as the equity instruments, as the returns are set by reference to interest rates and premiums agreed at the time of initial investment. Similarly, where share prices are falling, the equity instrument could fall in value before the loan stock instrument. It is not considered practical to assess the sensitivity of the loan stock instruments to market price risk in isolation.

	2014 Profit and net assets £	2013 Profit and net assets £
If overall share prices increased/(decreased) by 20% (2013: 20%), with all other variables held constant – increase/(decrease)	7,965,040 / (7,965,040)	6,804,047 / (6,804,047)
Increase/(decrease) in earnings, and net asset value, per share (in pence)	13.17p / (13.17)p	12.82p / (12.82)p

The impact of a change of 20% has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movement. The range in equity prices is considered reasonable given the historic changes that have been observed.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company.

The Company's maximum exposure to credit risk is:

	2014 £	2013 £
Loan stock investments	26,500,736	20,589,574
Current investments	18,914,849	22,799,201
Accrued income and other debtors	1,314,771	1,372,459
Cash at bank	11,387,997	3,095,005
	58,118,353	**47,856,239**

The Company has an exposure to credit risk in respect of the loan stock investments it has made into investee companies, most of which have no security attached to them and, where they do, such security ranks beneath any bank debt that an investee company may owe.

The accrued income and other debtor shown above was all due within two months of the year-end.

The following table shows the maturity of the loan stock investments referred to above. In some cases, the loan maturities are not the contractual ones, but are the best estimate using management's expectations of when it is likely that such loans may be repaid.

Repayable within	2014 £	2013 £
0 to 1 year	1,591,365	1,303,073
1 to 2 years	4,461,314	2,019,553
2 to 3 years	5,617,912	1,173,156
3 to 4 years	6,212,211	8,063,632
4 to 5 years	8,617,934	8,030,160
› 5 years	–	–
Total	**26,500,736**	**20,589,574**

Included within loan stock investments above are loans at a carrying value of £333,333 (2013: £971,999) which are past their repayment date but have been re-negotiated. Loans which are past their repayment date but which have not been renegotiated have a carrying value of £1,334,581 (2013: £1,312,204). These loan stock investments are usually made as part of the qualifying investments within the investment portfolio, and the risk management processes applied to the loan stock investments have already been set out under market price risk above.

An aged analysis of the loan stock investments included above, which are past due but not individually impaired, is set out below. For this purpose, these loans are considered to be past due when any payment due under the loan's contractual terms (such as payment of interest) is received late or missed. The loans in the table below are all considered to be past due only because interest on the loan is outstanding. We are required to report in this format and include the full value of the loan even though it is only in respect of interest that they are in default.

	0 - 6 months £	6 - 12 months £	over 12 months £	2014 Total £
Loans to investee companies past due	**750,000**	**–**	**3,312,237**	**4,062,237**

	0 - 6 months £	6 - 12 months £	over 12 months £	2013 Total £
Loans to investee companies past due	**–**	**–**	**2,803,977**	**2,803,977**

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For the year ended 30 September 2014

There is a risk of default by the money market funds above, which could suffer defaults within their underlying portfolios that could affect the values at which the Company could sell its holdings. The Board manages credit risk in respect of these money market funds and cash by ensuring a spread of such investments such that none should exceed 15% of the Company's total investment assets. These money market funds are triple A rated funds, and so credit risk is considered to be relatively low in recent circumstances. The cash at bank figure of £11,387,997 is held with NatWest Bank plc, and funds within current investments held in bank deposits are spread across four well-known financial institutions, and so the risk of default is considered to be low.

There could also be a failure by counter-parties to deliver securities which the Company has paid for, or pay for securities which the Company has delivered. This risk is considered to be small as most of the Company's investment transactions are in unquoted investments, where investments are conducted through solicitors, to ensure that payment matches delivery. In respect of any quoted investment transactions that are undertaken, the Company uses brokers with a high credit quality, and these trades usually have a short settlement period. Accordingly, counterparty risk is considered to be relatively low.

Cash flow interest rate risk

The Company's fixed and floating rate interest securities, its equity and preference equity investments and net revenue may be affected by interest rate movements. Investments are often in relatively small businesses, which are relatively high risk investments sensitive to interest rate fluctuations.

Due to the short time to maturity of some of the Company's floating rate investments, it may not be possible to re-invest in assets which provide the same rates as those currently held.

The Company's assets include fixed and floating rate interest instruments, as shown below. The rate of interest earned is regularly reviewed by the Board, as part of the risk management processes applied to these instruments, already disclosed under market price risk above.

The interest rate profile of the Company's net assets at 30 September 2014 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	13,275,707	–	–	13,275,707		
Preference shares	–	48,755	–	48,755	2.93	1.05
Loan stocks	–	25,026,656	1,474,080	26,500,736	8.22	3.19
Current investments	–	6,118,055	12,796,794	18,914,849	0.52	0.09
Cash	–	–	11,387,997	11,387,997		
Debtors	1,314,771	–	–	1,314,771		
Creditors	(2,150,321)	–	–	(2,150,321)		
Total for financial instruments	12,440,157	31,193,466	25,658,871	69,292,494		
Other non-financial assets	13,911	–	–	13,911		
Total net assets	**12,454,068**	**31,193,466**	**25,658,871**	**69,306,405**		

The interest rate profile of the Company's financial net assets at 30 September 2013 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	13,395,700	–	–	13,395,700		
Preference shares	–	34,963	–	34,963	4.09	1.04
Loan stocks	–	19,227,031	1,362,543	20,589,574	7.51	3.54
Current investments	–	10,008,507	12,790,694	22,799,201	0.96	0.21
Cash	–	–	3,095,005	3,095,005		
Debtors	1,372,459	–	–	1,372,459		
Creditors	(830,369)	–	–	(830,369)		
Total for financial instruments	13,937,790	29,270,501	17,248,242	60,456,533		
Other non-financial assets	12,339	–	–	12,339		
Total net assets	**13,950,129**	**29,270,501**	**17,248,242**	**60,468,872**		

Floating rate cash earns interest based on LIBOR rates.

The Company's investments in equity shares and similar instruments have been excluded from the interest rate risk profile as they have no maturity date and would thus distort the weighted average period information.

Cash flow interest rate sensitivity

Although the Company holds investments in loan stocks that pay interest, the Board does not consider it appropriate to assess the impact of interest rate changes in isolation upon the value of the unquoted investment portfolio, as interest rate changes are only one factor affecting the market price movements that are discussed above under market price risk. However, as the Company has a substantial proportion of its assets in money market funds and bank deposits, the table below shows the sensitivity of income earned to changes in interest rates:

	2014 £ Profit and net assets	2013 £ Profit and net assets
If interest rates increased/(decreased) by 1%, with all other variables held constant – increase/(decrease)	254,215 / (254,215)	218,054 / (218,054)
Increase/(decrease) in earnings, and net asset value, per share (in pence)	0.42p / (0.42)p	0.41p / (0.41)p

Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and are therefore not readily realisable. The ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs. The maturity profile of the Company's loan stock investments disclosed within the consideration of credit risk above indicates that these assets are also not readily realisable until dates up to five years from the year-end.

To counter these risks to the Company's liquidity, the Adviser maintains sufficient cash and money market funds to meet running costs and other commitments. The Company invests its surplus funds in high quality money market funds (all accessible on an immediate basis) and bank deposits of £6,118,055, which are accessible at varying points over the next 12 months.

Currency risk

All assets and liabilities are denominated in sterling and therefore there is no currency risk.

Notes to the Accounts
For the year ended 30 September 2014

Fair value hierarchy

The table below sets out fair value measurements using FRS 29 fair value hierarchy.

Financial assets at fair value through profit and loss At 30 September 2014	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	2,146,825	–	11,128,882	13,275,707
Preference shares	–	–	48,755	48,755
Loan stock investments	–	–	26,500,736	26,500,736
Current investments	18,914,849	–	–	18,914,849
Total	**21,061,674**	**–**	**37,678,373**	**58,740,047**

There are currently no financial liabilities at fair value through profit and loss.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:
Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the company are explained in the accounting policies in note 1.

There have been no transfers during the year between Levels 1 and 2. A reconciliation of fair value measurements in Level 3 is set out below:

	Equity investments £	Preference shares £	Loan stock investments £	Total £
Opening balance at 1 October 2013	11,416,576	34,963	20,589,574	32,041,113
Purchases	2,774,400	1,795	8,858,806	11,635,001
Sales	(7,961,602)	(1,111)	(4,540,624)	(12,503,337)
Transfers into Level 3	–	–	–	–
Reclassification at value*	(133,100)	1,838	131,262	–
Total gains/(losses) included in gains/(losses) on investments in the Income Statement:				–
– on assets sold	2,578,411	–	300,687	2,879,098
– on assets held at the year end	2,454,197	11,270	1,161,031	3,626,498
Closing balance at 30 September 2014	**11,128,882**	**48,755**	**26,500,736**	**37,678,373**

* - The equity of an acquisition vehicle was exchanged for equity and loan stock issued by the eventual acquirer of the target business..

As detailed in the accounting policies note, where investments are valued on an earnings-multiple basis, the main input used for this basis of valuation is a suitable price-earnings ratio taken from a comparable sector on the quoted market. These ratios are correlated to the share prices and so any change in share prices will have a significant effect on the fair value measurements of the investments classified as Level 3 investments.

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

	30 September2014 £	30 September 2013 £
Investment methodology		
Cost (reviewed for impairment)	2,793,600	2,341,683
Asset value supporting security held	–	700,992
Recent investment price	10,933,751	4,704,637
Earnings multiple	22,926,992	22,229,730
Discounted realisation proceeds	1,024,030	2,064,071
	37,678,373	**32,041,113**

The unquoted equity investments had the following movements between valuation methodologies between 30 September 2014 and 30 September 2013:

Change in valuation methodology (2013 to 2014)	Carrying value as at 30 September 2014 £	Explanatory note
Recent investment price to earnings multiple	4,313,967	Sufficient time has elapsed since investment to move to a more appropriate basis for determining fair value.
Earnings multiple to discounted realisation proceeds	1,024,030	The invesment was realised shortly after the year-end.
Asset value supporting security held to earnings multiple	1,093,204	More appropriate basis for determining fair value.
Earnings multiple to cost (reviewed for impairment)	1,000	More appropriate basis for determining fair value.

The valuation will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the September 2009 IPEVCV guidelines. The directors believe that, within these parameters, there are no other possible methods of valuation which would be reasonable as at 30 September 2014.

FRS 29 requires disclosure, by class of financial instruments, if the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement. The information used in determination of the fair value of Level 3 investments is chosen with reference to the specific underlying circumstances and position of the investee company. The portfolio has been reviewed and both downside and upside reasonable possible alternative assumptions have been identified and applied to the valuation of each of the unquoted investments. Applying the downside alternatives, the value of the unquoted investments would be £2,563k or 6.4% lower. Using the upside alternatives the value would be increased by £5,628k or 7.7%. In arriving at both these figures, a 5-15% change to earnings multiples was applied, for the upside alternatives, for one investment, the share of expected proceeds was used and for the downside alternatives, for one investment, the Company's maintainable earnings was revised downwards

20. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and to provide an adequate return to shareholders by allocating its capital to assets commensurately with the level of risk.

By its nature, the Company has an amount of capital, at least 70% (as measured under the tax legislation) of which is and must be, and remain, invested in the relatively high risk asset class of small UK companies within three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

Although, as the Investment Policy implies and is permitted under the Company's Articles of Association, the Board would consider levels of gearing, there are no current plans to do so. It regards the net assets of the Company as the Company's capital, as the level of liabilities are small and the management of them is not directly related to managing the return to shareholders. There has been no change in this approach from the previous year.

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21. Segmental analysis

There is only one class of business and the operations of the Company are wholly in the United Kingdom.

22. Post balance sheet events

On 1 October 2014, the entire holding of Focus Pharma Holdings Limited was realised through a sale to Amdipharm Mercury for net capital proceeds of £1,024,030. This amount has been reflected in the year-end valuation of this investment.

On 3 October 2014, Fullfield Limited (trading as Motorclean) repaid loan stock of £57,273.

On 27 October 2014, the Company completed the sale of its investment in Youngman Group Limited to Werner Co (US) for net capital proceeds on completion of £1,623,782.

On 3 December 2014, the Company completed the sale of its investment in Ingleby (1879) Limited (trading as EMaC) to Innovation Group for net proceeds on completion of £4,365,700.

On 9 December 2014, the company invested £1,566,000 into Leap New Co Limited (trading as Ward Thomas) and £689,040 into Aussie Man & Van Limited.

On 9 December 2014, the company invested a further amount of £952,316 into ASL Technology Holdings Limited.

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 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 Adviser.

Shareholders wishing to follow the Company's progress can visit the Company 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/prices-and-markets/stocks/stocks-and-prices.htm 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. The share price is also quoted in the Financial Times.

Shareholder event

The Adviser held a further successful shareholder workshop in January 2014. The workshop provided a forum for about 160 Mobeus VCT shareholders to hear presentations from the Adviser and to learn more about its investment activity in greater depth from the Managing Director and Chairman respectively, of two diverse portfolio companies, Gro-Group and Newquay Helicopters. The Investment Adviser is planning a further event to be held on Tuesday, 27 January 2015 at the Royal Institute of British Architects in Central London. Please let us know if you are a shareholder and have not received an invitation to this event.

Mobeus website

Shareholders can check the performance of the VCT by visiting the 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 the current fundraising.

Net asset value per share

The Company's NAV per share as at 30 September 2014 was 114.60 pence per share. The Company announces its unaudited NAV on a quarterly basis.

Financial calendar

30 September 2014	Year-end
Late December 2014	Annual Report for the year ended 30 September 2014 to be circulated to shareholders
27 February 2015	Record date for the final dividend of 4.00 pence in respect of the year ended 30 September 2014
12 February 2015	Annual General Meeting
20 March 2015	Payment date for the final dividend of 4.00 pence in respect of the year ended 30 September 2014
Late May 2015	Announcement of Half-Year Results and circulation of Half-Year Report for the six months ended 31 March 2015 to shareholders

Dividend

The Directors are proposing a final capital dividend in respect of the year ended 30 September 2014 of 4.00 pence per share. The dividend will be paid on 20 March 2015 to shareholders on the Register on 27 February 2015.

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, Capita Asset Services at the address below.

Shareholders are encouraged to ensure that the Registrars maintain up-to-date details for themselves 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 them if this is the case we cannot guarantee that we will be able to do so if the Registrars do not have an up-to-date 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 2014/15 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).

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. **However, to ensure that you obtain the best price, 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 advisor before deciding to sell their shares.

Managing your shareholding online

For details on your individual shareholding and to manage your account on 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.

Nominee accounts

Shareholders may, if they so wish, arrange for their shares to be held via a nominee or depository where they retain the financial rights carried by the Company's shares.

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 the VCT. I&G VCT 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 warning notice to shareholders is reproduced below.

Shareholder Information

Warning issued by the FCA and the ICSA

In recent years, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the FCA has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- 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.gov.uk/register/ and contacting the firm using the details on the register.
- Report the matter to the FCA either by calling its consumer helpline 0800 111 6768 or visiting consumer.enquiries@fca.org.uk or visit the consumer pages at their website which includes comprehensive information in the section on investment scams including a reporting form.
- If the calls persist, hang up.

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.fcsa.org.uk.

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 Money Advice Service website: www.moneyadviceservice.org.uk.

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 Adviser, Mobeus Equity Partners LLP, on 020 7024 7600 or by e-mail to i&g@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: 0871 664 0324
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 i&g@mobeusequity.co.uk.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that an annual general meeting of The Income & Growth VCT plc ("the Company") will be held at 11.00 am on Thursday, 12 February 2015 at 33 St James's Square, London SW1Y 4JS for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions:

1. To receive and adopt the annual report and accounts of the Company for the year ended 30 September 2014 ("Annual Report"), including the auditor's report thereon.

2. To approve the annual remuneration report as set out in the Annual Report.

3. To re-appoint BDO LLP of 55 Baker Street, London W1U 7EU as auditor to the Company until the conclusion of the next annual general meeting of the Company.

4. To authorise the directors to determine the remuneration of BDO LLP as auditor to the Company.

5. To re-elect Colin Hook as a director of the Company.

6. To re-elect Helen Sinclair as a director of the Company.

7. To approve the payment of a final dividend in respect of the year ended 30 September 2014 of 4.00 pence per ordinary share of 1 penny each in the capital of the Company, payable on 20 March 2015 to shareholders on the register on 27 February 2015.

8. That, in substitution for any existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot ordinary shares of 1 penny each in the capital of the Company ("Shares") and to grant rights to subscribe for, or convert, any security into Shares ("Rights") up to an aggregate nominal value of £210,477, provided that the authority conferred by this resolution shall (unless renewed, revoked or varied by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2016 but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require Shares to be allotted or Rights to be granted after such expiry and the directors of the Company shall be entitled to allot Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

9. That, subject to the passing of resolution 8 set out in this notice and in substitution for any existing authorities, the directors of the Company be and hereby are empowered in accordance with sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash, pursuant to the authority conferred upon them by resolution 8 set out in this notice, or by way of sale of treasury shares, as if section 561(1) of the Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to:

   (i) the allotment and issue of equity securities with an aggregate nominal value of up to, but not exceeding, £150,000 in connection with offer(s) for subscription;

   (ii) the allotment of equity securities with an aggregate nominal value of up to, but not exceeding, 5 per cent of the issued share capital of the Company from time to time pursuant to any dividend investment scheme operated by the Company at a subscription price per share which is less than the net asset value per share; and

   (iii) the allotment, otherwise than pursuant to sub-paragraphs (i) and (ii) above, of equity securities with an aggregate nominal value of up to, but not exceeding, 5 per cent of the issued share capital of the Company from time to time;

   in each case where the proceeds of the allotment may be used in whole or in part to purchase the Company's Shares in the market and provided that this authority shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2016, except that the Company may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

10. That, in substitution for any existing authorities, the Company be and hereby is authorised pursuant to and accordance with section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its own Shares provided that:

   (i) the aggregate number of Shares which may be purchased shall not exceed 9,065,493 or, if lower, such number of Shares (rounded down to the nearest whole Share) as represents 14.99 per cent of the Shares in issue at the date of passing of this resolution;

Notice of the Annual General Meeting

(ii) the minimum price which may be paid for a Share is 1 penny (the nominal value thereof);

(iii) the maximum price which may be paid for a Share shall be the higher of (a) an amount equal to five per cent above the average of the middle market quotations for a Share in the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is contracted to be purchased and (b) the price stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulation (EC2273/2003);

(iv) the authority conferred by this resolution shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2016; and

(v) the Company may make a contract or contracts to purchase its own Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own Shares in pursuance of any such contract.

BY ORDER OF THE BOARD

Mobeus Equity Partners LLP
Secretary
Dated: 16 December 2014

Registered Office
30 Haymarket
London SW1Y 4EX

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Mobeus Equity Partners LLP, the Company Secretary at 30 Haymarket, London SW1Y 4EX or by email to: iandg@mobeusequity.co.uk or telephone on 020 7024 7600.

2. Shareholders may appoint a proxy either by completing the hard copy of the proxy form provided with this Annual Report or electronically at www.capitashareportal.com. To register to vote electronically via the Share Portal, you will need to enter your Investor Code which is provided on your proxy form for the meeting. The proxy form, or other instrument appointing a proxy, must be received (a) by post or (during normal business hours only) by hand at the Company's registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or (b) online, via the Share Portal, in each case so as to be received not later than 11.00 am on Tuesday, 10 February 2015 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.

3. The return of a completed proxy form, other such instrument or any electronic Proxy Instruction (as described in paragraph 2 above will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 ("the Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

5. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (ie the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your financial adviser or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Act, writes to you directly for a response.

6. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

7. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the Annual General Meeting and the number of votes that may be cast thereat will be determined by reference to the Register of Members of the Company at 6.00 pm on the day which is two days before the day of the meeting or of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

9. Any member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting and the Company is obliged to answer such questions under section 319A of the Act. However, no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on the Company's website www.incomeandgrowthvct.co.uk in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

10. Under section 527 of the Act (i) Members representing at least 5% of the total voting rights of all the Members or (ii) at least 100 members who have a relevant right to vote and hold shares in the company on which there has been paid up an average sum, per member, of at least £100 (in accordance with section 525 of the Act) can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act, that the Members propose to raise at the meeting. The Company cannot require the Members requesting the publication to pay its expenses in complying with sections 527 or 528 of the Act. Any statement required to be placed on the Company's website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required to publish on its website under section 527.

    By attending the meeting, Members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the shares of the Company made at the Meeting.

    As at 16 December 2014 (being the last business day prior to the publication of this Notice) the Company's issued share capital consisted of 61,129,351 ordinary shares of 1 penny each carrying one vote. Therefore, the total voting rights in the Company as at 16 December 2014 were 61,129,351.

11. The Register of Directors' Interests and Directors' appointment letters shall be available for inspection at the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) and at the place of the meeting for at least fifteen minutes prior to and during the meeting. The Directors do not have any service contracts with the Company.

12. A copy of this notice, and other information required by Section 311A of the Act, can be found on the Company's website at www.incomeandgrowthvct.co.uk.

Performance Data at 30 September 2014

Share price at 30 September 2014 **103.50 p[1]**
NAV per share as at 30 September 2014 **114.60 p**

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 30 September 2014. The NAV basis enables shareholders to evaluate more clearly the performance of the Fund, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector.

Allotment date(s)	Allotment price (p)	Net allotment price[2] (p)	Cumulative dividends paid per share (p)	Total return per share to shareholders since allotment (Share price basis) (p)	(NAV basis) (p)	% increase since 30 September 2013 (NAV basis) %
Funds raised – O Fund[3] (launched 18 October 2000)						
Between 3 November 2000 and 11 May 2001	100.00	**60.62**	60.35	**138.78**	**147.19**	**5.83%**
Funds raised 2007/08 – S Share fund (launched 14 December 2007)						
Between 6 February 2008 and 6 June 2008	100.00	**70.00**	50.50	**154.00**	**165.10**	**6.93%**
Funds raised 2010/11 (launched 12 November 2010)						
21 January 2011	104.80	**73.36**	50.00	**153.50**	**164.60**	**6.95%**
28 February 2011	107.90	**75.53**	48.00	**151.50**	**162.60**	**7.04%**
22 March 2011	105.80	**74.06**	48.00	**151.50**	**162.60**	**7.04%**
1 April 2011	105.80	**74.06**	46.00	**149.50**	**160.60**	**7.14%**
5 April 2011	105.80	**74.06**	46.00	**149.50**	**160.60**	**7.14%**
10 May 2011	105.80	**74.06**	46.00	**149.50**	**160.60**	**7.14%**
6 July 2011	106.00	**74.20**	46.00	**149.50**	**160.60**	**7.14%**
Funds raised 2012 (launched 20 January 2012)						
8 March 2012	106.40	**74.48**	22.00	**125.50**	**136.60**	**8.50%**
4 April 2012	106.40	**74.48**	22.00	**125.50**	**136.60**	**8.50%**
5 April 2012	106.40	**74.48**	22.00	**125.50**	**136.60**	**8.50%**
10 May 2012	106.40	**74.48**	22.00	**125.50**	**136.60**	**8.50%**
10 July 2012	111.60	**78.12**	22.00	**125.50**	**136.60**	**8.50%**

[1] - Source: London Stock Exchange (mid-price basis), but adjusted upwards for the 8.00 pence per share dividend paid on 30 October 2014. This is because the shares were quoted excluding the entitlement to that dividend (ex-div) on 30 September 2014.

[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 merger conversion ratio.

Allotment date(s)	Allotment price (p)	Net allotment price[1] (p)	Cumulative dividends paid per share (p)	Total return per share to shareholders since allotment (Share price basis) (p)	(NAV basis) (p)	% increase since 30 September 2013 (NAV basis) %
Funds raised 2012/13 (launched 29 November 2012						
14 January 2013	116.00	**81.20**	22.00	**125.50**	**136.60**	**8.50%**
28 March 2013	112.60	**78.82**	16.00	**119.50**	**130.60**	**8.92%**
4 April 2013	112.60	**78.82**	16.00	**119.50**	**130.60**	**8.92%**
5 April 2013	112.60	**78.82**	16.00	**119.50**	**130.60**	**8.92%**
10 April 2013 Pre RDR[2]	115.30	**80.71**	16.00	**119.50**	**130.60**	**8.92%**
10 April 2013 Post RDR[2]	112.60	**78.82**	16.00	**119.50**	**130.60**	**8.92%**
7 May 2013	112.60	**78.82**	16.00	**119.50**	**130.60**	**8.92%**
Funds raised 2013/14 (launched 28 November 2013)						
9 January 2014	117.82[3]	**82.47**	10.00	**113.50**	**124.60**	–
11 February 2014	119.02[3]	**83.31**	10.00	**113.50**	**124.60**	–
31 March 2014	115.64[3]	**80.95**	6.00	**109.50**	**120.60**	–
3 April 2014	116.17[3]	**81.32**	6.00	**109.50**	**120.60**	–
4 April 2014	115.45[3]	**80.82**	6.00	**109.50**	**120.60**	–
6 June 2014	121.55[3]	**85.09**	6.00	**109.50**	**120.60**	–

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

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

[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 2010/11 (p)	Funds raised 2012 (p)	Funds raised 2012/13 (p)	Funds raised 2013/14 (p)
3 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	
8 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	**60.35**	**50.50**	**50.00**	**22.00**	**22.00**	**10.00**

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

The above data relates to an investor in the first allotment of each fundraising. The precise amount of dividends paid to shareholders by date of allotment is shown in the table on page 76 and above.

* An interim dividend of 8.00 pence per share was paid on 30 October 2014, which is not included above.

Timeline of the Company

October 2000	Launch of the Company 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.
2010-2013	The Company participates in four linked fundraisings with other Mobeus advised VCTs.
December 2014	The Company launches an offer with the other Mobeus advised VCTs to raise up to £10 million for the Company.

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