Annual Report and Accounts

for the year ended 30 September 2009

THE INCOME & GROWTH VCT PLC

Investment Objective

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

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

Contents

Financial Highlights
– ordinary shares of 1p each ('O' Shares)

- Increase of 24.3% in year in cumulative dividends paid to Shareholders
- Annual dividends paid to Shareholders maintained at 2008 level
- Decrease of 21.7% in year in total return to Shareholders (share price basis)
- Decrease of 8.1% in year in total return to Shareholders (net asset value basis)

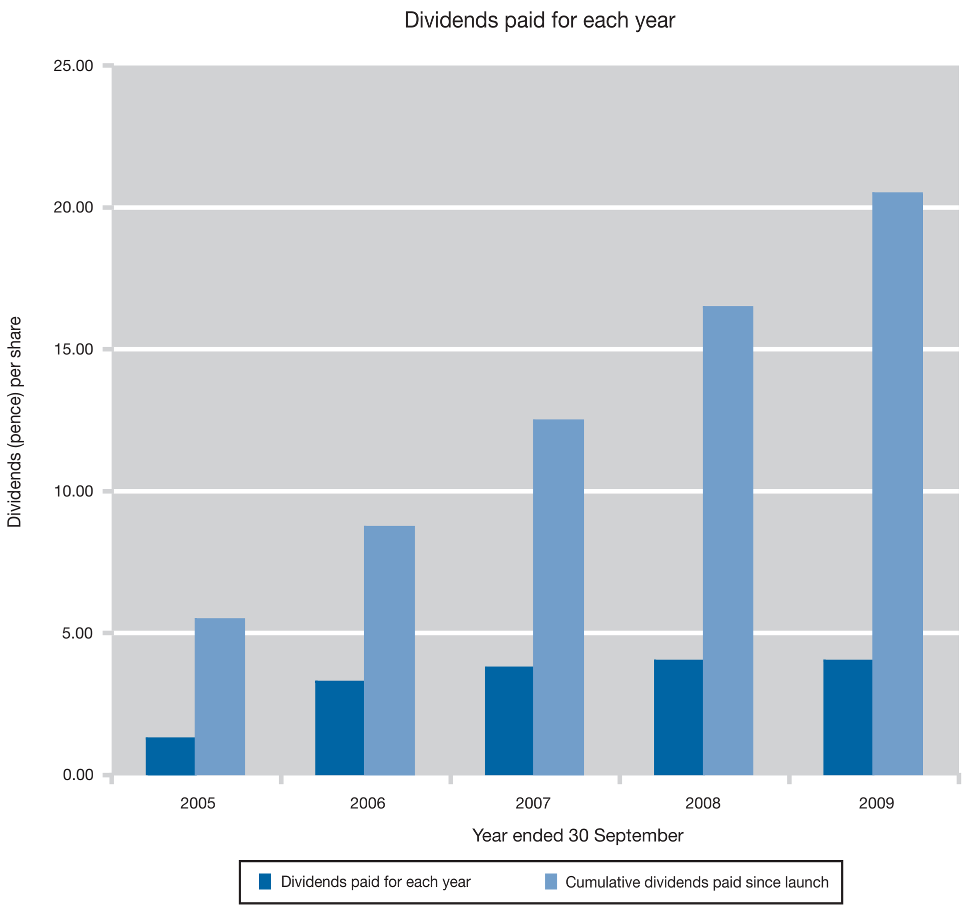
Dividends paid

Year ended 30 September	Dividends paid in each year since launch per share (p)	Cumulative dividends paid since launch per share (p)
2009	4.00	20.45
2008	4.00	16.45
2007	3.75	12.45
2006	3.25	8.70
2005 (restated)	1.25	5.45

Dividends paid include distributions from both income and capital.

Dividends proposed

A final dividend of 2 pence per 'O' Share, comprising 0.5 pence from income and 1.5 pence from capital, will be recommended to Shareholders at the Annual General Meeting of the Company to be held on 3 March 2010 for payment on 17 March 2010.

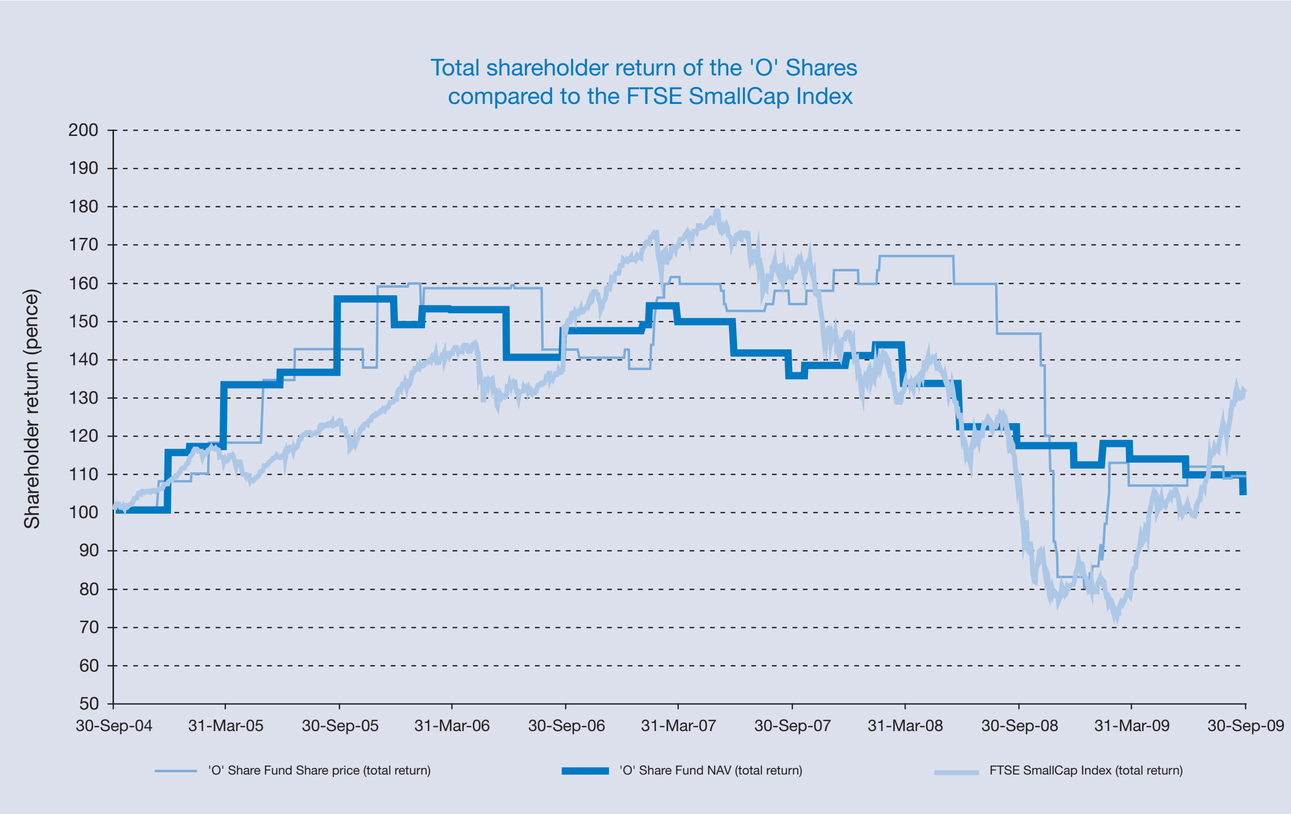


Performance Summary

Year ended 30 September	Net assets (£ million)	Net asset value per 'O' Share (p)	NAV total return to shareholders since launch per 'O' Share (p)	Share price (p)[1]	Share price total return to shareholders since launch per 'O' Share (p)
2009	24.9	71.5	91.9	54.8	75.2
2008	29.6	83.6	100.0	79.5	96.0
2007	36.8	100.5[2]	115.0	87.5	100.0
2006	44.2	112.9	121.6	84.5	93.2
2005 (restated)	49.2	122.5	128.0	87.5	93.0

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

In the graph below, the total return figures have been rebased to 100 at 1 October 2004.



Source: Matrix Corporate Capital LLP

The share price and net asset value (NAV) total return comprise the share price and NAV respectively 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.

Financial Highlights
– S ordinary shares of 1p each ('S' Shares)

- Initial income dividend of 0.5 pence proposed
- Decrease of 5.5% in year in total return to Shareholders (share price basis)
- Decrease of 1.5% in year in total return to Shareholders (net asset value basis)

Dividends proposed

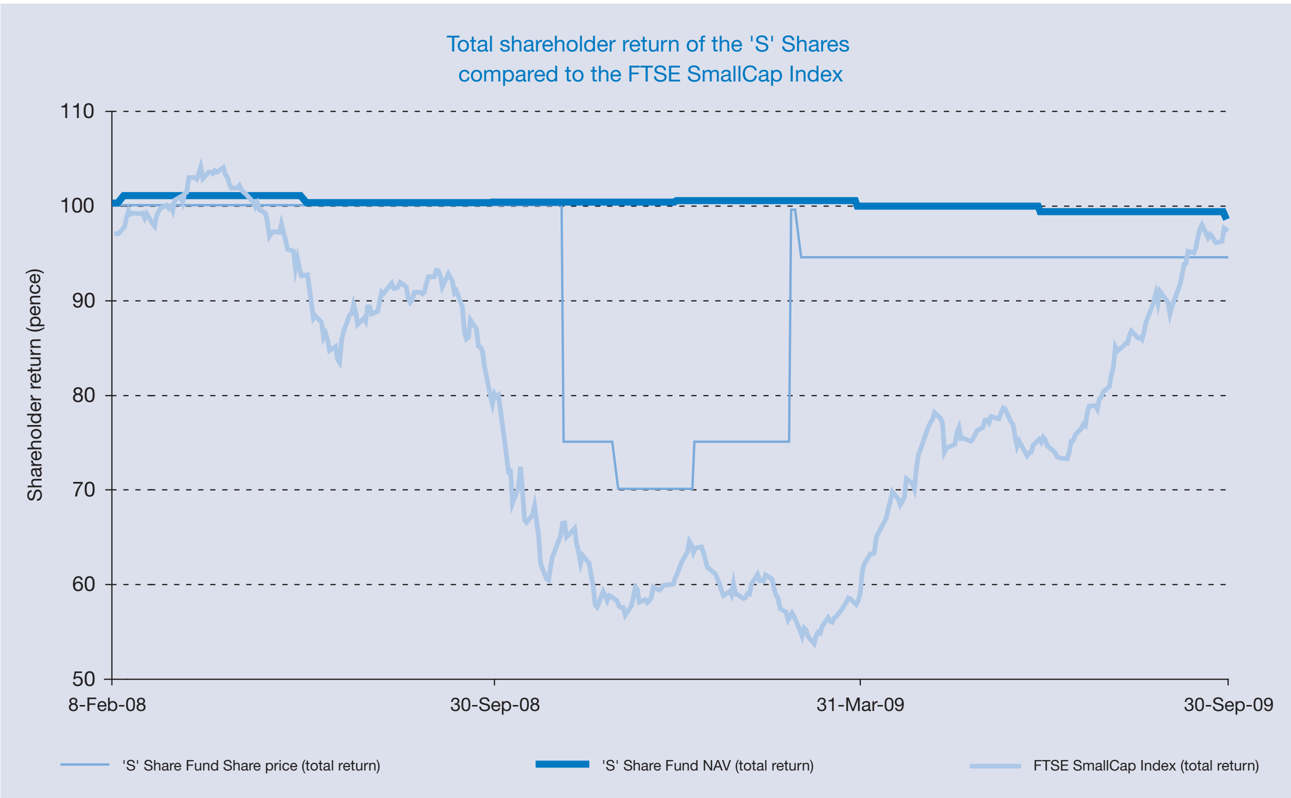
A final income dividend of 0.5 pence per 'S' Share will be recommended to Shareholders at the Annual General Meeting of the Company to be held on 3 March 2010 for payment on 17 March 2010.

Performance Summary

Year ended 30 September	Net assets (£ million)	Net asset value per 'S' Share (p)	NAV total return to shareholders since launch per 'S' Share (p)	Share price (p)[1]	Share price total return to shareholders since launch per 'S' Share (p)
2009	11.0	93.2	93.2	94.5	94.5
2008	11.2	94.6	94.6	100.0	100.0
At close of Offer for Subscription	11.2	94.5	94.5	100.0	100.0

[1] Source: London Stock Exchange.

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



Source: Matrix Corporate Capital LLP

The share price and net asset value (NAV) total return comprise the share price and NAV respectively 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.

Chairman's Statement

I am pleased to present to Shareholders the ninth Annual Report of the Company for the year ended 30 September 2009.

Performance

'O' Shares

At 30 September 2009, the Net Asset Value (NAV) per 'O' Share was 71.45 pence (2008: 83.56 pence). Adjusted for the dividends paid to shareholders during the year, this represents a decrease of 9.7% over the twelve month period. This compares with an increase of 17.45% in the FTSE SmallCap Index and an increase of 3.96% in the FTSE AiM All-Share Index during the same period, both on a capital return basis. The NAV Total Return per 'O' Share fell in the year by 8.1% from 100.01 pence at 30 September 2008 to 91.90 pence at 30 September 2009.

The headline performance figures appear somewhat disappointing and will be discussed later. In general the underlying performance of the portfolio in the year offers encouragement. The MPEP portfolio achieved realised gains of £597,637 but these were offset by provisions and lower valuations giving rise to unrealised losses of £3.2 million, resulting in net losses of some £2.6 million. The Foresight legacy portfolio suffered a fall in value with further provisions leading to unrealised net losses of some £311,938.

UK sector price earnings multiples have, in the main, increased over this twelve month period. These do, of course, impact on our portfolio valuation in both the quoted and unquoted sectors. Some sectors have shown increases whilst several have experienced declines. The MPEP portfolio at the year-end represented 78.5% of total venture capital investments, whilst the Foresight and Nova legacy portfolios represented the balance.

Falls in the share prices of several of our quoted stocks, particularly Oxonica, have been partially off-set by gains elsewhere in the portfolio. The total dividends paid in the year under review was 4 pence per share which is equal to a total of 4 pence per share paid in the financial year 2008.

Cumulative dividends paid to date have been 20.45 pence per 'O' Share.

'S' Shares

At 30 September 2009, the NAV and NAV Total Return per 'S' Share both fell marginally to 93.18 pence (2008: 94.59 pence) and 93.18 pence (2008: 94.59 pence), both being a decrease of 1.5%.

Economic background
Investors have moved stock markets up a long way but the real economy is still tough.

After several months of almost consistent gains equity markets appeared to have consolidated around current levels. Poorer than expected US jobs figures have been held responsible for these recent market conditions. The number of workers on US payrolls during September 2009 fell almost 50% more than was expected and the unemployment rate now stands at a 26 year high. This data released recently together with the impact of events surrounding financial problems in Dubai reinforces strongly the argument that the economic recovery will not be plain sailing.

The portfolios
'O' Shares
Overall, the MPEP portfolio continues to hold-up well given the current economic climate. Good trading performances have been produced by some of the investments; notably DiGiCo Europe, which produced an unrealised gain of £511,337 and Amaldis (2008) of £337,767 but Blaze Signs Holdings, Youngman Group and PXP Holdings, all companies in the broader construction sector, provided unrealised losses of £1.26 million, £914,937 and £454,124 respectively. Despite the Construction & Materials sector price earnings multiple showing a strong rise over the year, this has not evidenced itself yet in the trading performances of these three companies and this has had a material adverse effect on the valuation of the portfolio over the period. There is an old adage that stock markets anticipate events while trading results lag the events!

Within the MPEP portfolio, in October 2008 an investment of £595,842 was made into ATG Media Holdings to support the MBO of Metropress, publisher of the Antiques Trade Gazette and online auction operator. In 2009, a new investment was made into MC440 to support the management buy-out of Westway Cooling, a company based in Greenford, Middlesex, specialising in installing, servicing and maintaining high quality air-conditioning systems and associated building services plant in the refurbishment and maintenance market. The 'O' Share Fund invested £389,703. Further investments of £129,264 and £47,158 in November 2008 and January 2009 respectively were made in the loan stocks of PXP Holdings and Monsal Holdings.

In March 2009 SectorGuard plc acquired Legion Group and subsequently changed its name to Legion Group plc.

In March 2009 DiGiCo Europe also repaid £142,804 of the 'O' Share Fund's loan stock investment. At the beginning of July 2009, the 'O' Share Fund then sold its investment in Tottel Publishing to Bloomsbury Group earning a fourfold gain on its original investment by returning a total of £2.05 million in terms of income and proceeds to the Fund throughout the life of the investment. The 'O' Share Fund's original investment cost of £514,800 had been reduced to £325,182 in March of this year when Tottel Publishing repaid 50% of the Company's loan stock investment.

Following the year-end, in November 2009, the ‘O’ Share Fund invested a further £90,909 into British International Holdings and sold its investment in PastaKing Holdings for initial proceeds of £779k. This realisation contributed to total returns of £949k to the Fund throughout the life of the investment, representing a 3.25 fold return on the Company’s original investment of £292,405. In December 2009, the ‘O’ Share Fund utilised the investment vehicle Calisamo Management Limited to invest £696,551 to support the MBO of CB Imports plc (trading as Country Baskets), a leading importer and distributor of artificial flowers and floral sundries.

The former Foresight portfolio continues to underperform with Oxonica, mentioned above, producing an unrealised loss for the year of £1.11 million. By contrast, Camwood provided an unrealised gain of £460,789.

‘S’ Shares
During the year the ‘S’ Share Fund produced a satisfactory performance given the economic environment.

In October 2008 the ‘S’ Share Fund invested £404,158 into ATG Media Holdings referred to above. In June 2009, the 'S' Share Fund also invested £169,483 in the management buy-out of Westway Cooling, a company specialising in installing, servicing and maintaining high quality air-conditioning systems and associated building services plant in the refurbishment and maintenance market. Following the year-end, in December 2009, the ‘S’ Share Fund invested £303,449 alongside the ‘O’ Share Fund to support the MBO of CB Imports plc.

Cash available for investment
During this economic turmoil, both the Board and the Investment Manager have continued to work to ensure that our cash deposits for both the ‘O’ and ‘S’ Share Funds remain as secure as possible. We have for some time been spreading our significant cash deposits with a number of the leading global cash funds rather than depositing direct to individual banks, thereby reducing our exposure to any one particular bank. However, the current low level of interest rates on cash deposits means it will continue to be difficult for the Company to pay dividends from income for both the ‘O’ and ‘S’ Share Funds. The Board and Investment Manager both strongly believe that at this time the security and protection of capital is more important than striving for a small increase in deposit rates at the cost of much higher risk.

Revenue Account
The Revenue return for the Company as a whole has decreased sharply from £717,196 to £193,683 over the year.

Management fees and other running costs at the Company level have remained constant between the years. The principal cause for the decline in revenue is the fall in the Company’s income of £523,365. This can be attributed to three main reasons. First, the significant fall in interest rates has caused income from the liquidity funds to more than halve by £367,447; secondly, dividends from investee companies fell by £106,873 and finally, loan stock interest received declined by £45,659.

In 2008, the ‘O’ Share Fund benefited from a non-recurring estimated VAT recovery on past management fees of £83,278.

Dividends

‘O’ Shares

The Company’s revenue return per ‘O’ Share was 0.52 pence (2008: 1.66 pence per share). Your Board will be recommending a final income dividend of 0.5 pence and a final capital dividend of 1.5 pence payable to ‘O’ Fund Shareholders in respect of the year ended 30 September 2009 at the Annual General Meeting to be held on 3 March 2010. Including these dividends, cumulative dividends paid to date amount to 22.45 pence per ‘O’ Share.

‘S’ Shares

The Company’s revenue return per ‘S’ Share was 0.09 pence (2008: 1.26 pence per share). Your Board will be recommending a final income dividend of 0.5 pence per ‘S’ Share in respect of the year ended 30 September 2009 at the Annual General Meeting to be held on 3 March 2010.

The dividends will be paid on 17 March 2010 to both ‘O’ and ‘S’ Shareholders on the Register on 19 February 2010.

Dividend investment scheme

The Company’s Dividend Investment Scheme (“The Scheme”) provides ***Shareholders of both classes*** with the opportunity to re-invest their dividends into new shares of the relevant class. It provides a convenient, easy and cost effective way for Shareholders to build their shareholding in the Company as, instead of receiving cash dividends, they can elect to receive new shares in the Company.

Board Members have indicated that they will be participating in the Scheme to the extent of their full entitlement. I would encourage all Shareholders to consider participating in the Scheme.

The Scheme currently provides that the issue price of new shares is at net asset value per share. We are proposing that the Scheme be altered so as to allow shares to be issued to Shareholders at the share price at the relevant time. We consider that this proposal provides a more equitable basis to Shareholders for ascertaining the issue price under the Scheme. A resolution will, therefore, be proposed at the Annual General Meeting of the Company to be held on 3 March 2010 to authorise the Directors to allot shares of both classes at their mid market share price even if this is less than the net asset value per share of that class. For further information on the proposed change please see pages 39 - 40 of the Directors’ Report.

Under the Scheme, Shareholders are allotted new ordinary shares in the relevant class. These shares will then, subject to Shareholders' individual circumstances, attract VCT tax reliefs applicable for the tax year in which the shares are allotted (currently at 30%).

Copies of the Scheme Rules are available on the Company's website, www.incomeandgrowthvct.co.uk, and personalised application forms for the Scheme are enclosed with Shareholder's copies of this Report. Further copies of the forms can be obtained from the Scheme Administrator, Capita Registrars by telephoning: 0871 664 0300 (Calls cost 10p per minute plus network extras. Lines are open 8.30 am – 5.30 pm Mon-Fri. If calling from overseas please ring +44 208 639 2157). Shareholders who hold their shares in uncertificated form in CREST at the relevant record date must complete a CREST Dividend Election Input Message in respect of each dividend to elect to receive the dividend in the form of new shares. Application forms may be submitted at any time and should be returned to Capita Registrars at the address given on the form and elections via CREST should be made so as to be received no later than 5.00 pm on the date that is at fifteen days before the payment date for a particular dividend to ensure that you qualify to receive the dividend as shares. Please note that in the case of the proposed final dividends payable on 17 March 2010 this deadline will be 5.00 pm on 2 March 2010.

Separate application forms ***do*** need to be completed in respect of each class of share but you do not need to resubmit an 'O' Share application form if you have already joined the Scheme in respect of the 'O' Shares.

Merger of 'O' and 'S' Share Classes

The Board is currently considering proposals which may result in resolutions being put forward to Shareholders in the near future regarding a merger of the 'O' and 'S' Share Funds.

Valuation policy

For several years now, quoted stocks have been valued at bid prices, rather than mid-market prices. It is worth commenting that the Fund does hold a number of relatively early stage AiM-quoted stocks with limited marketability. In such cases, the price at which a sizeable block of shares could be traded, if at all, may vary significantly from the market price used.

Share buy-backs

During the year ended 30 September 2009, the Company bought back 754,444 'O' Fund Shares (representing 2.13% of the 'O' Fund Shares in issue at the beginning of the period) at a total cost of £350,963 (net of expenses).

Outlook

In a recent special report on the world economy entitled 'The long climb', *The Economist* highlighted various views and projections for the global economy. A variety of economic indicators have been contributing to renewed confidence but the latest US jobs data was perceived as a 'reality check' for economists worldwide. The report indicated that certain parts of the global economy have a long road ahead of them and governments around the globe will play a crucial role in securing recovery and, more importantly, maintaining it once recovery is assured by playing a greater role, particularly in the financial sector, through increased regulation to protect balance sheets and the tax-payer from further liability.

On a positive note, Olivier Blanchard, chief economist at the International Monetary Fund, was quoted two months ago in *The Sunday Times* saying "The recovery has started. In most countries growth will be positive for the rest of the year, as well as in 2010". However, the view remains among many observers that the strength of stock markets over the last few months may be highlighting a 'false dawn'. Commentators are discussing the possibility of the market being 'W' shaped or experiencing a 'double-bottom'. If such an event occurs, small, early stage growth businesses will be tested further. The recent news from Dubai may well be the catalyst for this eventuality.

The Company overall retains its significant cash position. This continues to place the Company in an excellent position to take advantage of what are expected to be increasingly attractive purchase opportunities which should become available as this recession continues or as the economy climbs out of recession. Therefore, while short term valuations may be subject to continuing pressures, your Board still expects to see attractive investment opportunities and a recovery in performance and portfolio values over the longer term.

The current level of interest rates in the United Kingdom means that it will be difficult for the Company to pay a dividend from revenue in the forthcoming year. Moreover, it is too early to say whether it will be possible for the Company to pay a dividend from capital reserves.

I&G website

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

In conclusion, may I again thank Shareholders for their continued support.

Colin Hook
Chairman
15 December 2009

Investment Policy

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

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

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

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

UK companies

The companies in which investments are made must have no more than £15 million in the case of the 'O' Share Fund and £7 million in the case of the 'S' Share Fund of gross assets at the time of investment to be classed as a VCT qualifying holding. (This figure varies between the two Funds because of a change in tax legislation which applies to funds, including the 'S' Share Fund, raised after 6 April 2006).

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue & Customs ("HMRC"). Amongst other conditions, the Company may not invest more than 15% of its investments in a single company and must have at least 70% by value of its investments throughout the period in shares or securities comprised in VCT qualifying holdings, of which a minimum overall of 30% by value must be ordinary shares which carry no preferential rights. In addition, although the Company can invest less than 30% of an investment in a specific company in ordinary shares it must have at least 10% by value of its total investments in each VCT qualifying company in ordinary shares which carry no preferential rights.

Asset mix

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

Risk diversification and maximum exposures

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

Co-investment

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

Investment Manager's Review

Summary

In the face of continued economic deterioration in the UK and worldwide this has been a challenging year for new investment. New deals coming to the market have been generally unattractive and we have taken the view that vendors' price expectations would prove unsustainable over the medium term. We have therefore been cautious and selective in our consideration of potential deals. We have in particular continued to avoid transactions requiring high levels of bank borrowing, believing that economic conditions were still deteriorating and that this would make over-leveraged companies much too vulnerable in a tougher environment. We remain of the view that the market has not yet re-established the equilibrium necessary for high quality businesses to be sold at prices acceptable to private equity managers.

The MPEP portfolio at 30 September 2009 comprised twenty-nine investments with a cost of £15.7 million and valued at £16.5 million representing an uplift of 5.1% on cost. Realisations during the year generated cash proceeds of £2 million.

The predominance in the investment portfolio of management buy-out investments reflects our strategy of seeking to capitalise companies properly at the time of investment so that they are well positioned to contend with difficult times. Only two investments have received very modest additional funding during the year and a third since the year-end totalling £267,351 across the portfolio. We continue to believe that the portfolio, taken as a whole, is resilient and of high quality and given recent general comment on the tightening of bank lending, do not consider that the portfolio is exposed to unsustainable levels of third party debt.

The legacy Foresight portfolio which comprises largely technology and early-stage companies shows a rather worse position. This portfolio comprises eleven investments with a cost of £9.3 million and valued at £2.8 million representing 29.6% of cost. There have been no realisations during the year from this portfolio.

MPEP 'O' Share Fund investments

A total of £1.2 million was deployed into investments by the 'O' Share Fund during the year and since the year-end, two new investments of £787,820 were completed. As reported previously in the Half-Yearly Report, these included a new investment of £595,842 to support the management buy-out of ATG Media, the London-based publisher of the Antique Trade Gazette and provider of an online auction platform and two small follow-on loan stock investments into PXP of £129,264 and Monsal of £47,158.

A new investment £389,703 was also made in June into MC440 Limited to support the management buy-out of Westway Cooling, a company based in Greenford, Middlesex, which specialises in installing, servicing and maintaining high quality air-conditioning systems and associated building services plant in the refurbishment and maintenance market. The investment comprised loan stock and an equity stake of 3.3%. With a turnover of £9.6 million and a record order book we believe that this company is well placed to grow even in the present challenging market conditions. It has made a good start, in line with our expectations, following the MBO.

After the year-end, a further investment of £90,909 was completed in November 2009 into British International Holdings, while in December, one of the VCT's acquisition vehicles, Calisamo Management Limited changed its name to CB Imports Group Limited and invested £696,911 to acquire Country Baskets, a distributor of floral sundries.

The 'O' Share Fund successfully realised its investment in Tottel Publishing. The company was sold to Bloomsbury Publishing Group for £10 million at the beginning of July earning a fourfold gain on the original investment cost and returning total proceeds to the Fund of £2.05 million. The investment was exited earlier than envisaged at the time of the investment and the original investment cost of £514,800 had already been reduced to £325,182 in March of this year when Tottel repaid 50% of the Fund's loan stock investment.

Following the year-end, in November 2009, the 'O' Share Fund successfully sold its investment in PastaKing, the Newton Abbott based foodservice company to NBGI for initial proceeds of £779k. This realisation contributed to total returns of £949k to the Fund throughout the life of the investment, representing a 3.25 fold return on the Company's original investment of £292,405.

A number of companies in the portfolio are trading strongly and expanding their businesses. DiGiCo Europe has continued to roll out new products and this has led to rising profit growth this year. The company repaid £142,804 of loan stock in May 2009 plus the premium due. Amaldis (2008) too has had a very good year and has successfully completed launches of a number of new product lines.

The performance of Monsal during the year has also improved significantly and the outlook is further enhanced by the prospect of new capital contracts as water companies commit to new waste management projects and the company exploits its expertise in anaerobic digestion.

Inevitably, in the current environment, a number of our companies are re-assessing their market position and streamlining their businesses to adapt to less certain conditions. BG Consulting Group/Duncary 4 is in the process of reconstructing its business which should strengthen the company's position in the marketplace and enhance the value of the VCT's investment. Earlier this year, Letraset underwent a capital reorganisation to address its recent decline in revenue and re-align itself for the future.

The 'O' Share Fund has received further consideration from Special Mail Services based on performance totalling £19,808 during the year.

As part of a new initiative to generate additional high-quality MBO investments, at the year-end the Fund held investments of £1 million each alongside other MPEP advised funds in three acquisition vehicles, Apricot Trading, Aust Construction Investors and Calisamo Management, headed by experienced Chairmen well known to MPEP. These individuals are working closely with us in seeking to identify and complete investments in specific sectors relevant to their industry knowledge and experience. We have established these companies to provide time for us to identify and invest in suitable target companies at sufficiently attractive prices. However, since the year-end, Calisamo has completed an investment into Country Baskets and changed its name to CB Imports Group Limited, while the other two companies have commenced trading, providing management consultancy services in their chosen sector.

Unfortunately there are a few companies in the portfolio, particularly those which are more directly exposed to the construction and retail sectors that are suffering from the negative effects of the recession. Youngman, PXP and Plastic Surgeon have all suffered from the significant downturn in the construction industry as business volumes have shrunk and reduced demand from major customers has impacted on revenue. Youngman in particular was well-placed to withstand these pressures and remains profitable. It is still too early to assess when we are likely to see signs of recovery in these areas. Blaze Signs has also continued to experience a fall in activity arising from much reduced levels of new signage rollouts from its major customers.

Foresight and Nova ‘O’ Share Fund investments

With effect from 1 October 2008, MPEP assumed responsibility from Foresight for the eleven investments it managed on behalf of the ‘O’ Share Fund.

Some of these businesses, for example Biomer and NexxtDrive, remain at an early stage in terms of revenue generation and have not yet achieved break-even levels and remain cash negative.

Camwood is the strongest performer in the portfolio and is making good progress. The development of its AppDNA application for Microsoft Windows is now doing well and appears to be gaining traction in its market. DCG Group remains profitable and is doing particularly well in the US. The performance of Aquasium has also shown improvement over the last year. Oxonica lost a major litigation case at the Court of Appeal. The majority of the executive team have since left the company which has delisted itself from AiM. The company’s future remains uncertain.

‘S’ Share Fund

The Fund completed investments in ATG Media (£404,158 for a 3.6% equity stake) and MC440 (Westway) (£169,483 representing a 1.4% equity stake) alongside the ‘O’ Share Fund as described above.

Since the year-end, a new investment of £303,089 was made into CB Imports Group Limited, a distributor of floral sundries.

The Fund has retained in cash a high percentage of the funds raised in 2008 and we will apply this to new investments when the market recovers and the right opportunities begin to emerge.

Investment outlook

It is difficult to predict where the economy will go over the coming year. It shows little sign of improvement and remains fragile. We have however worked very hard with investee companies to make sure that they are taking all the measures they can to cut costs. We expect that follow-on finance to support portfolio companies may become a focus over the coming months. We also anticipate much more attractive buying conditions emerging as the year progresses. Having retained significant uninvested cash, we believe the Company is well placed to cover both the portfolio needs that may arise and the new investment opportunities presented.

Details of the Company's fifteen largest investments by value are set out below.

Image Source Group Limited www.imagesource.com

Cost: £305,000
Valuation: £2,259,232
Basis of valuation: Discounted earnings
Equity % held: 44.0% (reduced to 39.6% if options held by senior employees are exercised)
Business: Royalty-free photography creator
Location: London
History: Management buy-out
Income in year to I&G: £Nil
Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 December 2008	£9,347,000	£744,000	£2,442,000

Amaldis (2008) Limited (Original Additions) www.originaladditions.com

Cost: £80,313
Valuation: £1,586,734
Basis of valuation: Discounted earnings
Equity % held: 9.2%
Business: Manufacturer and distributor of beauty products
Location: Hayes, Middlesex
History: Management buy-out
Income in year to I&G: £Nil
Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 March 2009	£19,008,000	£2,373,000	£938,000

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

HWA Group Limited (trading as Holloway White Allom) www.hwa.co.uk

Cost:	£34,553
Valuation:	£1,457,407
Basis of valuation:	Discounted earnings
Equity % held:	21.1%
Business:	High value property restoration and refurbishment
Location:	London
History:	Management buy-out from John Laing plc
Income in year to I&G:	£Nil

Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 December 2008	£85,169,000	£4,357,000	£5,329,000

DiGiCo Europe Limited www.digico.org

Cost:	£514,096
Valuation:	£1,131,870
Basis of valuation:	Discounted earnings
Equity % held:	4.3%
Business:	Manufacturer of digital sound mixing consoles
Location:	Chessington, Surrey
History:	Management buy-out
Income in year to I&G:	£27,670

Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 December 2008	£10,061,000	£1,673,000	£3,707,000

*** In the above table, an exceptional expenditure item of £220k, which relates to a payment made for the purpose of funding an employees' benefit trust, has been added back to the audited operating profit and net asset figures.**

Camwood Limited www.camwood.com

Cost:	£1,028,181
Valuation:	£1,013,233
Basis of valuation:	Discounted earnings
Equity % held:	34.7%
Business:	Provider of software packaging services
Location:	London
History:	Development capital
Income in year to I&G:	£46,475

Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 March 2009	£4,756,000	£22,000	£281,000

Apricot Trading Limited

Cost:	£1,000,000
Valuation:	£1,000,000
Basis of valuation:	Cost
Equity % held:	24.5%
Business:	Company seeking to acquire businesses in the marketing services and media sectors
Location:	Thame, Oxfordshire
History:	Newly formed company
Income in year to I&G:	£8,644

Unaudited financial information:

Period ended	Turnover	Operating loss	Net assets
31 October 2008*	£0	£14,000	£791,000

* The financial information is taken from the unaudited abbreviated accounts for the period from incorporation on 18 October 2007.

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

ATG Media Holdings Limited

www.antiquestradegazette.com

	'O' Share Fund	'S' Share Fund
Cost:	£595,842	£404,158
Valuation:	£595,842	£404,158
Basis of valuation:	Cost	
Equity % held:	5.3%	3.6%
Business:	Publisher and on-line auction platform operator	
Location:	London	
History:	Management buy-out	
Income in year to I&G:	£32,077	
Audited financial information:	First audited accounts will be for the period ended 30 September 2009	

Aust Construction Investors Limited

Cost: £1,000,000
Valuation: £1,000,000
Basis of valuation: Cost
Equity % held: 16.3%
Business: Company seeking to acquire businesses in the construction and related services sectors
Location: Bristol, Avon
History: Newly formed company
Income in year to I&G: £8,644
Unaudited financial information:

Period ended	Turnover	Operating loss	Net assets
31 July 2008*	£0	£16,000	£790,000

* The financial information is taken from the unaudited abbreviated accounts for the period from incorporation on 4 July 2007.

Calisamo Management Limited (renamed CB Imports Group Limited on 10 December 2009)

Cost: £1,000,000
Valuation: £1,000,000
Basis of valuation: Cost
Equity % held: 16.3%
Business: Acquisition vehicle used to support the MBO of CB Imports plc (Country Baskets) after the year-end
Location: Burton upon Trent, Staffordshire
History: Newly formed company
Income in year to I&G: £8,644
Unaudited financial information:

Period ended	Turnover	Operating loss	Net assets
31 October 2008*	£0	£24,000	£1,186,000

* The financial information is taken from the unaudited abbreviated accounts of Calisamo Management Limited for the period from incorporation on 18 October 2007.

IDOX plc

www.idoxplc.com

Cost: £872,625
Valuation: £796,250
Basis of valuation: Bid price (AiM-quoted)
Equity % held: 2.4%
Business: Development and supply of information and knowledge management products and services
Location: London
History: AiM flotation
Income in year to I&G: £15,925
Audited financial information:

Year ended	Turnover	Operating profit	Net assets	Earnings per share
31 October 2008	£34,034,000	£8,127,000	£25,446,000	1.38p

VSI Limited

www.lightworkdesign.com

Cost: £245,596
Valuation: £794,146
Basis of valuation: Discounted earnings
Equity % held: 10.0%
Business: Provider of software for CAD and CAM vendors
Location: Sheffield
History: Management buy-out
Income in year to I&G: £33,111
Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 December 2008	£4,474,000	£824,000	£968,000

PastaKing Holdings Limited

www.pastaking.net

Cost: £292,405
Valuation: £778,913
Basis of valuation: Discounted earnings
Equity % held: 4.5%
Business: Manufacturer and supplier of fresh pasta meals
Location: Newton Abbot, Devon
History: Management buy-out
Income in year to I&G: £73,039

Audited financial information:

Year ended	Turnover	Operating profit	Net assets
30 June 2009	£12,345,00	£2,527,000	£2,643,000

Youngman Group Limited

www.youngmangroup.com

Cost: £1,000,052
Valuation: £700,992
Basis of valuation: Share of net assets
Equity % held: 8.5%
Business: Manufacture of ladders and access towers
Location: Maldon, Essex
History: Management buy-in/buy-out from SGB Group
Income in year to I&G: £37,468

Audited financial information:

Year ended	Turnover	Operating profit	Net assets
30 June 2009	£26,251,000	£188,000	£4,675,000

Tikit Group plc

www.tikit.com

Cost: £500,000
Valuation: £595,651
Basis of valuation: Bid price (AiM-quoted)
Equity % held: 3.0%
Business: IT solutions and support services to the legal and accounting industries
Location: London
History: AiM flotation
Income in year to I&G: £26,087
Audited financial information:

Year ended	Turnover	Operating profit	Net assets	Earnings per share
31 December 2008	£28,472,000	£3,944,000	£14,253,000	17.8p

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

Aquasium Technology Limited www.aquasium.com

Cost:	£700,000
Valuation:	£564,739
Basis of valuation:	Discounted earnings
Equity % held:	16.67%
Business:	Manufacture and marketing of electron beam welding and vacuum furnace equipment
Location:	Cambridge
History:	Management buy-in
Income in year to I&G:	£Nil

Audited financial information:

Year ended *	Turnover	Operating profit	Net assets
31 December 2008	£11,412,000	£1,141,000	£736,000

* Financial information relates to the operating subsidiary.

The remaining twenty-five investments in the 'O' Share Fund portfolio have a current cost of £15,882,788 and are valued at 30 September 2009 at £4,016,925.

The remaining two investments in the 'S' Share Fund portfolio have a current cost of £268,494 and are valued at 30 September 2009 at £194,236.

Further details of the investments in the portfolio may be found on MPEP's website: www.matrixpep.co.uk

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

Investment Portfolio Summary - 'O' Share Fund

as at 30 September 2009

	Ordinary Shares		Other Investments [1]		Total	Total		Total	Interest	Dividends	Unrealised	Realised	Proceeds	% of	% of	Description of loan
	Cost at 30-Sep-09	Valuation at 30-Sep-09	Cost at 30-Sep-09	Valuation at 30-Sep-09	Cost at 30-Sep-09	Valuation at 30-Sep-08	Additional investments	Valuation at 30-Sep-09	receivable in period	receivable in period	gains/(losses) in period	gains in period		equity held [3 4]	portfolio by value	stock
	£	£	£	£	£	£	£	£	£	£	£	£	£			
Image Source Group Limited Royalty free photography creator	300,000	2,254,232	5,000	5,000	305,000	2,241,678	-	2,259,232	-	-	17,554	-	-	39.6%	11.72%	-
Amaldis (2008) Limited (Original Additions) Manufacturer and distributor of beauty products	13,167	380,359	67,146	1,206,375	80,313	1,248,967	-	1,586,734	-	-	337,767	-	-	9.2%	8.22%	Secured loan stock 2013 at 10%
HWA Group Limited (Holloway White Allom) High value property restoration and refurbishment	34,553	1,457,407	-	-	34,553	2,359,597	-	1,457,407	-	-	(902,190)	-	-	21.1%	7.55%	-
DiGiCo Europe Limited Designer and manufacturer of audio mixing desks	253,906	852,326	260,190	279,544	514,096	763,337	-	1,131,870	27,628	42	511,337	10,634	153,438	4.3%	5.87%	Secured loan stock 2012 at 10.75%
Camwood Limited [6] Provider of software repackaging services	361,514	346,566	666,667	666,667	1,028,181	552,444	-	1,013,233	46,475	-	460,789	-	-	34.7%	5.25%	Secured loan at 7% 2008
Apricot Trading Limited Company seeking to acquire businesses in the marketing services and media sector	400,000	400,000	600,000	600,000	1,000,000	1,000,000	-	1,000,000	8,644	-	-	-	-	24.5%	5.18%	Secured variable loan 2013
Aust Construction Investors Limited Company seeking to acquire businesses in the construction sector	400,000	400,000	600,000	600,000	1,000,000	1,000,000	-	1,000,000	8,644	-	-	-	-	16.3%	5.18%	Secured variable loan 2012
Calisamo Management Limited Acquisition vehicle used to support the MBO of CB Imports plc (Country Baskets) after the year-end	400,000	400,000	600,000	600,000	1,000,000	1,000,000	-	1,000,000	8,644	-	-	-	-	16.3%	5.18%	Secured variable loan 2012
I-Dox plc [8] Provider of document storage systems	872,625	796,250	-	-	872,625	816,667	-	796,250	-	15,925	(20,417)	-	-	2.4%	4.13%	-
VSI Limited Provider of software for CAD and CAM vendors	38,895	556,748	206,700	237,398	245,595	675,439	-	794,146	20,465	12,646	118,707		-	9.2%	4.12%	Secured loan stock 2011 at 10%
PastaKing Holdings Limited Manufacturer and supplier of fresh pasta meals	116,962	568,052	175,443	210,861	292,405	856,250	-	778,913	5,007	68,032	(77,338)	-	-	4.5%	4.04%	Secured loan stock 2011 at 10%
Youngman Group Limited Manufacturer of ladders and access towers	100,052	0	900,000	700,992	1,000,052	1,615,929	-	700,992	37,540	(72)	(914,937)	-	-	8.5%	3.63%	Secured loan stock 2010 at 7.75%
ATG Media Holdings Limited Publisher and online auction platform operator	211,855	211,855	383,987	383,987	595,842	-	595,842	595,842	32,077	-	-	-	-	5.3%	3.09%	Secured loan stock 2013 at 10.0% and variable rate
Tikit Group plc [8] Provider of consultancy, services and software solutions for law firms	500,000	595,651	-	-	500,000	899,999	-	595,651	-	26,087	(304,348)	-	-	3.0%	3.09%	-
Aquasium Technology Limited [6] Manufacturing and marketing of bespoke electron beam welding and vacuum furnace equipment	166,667	31,406	533,333	533,333	700,000	311,306	-	564,739	-	-	253,433	-	-	16.7%	2.93%	Secured loans at 8.25% 2006 and at 7% 2008 and 2010
Focus Pharma Holdings Limited Licensor and distributor of generic pharmaceuticals	180,914	39,444	335,986	486,414	516,900	516,900	-	525,858	36,769	-	8,958	-	-	2.1%	2.73%	Secured loan stock 2012 at 10.97%
MC 440 Limited (Westway Cooling) Installation, service and maintenance of air conditioning systems	40,380	40,380	349,323	349,323	389,703	-	389,703	389,703	10,852	-	-	-	-	3.3%	2.03%	Secured loan stock 2014 at 10.7%
Vectair Holdings Limited Designer and distributor of washroom products	53,207	179,926	162,707	195,210	215,914	341,830	-	375,136	14,626	2,435	33,306	-	-	4.6%	1.94%	Secured loan stock 2011 at 9%
British International Holdings Limited Helicopter service operator	112,500	0	387,500	359,765	500,000	375,112	-	359,765	158	-	(15,347)	-	-	5.0%	1.86%	Secured loan stock 2011 at 9%
Monsal Holdings Limited Supplier of engineering services to the water and waste sectors	143,597	25,696	328,008	328,008	471,605	318,335	47,158	353,704	26,866	-	(11,789)	-	-	5.7%	1.83%	Secured loan stock 2012 at 8.62% and 8%
Brookerpaks Limited Importer and distributor of garlic and vacuum-packed vegetables to supermarkets and the wholesale trade	50,000	319,447	5,000	5,000	55,000	417,540	-	324,447	-	37,054	(93,093)	-	-	17.1%	1.68%	-
ANT plc[6] Provider of embedded browser/email software for consumer electronics and Internet appliances	462,816	275,770	-	-	462,816	196,979	-	275,770	-	-	78,791	-	-	2.7%	1.43%	-
DCG Group Limited [6] Design, supply and integration of data storage solutions	83,324	34,111	228,750	228,750	312,074	321,013	-	262,861	16,013	-	(58,152)	-	-	11.3%	1.36%	Secured loan at 7% 2009
Biomer Technology Limited [7] Developer of biomaterials for medical devices	137,170	226,585	-	-	137,170	137,170	-	226,585	-	-	89,415	-	-	4.4%	1.17%	-
NexxtDrive Limited [7] Developer and exploiter of mechanical transmission technologies	487,014	0	325,000	203,004	812,014	203,004	-	203,004	- [5]	-	-	-	-	8.4%	1.05%	Secured convertible loan stock at 5% 2008
Sarantel plc [6] Developer and manufacturer of antennae for mobile phones and other wireless devices	1,881,251	153,175	-	-	1,881,251	68,078	-	153,175	-	-	85,097	-	-	3.6%	0.79%	-
Blaze Signs Holdings Limited Manufacturer and installer of signs	401,550	0	936,950	132,589	1,338,500	1,392,644	-	132,589	23,195		(1,260,055)	-	-	12.5%	0.69%	Secured loan stock 2011 and 2012 at 10%
B G Consulting Group Limited/Duncary 4 Limited Technical training business	110,202	115,027	1,043,774	0	1,153,976	256,530	-	115,027	-	-	(141,503)	-	-	33.2%	0.60%	Variable rate unsecured loan notes 2007

	Ordinary Shares Cost at 30-Sep-09 £	Ordinary Shares Valuation at 30-Sep-09 £	Other Investments [1] Cost at 30-Sep-09 £	Other Investments [1] Valuation at 30-Sep-09 £	Total Cost at 30-Sep-09 £	Total Valuation at 30-Sep-08 £	Additional investments £	Total Valuation at 30-Sep-09 £	Interest receivable in period £	Dividends receivable in period £	Unrealised gains/(losses) in period £	Realised gains in period £	Proceeds £	% of equity held [3 4]	% of portfolio by value	Description of loan stock
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	165,256	0	385,596	79,496	550,852	13,692	-	79,496	-	-	65,804	-	-	7.7%	0.41%	Secured loan stock 2011 at 12%
The Plastic Surgeon Holdings Limited Supplier of snagging and finishing services to the property sector	30,707	0	276,364	76,768	307,071	153,536	-	76,768	21,544	-	(76,768)	-	-	4.6%	0.40%	Secured loan stock 2013 at 8.62%
Legion Group plc (formerly SectorGuard plc) Provider of manned guarding, mobile patrols and alarm response services	150,000	53,571	-	-	150,000	64,286	-	53,571	-	-	(10,715)	-	-	0.7%	0.28%	-
Campden Media Limited Magazine publisher and conference organiser	67,814	0	267,066	44,438	334,880	65,842	-	44,438	-	-	(21,404)	-	-	3.6%	0.23%	Secured variable loan 2011
Corero plc (formerly Mondas plc) [6] Provider of e-business technologies	600,000	34,381	-	-	600,000	73,672	-	34,381	-	-	(39,291)	-	-	6.5%	0.18%	-
Alaric Systems Limited [6] Software developer and provider of support services for retail credit card payment systems	565,156	0	30,647	30,647	595,803	30,647	-	30,647	-	-	1	-	-	8.1%	0.16%	Secured variable rate loan stock 2009
Aigis Blast Protection Limited [6] Specialist blast containment materials company	272,120	0	-	-	272,120	68,030	-	0	-	-	(68,030)	-	-	3.7%	0.00%	-
Inca Interiors Limited in administration Design, supply and installation of quality kitchens to house developers	50,000	0	300,000	0	350,000	0	-	0	-	-	-	-	-	0.0%	0.00%	Secured subordinated loan stock at 9% 2006
Letraset Limited Manufacturer and worldwide distributor of graphic art products	450,000	0	200,000	0	650,000	0	-	0	-	-	-	-	-	5.0%	0.00%	Unsecured subordinated loan stock 2009 at 8%
Oxonica plc [6] Leading international nanomaterials group	2,524,527	0	-	-	2,524,527	1,113,991	-	0	-	-	(1,113,991)	-	-	10.6%	0.00%	-
PXP Holdings Limited (Pinewood Structures) Designer, manufacturer and supplier of timber frames for buildings	227,783	0	692,393	0	920,176	324,860	129,264	0	-	-	(454,124)	-	-	6.8%	0.00%	Secured loan stock 2012 and 2013 at 8%
Bloomsbury Professional Limited (formerly Tottel Publishing Limited) - company sold in July 2009 Publisher of specialist legal and taxation titles	0	0	0	0	0	1,294,585	-	0	21,295	36,873	-	568,248	1,887,864	0.0%	0.00%	Secured loan stock 2009 at 9.6%
Special Mail Services Limited - company sold in 2006	-	-	-	-	-	-	-	-	-	-	-	18,755 [5]	19,808 [5]	0.0%	0.00%	-
Other investments in the portfolio [2]	380,436	0	0	0	380,436	0	-	0	-	-	-		-	-	0.00%	
'O' Share Fund Total	**13,797,920**	**10,748,365**	**11,253,530**	**8,543,569**	**25,051,450**	**23,089,889**	**1,161,967**	**19,291,934**	**366,442**	**199,022**	**(3,522,533)**	**597,637**	**2,061,110**		**100.00%**	

Notes

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

[2] 'Other investments in the portfolio' comprises Stortext-FM Limited/Stortext (DO) Limited.

[3] The percentage of equity held, and the amounts co-invested, in these companies by funds managed by Matrix Private Equity Partners LLP are disclosed in Note 14 to the financial statements.

[4] 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.

[5] Proceeds represent realisation of contingent consideration payable when Secure Mail Services Limited was sold.

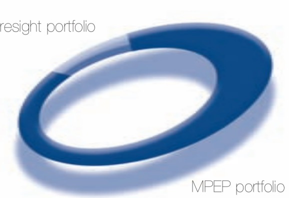
[6] Investment formerly managed by Foresight Group up to 10 March 2009.

[7] Investment formerly managed by Nova Capital Management Limited until 31 August 2007 and by Foresight Group until 10 March 2009.

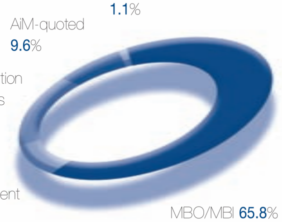
[8] Investment formerly managed by Nova Capital Management Limited until 31 August 2007.

'O' Share Fund Investments at valuation at 30 September 2009

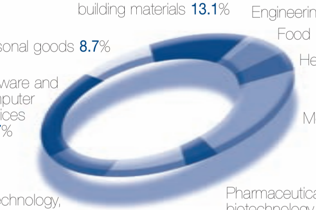
By investment manager



By stage of development



By market sector



Investment Portfolio Summary - 'S' Share Fund
as at 30 September 2009

	Ordinary Shares		Other Investments [1]		Total	Total		Total	Interest	Dividends	Unrealised	Realised	Proceeds	% of	% of	Description of loan stock
	Cost at 30-Sep-09	Valuation at 30-Sep-09	Cost at 30-Sep-09	Valuation at 30-Sep-09	Cost at 30-Sep-09	Valuation at 30-Sep-08	Additional investments	Valuation at 30-Sep-09	receivable in period	receivable in period	gains/(losses) in period	gains/(losses) in period		equity held [2 3]	portfolio by value	
	£	£	£	£	£	£	£	£	£	£	£	£	£			
ATG Media Holdings Limited Publisher and online auction platform operator	143,701	143,701	260,457	260,457	404,158	-	404,158	404,158	21,757	-	-	-	-	3.6%	67.54%	Secured loan stock 2013 at 10.0% and variable rate
MC 440 Limited (Westway Cooling) Installation, service and maintenance of air conditioning systems	17,561	17,561	151,922	151,922	169,483	-	169,483	169,483	4,720	-	-	-	-	1.4%	28.32%	Secured loan stock 2014 at 10.7%
The Plastic Surgeon Holdings Limited Supplier of snagging and finishing services to property sector.	9,903	0	89,108	24,753	99,011	49,506	-	24,753	6,947	-	(24,753)	-	-	1.5%	4.14%	Secured loan stock 2013 at 8.62%
'S' Share Fund Total	**171,165**	**161,262**	**501,487**	**437,132**	**672,652**	**49,506**	**573,641**	**598,394**	**33,424**	**-**	**(24,753)**	**-**	**-**		**100.00%**	
Company total	**13,969,085**	**10,909,627**	**11,755,017**	**8,980,701**	**25,724,102**	**23,139,395**	**1,735,608**	**19,890,328**	**399,866**	**199,022**	**(3,547,286)**	**597,637**	**2,061,110**			

[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 Matrix Private Equity Partners LLP are disclosed in Note 14 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.

Board of Directors

Colin Hook
Status: Non-Executive Chairman
Age: 67
Date of appointment: 13 October 2000
Experience: Colin has wide industrial and commercial experience. He has directed fund management operations for more than ten years and his City involvement includes flotations, mergers and acquisitions and general corporate finance. From 1994 to 1997 he was Chief Executive of Ivory and Sime plc. He is currently the non-executive Chairman of Matrix Income and Growth 4 VCT plc and Chairman of Pole Star Space Applications Limited, a leading provider of real-time tracking information for maritime applications via a global web-based satellite enabled solution.

Last re-elected to the Board: February 2009
Committee memberships: Nominations and Remuneration Committee (Chairman), Audit Committee, Investment Committee
Number of Board and Committee meetings attended 2008/09: 12/12
Remuneration 2008/09: £41,000
Relevant relationships with the Investment Managers or other service providers: Matrix Income & Growth 4 VCT plc is also managed by MPEP.
Shared directorships with other I&G VCT Directors: Matrix Income & Growth 4 VCT plc (Chairman)
Shareholding in the Company: 11,889 'O' Shares; 21,100 'S' Shares

Christopher Moore
Status: Non-Executive Director
Age: 65
Date of appointment: 13 October 2000
Experience: After qualifying with Price Waterhouse, Christopher worked for Robert Fleming Inc., Lazard, Jardine Fleming and then Robert Fleming, latterly as a main board director for 9 years (1986-95). During this period he was involved in various unquoted and venture capital investments and remained chairman of Fleming Ventures Limited, an international technology venture capital fund, until 2003. He was also Chairman of Calderburn Plc from 1996 to 1999, and led a successful turnaround and sale of the group's businesses. His advisory roles included acting as senior adviser to the chairman of Lloyds, the insurance group, for 4½ years. Christopher was appointed Chairman of Oxonica plc in February 2005, in which the I&G 'O' Share Fund holds an investment, standing down from the board in September 2007. He is a non-executive director of Matrix Income & Growth VCT plc, Matrix Income & Growth 3 VCT plc and Matrix Income & Growth 4 VCT plc.

Last re-elected to the Board: January 2008
Committee memberships: Audit Committee (Chairman), Investment Committee, Nominations and Remuneration Committee
Number of Board and Committee meetings attended 2008/09: 10/12
Remuneration 2008/09: £31,000
Relevant relationships with the Investment Managers or other service providers: Matrix Income & Growth VCT plc, Matrix Income & Growth 3 VCT plc and Matrix Income & Growth 4 VCT plc are also managed by MPEP.
Relevant relationships with investee companies: Chairman of Oxonica plc until 28 September 2007. Shareholding in the company: 0.21%
Shared directorships with other I&G VCT Directors: Matrix Income & Growth 4 VCT plc
Shareholding in the Company: 23,778 'O' Shares; 26,375 'S' Shares

Helen Sinclair
Status: Non-Executive Director
Age: 43
Date of appointment: 29 January 2003
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 has since raised two funds, Matrix Income & Growth 2 VCT plc and Matrix Enterprise Fund. She was a non-executive director of Hotbed Fund Managers Limited 2006-08. She is Chairman of British Smaller Companies VCT plc, a non-executive director of Matrix Income & Growth 4 VCT plc and provides consultancy services in the venture capital sector.

Last re-elected to the Board: January 2007 (standing for re-election in 2010)
Committee memberships: Investment Committee (Chairman), Audit Committee, Nominations and Remuneration Committee
Number of Board and Committee meetings attended 2008/09: 12/12
Remuneration 2008/09: £31,000
Relevant relationships with the Investment Managers or other service providers: Matrix Income & Growth 4 VCT plc is also managed by MPEP
Shared directorships with other I&G VCT Directors: Matrix Income & Growth 4 VCT plc
Shareholding in the Company: 10,550 'S' Shares

Directors' Report

The Directors present the ninth Annual Report and Accounts of the Company for the year ended 30 September 2009.

Business and principal activities

The principal activity of the Company during the year under review was investment in unquoted or AiM-quoted companies in the United Kingdom. Details of the principal investments made by the Company are given in the Investment Manager's Review and Investment Portfolio Summary on pages 12 - 22 of this Annual Report.

The ordinary shares of 1p each in the capital of the Company (" 'O' Shares") were first admitted to the Official List of the UK Listing Authority ("UKLA") and to trading on 15 November 2000 and the S ordinary shares of 1p each in the capital of the Company (" 'S' Shares") were first admitted to the Official List of the UKLA and to trading on 8 February 2008. 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.

The Company revoked its status as an investment company on 30 November 2005 as defined by section 266 of the Companies Act 1985 ("the 1985 Act") subsequently superseded by section 833 of the Companies Act 2006 ("the 2006 Act").

Share premium account

The cancellation of the share premium account attributable to the 'S' Shares was confirmed by a Court Order on 16 September 2009 for the purposes of providing a special reserve which is distributable and is capable of being used for the purposes, inter alia, of funding the purchase of its own shares in the future. The share premium account attributable to the 'O' had been cancelled previously by a Court Order dated 1 May 2002.

Future developments

The objective of the Directors continues to be to provide investors with an attractive return, by maximising the stream of dividend distributions from the income and capital gains generated by a diverse and carefully selected portfolio of investments.

The Directors intend to continue their policy of investing in companies at various stages of development. In some instances this will include investments in new and secondary issues of companies which may already be quoted on AiM or PLUS.

Business review

For a review of the Company's development and performance during the year and future prospects, please see the Chairman's Statement on pages 4 - 9 and the Investment Manager's Review and Investment Portfolio Summary on pages 12 - 22 of this Report. The Financial Highlights on pages 1 - 3 provides data on the Company's key performance indicators.

The Company's Investment Policy on pages 10 - 11 provides information on the Company's financial risk management objectives and exposure to risks.

The Board reviews performance by reference to various measures, taking account of the long term nature of the assets in which the Company invests.

- **Total return**
  The total return per share is the key measure of performance for the Company which comprises NAV plus cumulative dividends paid per share. NAV is calculated quarterly in accordance with the International Private Equity Venture Capital Valuation (IPEVCV) guidelines. The 'O' Share Fund's net assets decreased during the year under review resulting in a 14.5% (or 9.7% if this figure is adjusted for the dividend paid during the year) fall in NAV per share and a 8.1% fall in total return per share whilst the NAV and total return per 'S' Share decreased by 1.5%

- **Total expense ratio (TER)**
  The TER of the Company for the year under review was 3.6%. Under the terms of the Investment Advisers' Agreement, annual expenses, excluding any exceptional items, Investment Manager's performance fee and trail commission, are capped at 3.25% of closing net assets. Any expenses in excess of the 3.25% cap are borne by the Investment Manager and the Promoter, which totalled £16,437 this year. On this basis, the figure is reduced to 3.3 % of closing net assets.

Principal risks, management and regulatory environment

The Board believes that the principal risks faced by the Company are:

- **Economic risk** – events such as an economic recession and movement in interest rates could affect trading conditions for smaller companies and consequently the value of the Company's qualifying investments.

- **Loss of approval as a Venture Capital Trust** – the Company must comply with section 274 of the Income Tax Act 2007 ("ITA") which allows it to be exempted from capital gains tax on investment gains. Any breach of these rules may lead to the Company losing its approval as a Venture Capital Trust (VCT), qualifying shareholders who have not held their shares for the designated holding period having to repay the income tax relief they obtained and future dividends paid by the Company becoming subject to tax. The Company would also lose its exemption from corporation tax on capital gains.

- **Investment and strategic** – inappropriate strategy or consistently weak VCT qualifying investment recommendations might lead to underperformance and poor returns to shareholders.

- **Regulatory** – the Company is required to comply with the Companies Acts 1985 and 2006 ("the Companies Acts"), the listing rules of the UK Listing Authority and United Kingdom Accounting Standards. Breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report.

- **Financial and operating risk** – inadequate controls that might lead to misappropriation of assets. Inappropriate accounting policies might lead to misreporting or beaches of regulations. Failure of the Investment Manager's and Administrator's accounting systems or disruption to its business might lead to an inability to provide accurate reporting and monitoring.

- **Market risk** – Investment in unquoted companies, by its nature, involves a higher degree of risk than investment in companies traded on the London Stock Exchange main market. In particular, 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.

- **Asset liquidity risk** – The Company's investments may be difficult to realise.

- **Market liquidity risk** – Shareholders may find it difficult to sell their shares at a price which is close to the net asset value.

- **Counterparty risk** - A counterparty may fail to discharge an obligation or commitment that it has entered into with the Company. For further information, please see page 6 of the Chairman's Statement under 'Cash available for investment' and the discussion on 'credit risk in Note 20 to the accounts on pages 79 - 80.

  The Board seeks to mitigate the internal risks by setting policy and by undertaking a key risk management review at each quarterly Board meeting. Performance is regularly reviewed and assurances in respect of adequate internal controls and key risks are sought and received from the Investment Manager and Administrator on a six monthly basis. In mitigation and the management of these risks, the Board applies rigorously the principles detailed in the AIC Code of Corporate Governance. The Board also has a Share Buy Back policy which seeks to mitigate the Market Liquidity risk. This policy is reviewed at each quarterly Board Meeting.

Issue and buy-back of shares

During the year under review, the Company issued a total of 127,403 (2008: 75,807). 'O' Shares in accordance with the Dividend Investment Scheme approved by Shareholders on 31 January 2006 and amended 1 February 2008.

The Board believes that it is in the best interests of the Company and its Shareholders for the Company to make market purchases of its shares to seek both to enhance net asset value and to discourage excessive discounts to market prices quoted. An

Authority for the Company to purchase its own shares pursuant to section 166 of the 1985 Act (subsequently superceded by section 701 of the 2006 Act) was in place throughout the year under review. For further details please see Note 16 to the accounts on page 74 - 76 of this Annual Report. A resolution to renew this authority will be proposed at the Annual General Meeting to be held on 3 March 2010.

During the year the Company bought back 754,444 (2008: 1,213,848) 'O' Shares (representing 2.13% (2008: 3.4%) of the 'O' Shares in issue at the beginning of the year) at a cost of £353,751 (2008: £1,063,732). These shares were subsequently cancelled by the Company.

Share capital

The capital of the Company comprises 'O' Shares and 'S' Shares and the rights and obligations attached to each class of shares are identical.

The issued 'O' share capital of the Company as at 30 September 2009 was £348,244 (2008: £354,515) and the number of 'O' Shares in issue as at this date was 34,824,397 (2008: 35,451,438) representing 75% of the total issued share capital of the Company.

The issued 'S' share capital of the Company as at 30 September 2009 was £118,065 (2008: £118,065) and the number of 'S' Shares in issue as at this date was 11,806,467 (2008: 11,806,467) representing 25% of the total issued share capital of the Company.

Results and dividend

The basic revenue return after taxation attributable to 'O' Fund Shareholders and 'S' Fund Shareholders for the period was £182,551 (2008: £599,837) and £11,132 (2008: £117,359) respectively.

The Directors are proposing to pay final dividends to 'O' Fund Shareholders from income of 0.5 pence and from capital of 1.5 pence totalling 2.0 pence per 'O' Share and to pay a final income dividend to 'S' Fund Shareholders of 0.5 pence per 'S' Share in respect of the year ended 30 September 2009. The dividends will be proposed at the Annual General Meeting of the Company to be held on 3 March 2010 and paid on 17 March 2010 to Shareholders on the Register on 19 February 2010.

During the year, the 'O' Share Fund distributed final dividends in respect of the year ended 30 September 2008 of 1 penny per share from income and of 3 pence per share from capital on 16 February 2009.

Directors and their interests

The names of the Directors appear below and on pages 23 - 24 of this Annual Report. All three Directors have served throughout the year.

The Directors' interests in the issued 'O' and 'S' Shares of the Company as at 30 September 2009 were:

	'O' Shares held on 30 September		*'S' Shares held on 30 September*	
Director	***2009***	***2008***	***2009***	***2008***
Colin Hook	11,889	11,294	21,100	21,100
Christopher Moore	23,778	22,589	26,375	26,375
Helen Sinclair	-	-	10,550	10,550

During the year, Colin Hook was allotted 595 'O' Shares and Christopher Moore was allotted 1,189 'O' Shares in respect of their membership of the Company's Dividend Investment Scheme. There have been no changes to the Directors' share interests between the year-end and the date of this Annual Report.

No options over the share capital of the Company have been granted to the Directors. The Company does not have any employees.

In accordance with the Company's Articles of Association and the 2008 FRC Combined Code on Corporate Governance ("the Combined Code"), Helen Sinclair will retire by rotation at the forthcoming Annual General Meeting of the Company, and being eligible offers herself for re-election. The Board confirms that, following a review of her performance, Helen Sinclair continues to make a substantial contribution to the Board and in particular as Chairman of the Investment Committee and the remaining directors have no hesitation in recommending her re-election to Shareholders.

Copies of the Directors' appointment letters shall be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting. The Directors do not have any service contracts with the Company.

It is the policy of the Directors not to participate in decisions concerning investee companies in which they hold an interest. Christopher Moore resigned as a director of Oxonica plc in September 2007 but continues as a shareholder of this company. None of the other Directors held interests in investee companies throughout the year.

Investment management

Matrix Private Equity Partners LLP (MPEP) acts as Investment Manager to the Company. The principal terms of the Company's Investment Advisers' Agreement with the Investment Manager are set out in Note 4 to the Accounts on page 65. Under the Investment Advisers' Agreement, the Investment Manager receives a quarterly fee equal to 1.6% per annum of the amount of its allocation value on the last business day of the quarter. Fees are payable quarterly in arrears. Annual running costs are capped at 3.25% (including any irrecoverable VAT) of the net assets of the Company and the balance of any excess is borne by the Investment Manager and the Promoter, which totalled £16,437 this year.

In March 2008, the Board gave Foresight Group LLP (Foresight) one year's notice of termination as Investment Manager of their portion of the 'O' Share Fund and Foresight continued to be paid under the terms of the Investment Advisers' Agreement as set out above and in Note 4 to the Accounts until 11 March 2009. MPEP assumed full responsibility for the management of those investments in the Foresight portfolio with effect from 1 October 2008.

The Directors believe that the continuing appointment of MPEP as the Investment Manager on the terms currently agreed is in the interests of its Shareholders as a whole because MPEP is one of the leading VCT managers in the market.

Matrix-Securities Limited acts as both Company Administrator and Company Secretary to the Company under an agreement dated 13 October 2000 as amended by a Deed dated 12 September 2007. The agreement was for an initial period of five years and thereafter the appointment may be terminated by not less than one year's notice in writing given to expire at any time after that initial period. Fees are payable quarterly in arrears equal to 0.25% of the gross proceeds of any funds raised by the Company, subject to a minimum fee of £35,000.

VCT status monitoring

The Company has retained PricewaterhouseCoopers LLP to advise on its compliance with the tax legislative requirements relating to VCTs.

Independent auditors

PKF (UK) LLP were re-appointed as auditors during the year. Resolutions to re-appoint PKF (UK) LLP as auditors to the Company and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Auditors' right to information

So far as the Directors in office at 30 September 2009 are aware, there is no relevant audit information of which the auditors are 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 auditors are aware of that information.

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 of either class.

Financial Instruments

The main risks arising from the Company's financial instruments are due to fluctuations in the market price and interest rates, credit risk and liquidity risk. The Board regularly reviews and agrees policies for managing these risks and full details can be found in Note 20 to the Accounts on pages 77 - 82.

Creditors' payment policy
The Company's policy is to pay all creditors' invoices within 30 days of the invoice date unless otherwise agreed. At the year-end trade creditors were £64,700 (2008: £6,605). At 30 September 2009 the average credit period for trade creditors was 7 days (2008: 8 days).

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 uses mixed sources paper from well-managed forests and recycled wood and fibre as endorsed by the Forest Stewardship Council for the printing of its Annual and Half-Yearly Reports.

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.

Annual General Meeting
The Notice of the Annual General Meeting, which will be held on 3 March 2010 is set out on pages 83 - 87 of the Annual Report. In addition to the ordinary business, the following special business will be proposed:

Authorities for the Directors to allot shares (Resolution 8) and disapply pre-emption rights of members (Resolution 9) under sections 551 and 570(1) of the 2006 Act. These two resolutions grant the Directors the authority to allot 'O' Shares and 'S' Shares for cash to a limited and defined extent otherwise than pro rata to existing Shareholders in accordance with section 561(1) of the 2006 Act.

Resolution 8 will enable the Directors to allot new shares up to an aggregate nominal amount not exceeding £155,436 representing approximately one-third of the existing issued share capital of the Company. This resolution is proposed as an ordinary resolution, requiring approval of over 50% of the votes cast and unless previously renewed or revoked, will expire on the fifth anniversary of the date of the passing of this resolution.

Under section 561(1) of the 2006 Act, if the Directors wish to allot new 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 section 561(1) of the 2006 Act in respect of allotments for cash of (i) 'O' Shares and 'S' Shares with a nominal value of up to 10% of the issued 'O' Share capital and/or the issued 'S' Share capital pursuant to any dividend investment scheme operated by the Company, (ii) 'O' Shares and 'S' Shares with a nominal value of up to 10% of the issued 'O' Share capital and/or the issued 'S' Share capital where the proceeds may in whole or part be used to purchase the Company's 'O' Shares or, as the case may be, 'S' Shares and (iii) 'O' Shares and 'S' Shares from time to time of an aggregate nominal value of up to 5% of the issued 'O' Share capital and 5% of the issued 'S' Share capital.

This resolution is proposed as a special resolution, requiring the approval of 75% of the votes cast and unless previously renewed or revoked, will expire on the conclusion of the Annual General Meeting of the Company to be held in 2011.

The Directors may allot securities after the expiry dates given above in pursuance of offers or agreements made prior to the expiration of these authorities. Both resolutions generally renew previous authorities approved on 6 February 2009.

The Directors intend to allot shares under the Dividend Investment Scheme in respect of the proposed dividend(s) to be paid to 'O' Fund and 'S' Fund Shareholders on 17 March 2010. The Directors have no further immediate intention of exercising the above powers.

Authority to make market purchases of the Company's own shares (Resolution 10)

This resolution authorises the Company to purchase its own shares pursuant to section 701 of the 2006 Act. The authority is limited to an aggregate of 5,220,175 'O' Shares and 1,769,790 'S' Shares representing approximately 14.99% of the issued 'O' Share capital and issued 'S' Share capital of the Company as at the date of the Notice convening the Annual General Meeting. The resolution specifies the minimum and the maximum price which may be paid for an 'O' Share or, as the case may be an 'S' Share.

Venture Capital Trusts experience restricted market liquidity in their shares. The Board believes that it is in the best interests of the Company and Shareholders for the Company to be in a position to make occasional market purchases of its shares. This resolution will enable the Directors to carry out this policy.

Shareholders should note that the Directors will not exercise this authority unless to do so would result in an increase in net assets per share and would be in the interests of Shareholders generally. The Directors currently intend to cancel all shares purchased under this authority. This resolution is proposed as a special resolution, requiring the approval of 75% of the votes cast and will expire on the conclusion of the Company's Annual General Meeting to be held in 2011.

Adoption of new articles of association - Explanatory notes of principal changes (Resolution 11)

Under Resolution 11 it is proposed that new articles of association of the Company ("New Articles") will be adopted in substitution of the current articles of association of the Company ("Current Articles") to reflect the changes in company law brought in by the 2006 Act. The key changes reflected in the New Articles are set out below.

Articles which duplicate statutory provisions

Provisions in the Current Articles, which replicate provisions contained in the 2006 Act, are in the main amended to bring them into line with the 2006 Act.
Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being amended, as the concept of extraordinary resolutions has not been retained under the 2006 Act.

The Current Articles enable members to act by written resolution. Under the 2006 Act public companies can no longer pass written resolutions. These provisions are therefore being removed in the New Articles.

Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the 2006 Act. The relevant provisions are therefore being amended in the New Articles.

Convening extraordinary and annual general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the 2006 Act. In particular an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

Votes of members

Under the 2006 Act proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the 2006 Act so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed (but if they purport to exercise their rights in different ways, then the power is treated as not being exercised). The New Articles will reflect all of these new provisions.

Age of directors on appointment

The Current Articles contain a provision requiring a director's age to be disclosed if he has attained the age of 70 years or more in the notice convening a meeting at which the director is proposed to be elected or re-elected. Such provision could now contravene the Employment Equality (Age) Regulations 2006 and so is being removed from the New Articles.

Notice of board meetings

Under the Current Articles, when a director is abroad he can request that notice of directors' meetings are sent to him at a specified address and if he does not do so he is not entitled to receive notice while he is away. This provision is being removed, as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad. It is being replaced with a more general provision that a director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

Records to be kept

The provision in the Current Articles requiring the Board to keep accounting records is being removed as this requirement is now contained in the 2006 Act.

Distribution of assets otherwise than in cash

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions are being removed in the New Articles on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.

Electronic and web communications

Provisions of the 2006 Act came into force in January 2007 to enable companies to communicate with members by electronic and/or website communications. The New Articles will continue to allow communications to members in electronic form and, in addition, they will also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

Directors' indemnities and loans to fund expenditure

The 2006 Act has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. The New Articles will also provide that a director can vote and form part of the quorum when the board is considering whether to indemnify him or fund his expenditure pursuant to the powers in the New Articles.

The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope. The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The 2006 Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the 2006 Act the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution.

Further, the 2006 Act states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 11 will confirm the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles will also contain an express statement regarding the limited liability of shareholders.

Change of name

Under the Companies Act 1985, a company could only change its name by special resolution. Under the 2006 Act a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles will enable the directors to pass a resolution to change the Company's name.

Authorised share capital and unissued shares

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the New Articles will reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the 2006 Act, save in respect of employee share schemes.

Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The 2006 Act enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles will contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

Provision for employees on cessation of business

The 2006 Act provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles will provide that the directors may exercise this power.

Use of seals

Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Under the 2006 Act, such authority will no longer be required. Accordingly, the relevant authorisation is being removed in the New Articles.

The New Articles will provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the 2006 Act share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power is being removed in the New Articles.

Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles are updating these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

Voting by proxies on a show of hands

The Companies (Shareholders' Rights) Regulations 2009 ("the Shareholders' Rights Regulations") have amended the 2006 Act so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The Current Articles are being amended to reflect these changes.

Voting by corporate representatives

The Shareholders' Rights Regulations have amended the 2006 Act in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles will contain provisions that reflect these amendments.

Electronic conduct of meetings

Amendments made to the 2006 Act by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The Current Articles are being amended to reflect more closely the relevant provisions

Chairman's casting vote

The New Articles will remove the provision giving the chairman a casting vote in the event of an equality of votes as this is no longer permitted under the 2006 Act.

Notice of general meetings

The Shareholders' Rights Regulations amend the 2006 Act to require the company to give 21 clear days' notice of general meetings unless the company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 days has been passed. Annual general meetings must be held on 21 clear days' notice. The New Articles will amend the provisions of the Current Articles to be consistent with the new requirements.

Adjournments for lack of quorum

Under the 2006 Act as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The Current Articles are being changed to reflect this requirement.

Voting record date

Under the 2006 Act, as amended by the Shareholders' Rights Regulations, the company must determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The Current Articles are being amended to reflect this requirement.

General

Generally the opportunity is being taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the 2006 Act or the Shareholders' Rights Regulations, or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills have not been noted in the above explanation.

The New Articles showing all the changes to the Current Articles are available for inspection at the Company's registered office, One Vine Street, London W1J 0AH.

Notice of general meetings (Resolution 12)

Changes made to the 2006 Act by the Shareholders' Rights Regulations have increased the notice period required for general meetings of the Company, other than annual general meetings, from 14 days to 21 days unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. Under the Act annual general meetings will continue to be held on at least 21 clear days' notice. Resolution 12, which will be proposed as a special resolution, will enable general meetings other than annual general meetings to be called on not less than 14 clear days' notice.

The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

Authority to issue shares at below net asset value under the Company's Dividend Investment Scheme (Resolution 13)

Resolution 13 will permit the Directors to allot 'O' Shares and 'S' Shares pursuant to the Company's Dividend Investment Scheme ("the Scheme") at their mid market price, even if this is less than net asset value per share. This resolution is proposed as an ordinary resolution, requiring approval of over 50% of the votes cast.

The Rules of the Scheme are also being amended as set out below and the participants in the Scheme ("Participants") are hereby formally given notice of the proposed changes to the Scheme which will take effect on 9 March 2010 and will apply to all dividends paid by the Company after that date. Participants, who hold their shares in certificated form, wishing to withdraw from the Scheme in respect of the proposed final dividend to be paid on 17 March 2010 should do so by giving notice in writing to the Scheme Administrator, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham Road, Kent BR3 4TU to arrive no later than 5.00 pm on 2 March 2010.

The changes to the Scheme Rules are:

- The number of shares to be allotted to a Participant pursuant to condition 3(a) of the Scheme shall be calculated by dividing the Participant's funds by the greater of (i) 70% of the last published net asset value per existing share of the relevant class and (ii) the average of the middle market price for shares of the relevant class taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the payment date. Shares will not be allotted at less than nominal value.

- Shareholders who hold their shares in uncertificated form in CREST must complete a Dividend Election Input Message on each occasion a dividend is paid otherwise they will receive their dividend in cash. Written mandates will remain valid for future dividends until withdrawn.

- The Company shall not be obliged to allot shares under the Scheme, unless otherwise agreed by the Board, if the number of shares of the relevant class allotted under the Scheme in a financial year will exceed 10% of the issued shares of that class at the beginning of the financial year.

- Only registered shareholders are entitled to participate in the Scheme and shares will not be allotted to beneficial holders of shares.

- Partial elections may only be made by nominees and then only in relation to all the shares of a class held for any particular shareholder. Nominee Participants who make partial elections of holdings will be required to make a new election in respect of each dividend payment.

- The Company is permitted by the Scheme rules to donate to charity any cash balances of less than £1 held for a Participant who withdraws from the Scheme in respect of any class of shares. This sum will be increased to £5.

We are also taking the opportunity to make some minor changes to the Rules principally of an editorial nature.

A copy of the revised Scheme Rules will be available for inspection at the registered office of the Company, One Vine Street, London W1J 0AH and copies are included with Shareholders' copies of this Annual Report.

Separate class meetings of the 'O' Fund Shareholders and 'S' Fund Shareholders
The Annual General Meeting will be followed on 3 March 2010 by separate class meetings of the 'O' Fund Shareholders and 'S' Fund Shareholders and formal notices convening these meetings can be found on pages 88 - 93. Shareholders of each class will be asked to approve the same single resolution to be proposed as a special resolution (requiring the approval of 75% of the votes cast at the meeting), approving the passing of the Resolutions 8 to 11 and 13 to be approved at the Annual General Meeting and sanctioning any modification of the rights of 'O' Fund Shareholders and 'S' Fund Shareholders resulting therefrom.

Post balance sheet events
On 14 November 2009, the 'O' Share Fund's entire holding in PastaKing Holdings Limited was sold realising net proceeds of £779k.

On 30 November 2009, the 'O' Share Fund invested £91k as a follow on Loan stock investment in British International Holdings Limited.

On 10 December 2009, the 'O' Share Fund's acquisition vehicle Calisamo Management Limited changed its name to CB Imports Group Limited and invested £697k to acquire Country Baskets, in which the 'S'Share Fund also invested £303k.

By order of the Board

Matrix-Securities Limited
Secretary
15 December 2009

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) Regulations 2008. A resolution to approve the report will be proposed at the Annual General Meeting to be held on 3 March 2010. The Company’s independent auditors are required to give their opinion on the information provided on Directors’ emoluments on page 42 of this report and this is explained further in their report to Shareholders on pages 56 - 57.

Remuneration Committee

The remuneration of individual Directors is determined by the Nominations and Remuneration Committee within the framework set by the Board. The Committee comprises the full Board and is chaired by Colin Hook. The Committee meets at least once a year and is responsible for reviewing the remuneration of the Directors. 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. The Directors fees have remained at £35,000 (Chairman) and £25,000 (Director) per annum since 1 January 2006. A supplement is paid to members of the Investment Committee. This was increased from £5,000 to £6,000 per annum with effect from 1 October 2008.

Remuneration policy

The remuneration policy is set by the Board. The Directors’ fees are reviewed annually by the Nominations and Remuneration Committee which determines the amount of fees to be paid to the Directors. When considering the level of Directors’ fees, the Committee takes account of remuneration levels elsewhere in the Venture Capital Trust industry and other relevant information. Since all the Directors are non-executive, the Company is not required to comply with the provisions of the Combined Code in respect of Directors’ remuneration, except in so far as they relate specifically to non-executive directors. No portion of the fees paid to any of the Directors is related to performance. Details of the Directors’ remuneration are disclosed on page 42 and in Note 6 to the Accounts on page 66. All the Directors are non-executive and the Company does not provide pension benefits to any of the Directors. The Company has not granted any Director any options over the share capital of the Company and the Company does not operate any long-term incentive plans for the Directors.

Terms of appointment

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. One-third of the Directors retire from office by rotation at each Annual General Meeting and the retiring Directors then become eligible for re-election in accordance with the Articles of Association. All Directors receive a formal letter of appointment setting out the terms of their appointment and their specific duties and responsibilities. A Director’s appointment may be terminated on three months’ notice being given by the Company and in certain other circumstances. All of the Directors are non-executive and none of the Directors has a service contract with the Company. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office.

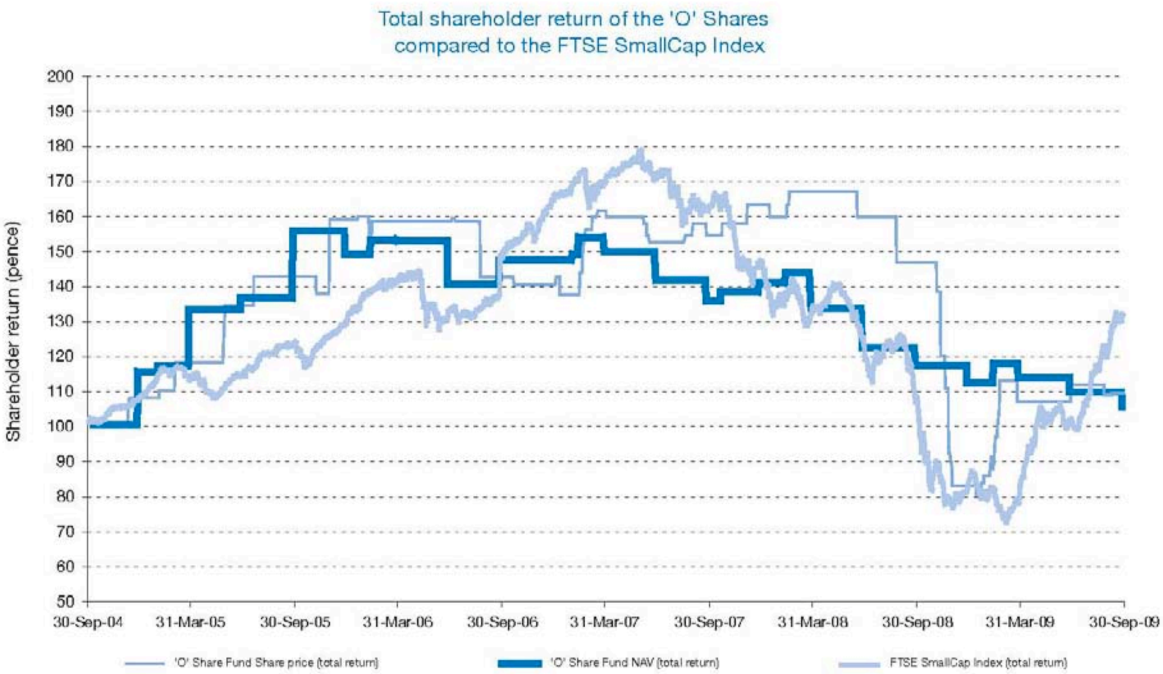
Details of individual emoluments and compensation (audited information)
The emoluments in respect of qualifying services of each person who served as a Director during the year were as set out in the table below. The Company does not have any schemes in place to pay to any of the Directors bonuses, benefits, share options or compensation for loss of office in addition to their Directors' fees.

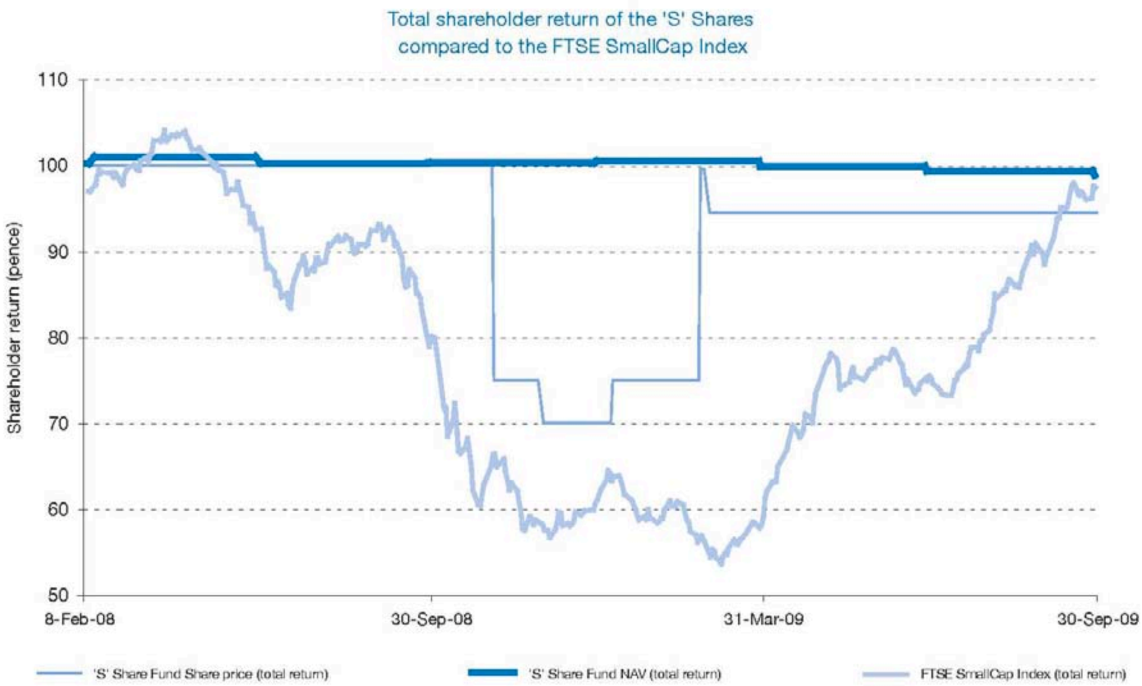
	Total emoluments year to:	
	30 September 2009	**30 September 2008**
	£	**£**
Colin Hook	41,000	40,000
Christopher Moore	31,000	30,000
Helen Sinclair	31,000	30,000

Aggregate emoluments in respect of qualifying services amounted to £103,000 (2008: £100,000). No sums were paid to third parties in respect of any of the Directors' services during the year under review.

Total shareholder return
The graphs below chart the total cumulative shareholder return of the 'O' Share Fund and the 'S' Share Fund (assuming all dividends have been re-invested and excluding the tax reliefs available to Shareholders) for the last five financial years (or in the case of the 'S' Shares, 8 February 2008, the date on which the Company's shares were first admitted to trading) compared to the FTSE SmallCap Index. The FTSE SmallCap is an industry recognised index of listed companies. Some consider it to be an appropriate index against which to measure the Company's performance. The total shareholder return has been re-based to 100 pence as at the beginning of the period shown. The Net Asset Value (NAV) total return has been shown separately on the graphs because the Directors believe it is a more accurate reflection of the Company's performance.

An explanation of the performance of the Company is given in the Chairman's Statement on pages 4 – 9 and in the the Investment Manager's Review and Investment Portfolio Summary on pages 12 – 22.





Source: Matrix Corporate Capital LLP

By order of the Board

Matrix-Securities Limited
Secretary
15 December 2009

Corporate Governance Statement

The Directors have adopted the Association of Investment Companies (AIC) Code of Corporate Governance 2009 (“the AIC Code”) for the financial year ended 30 September 2009. The AIC Code was endorsed by the Financial Reporting Council (FRC) on 3 February 2006, and 20 February 2009 in respect of the 2009 edition. The FRC has confirmed that in complying with the AIC Code, the Company will meet its obligations in relation to the FRC Combined Code on Corporate Governance 2008 (“the Combined Code”) and paragraph 9.8.6 of the Listing Rules. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Code (which incorporates the Combined Code), will provide better information to shareholders. The AIC Code is available online at: www.theaic.co.uk/ Documents/Technical/AICCorporateGovernanceGuideMarch2009.pdf. This statement has been compiled in accordance with the FSA’s Disclosure and Transparency Rule (DTR) 7.2 on Corporate Governance Statements.

Compliance with the Combined Code

There are certain areas of the Combined Code that the AIC believes are not relevant to investment companies, and with which the Company does not specifically comply, and for which the AIC Code provides dispensation. These areas are as follows:

- The role of the chief executive
- Executive directors’ remuneration
- The need for an internal audit function.

As an externally managed investment company, the Company does not employ a chief executive or any executive directors. The systems and procedures of the Investment Manager and the Administrator, the provision of VCT monitoring services by PricewaterhouseCoopers LLP, as well as the size of the Company’s operations, gives the Board full confidence that an internal audit function is not necessary. The Company is therefore not reporting further in respect of these areas.

The Board has further considered the principles detailed in the Combined Code and believes that, insofar as they are relevant to the Company’s business, the Company has complied with the provisions of the Combined Code throughout the financial year ended 30 September 2009 with the following exceptions:

The Board has not appointed a Senior Independent Director, as it does not believe that such an appointment is necessary when the Board is comprised solely of non-executive directors. This role is fulfilled, as appropriate, by the Chairman of the Audit Committee whom Shareholders may contact if they have concerns which contact through the Chairman or Investment Manager has failed to resolve or for which such contact is inappropriate.

As is common practice among Venture Capital Trusts, the Directors are not appointed for specific terms. A Director's appointment may be terminated on three months' notice being given by the Company. (For further information please see the Directors' Remuneration Report on pages 41 - 43).

Compliance with the AIC Code

The Board considers that the Company fully complies with the AIC Code with the following exception and other exceptions noted elsewhere in the Annual Report:

The AIC Code stipulates that directors who sit on the boards of more than one company managed by the same manager will not be regarded as independent for the purposes of either fulfilling the requirement that there must be an independent majority on the Board or serving as chairman. This provision is currently subject to the transitional arrangements of the Listing Rules, and will not be mandatory for the Company until 28 September 2010. In keeping with the spirit of the AIC Code, the Board is actively discussing the changes to the Board which will need to be made by this date and developing a strategy to ensure these are in place to meet this deadline.

The Board

The Company has a Board of three non-executive Directors. The Board has considered whether each Director is independent in character and judgment and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgment. It has concluded that all three Directors are independent except in respect of the contracts or investee companies in which they have declared an interest. None of the Directors has served for nine years or more. It is the policy of the Directors not to participate in decisions concerning investee companies in which they hold an interest. Christopher Moore was Chairman of Oxonica plc from February 2005 until 27 September 2007 and remains a Shareholder (0.21)%. Helen Sinclair was a director of Matrix Private Equity Limited (a predecessor of Matrix Private Equity Partners LLP) and a director and shareholder of Matrix Group Limited until May 2005. The Board considers that these appointments no longer affect her independence materially and that she is therefore not required to stand for re-election annually.

The Board assessed the independence of the Chairman on appointment and concluded that he fully met the independence criteria as identified in the Combined 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.

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 meets at least quarterly and is in regular contact with the Investment Manager between these meetings. The Board held seven formal meetings during the year with full attendance from each of the Directors at five of those meetings. The Board met informally on numerous other occasions.

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 Acts, the UK Listing Authority and the London Stock Exchange; changes relating to the Company's capital structure or its status as a plc; 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. The Board has satisfied itself that each of its Committees has sufficient resources to undertake their duties.

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 continued to implement an annual performance evaluation review during the year ended 30 September 2009.

A formal training programme has not been required during the year under review as all the Directors were experienced directors of listed companies.

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 41 - 43. The Directors are therefore not appointed for specific terms.

Helen Sinclair is seeking re-election to the Board at the forthcoming AGM.

The Chairman's other significant directorships and time commitments are disclosed on page 23.

The Board has considered a policy on tenure and agreed that for a Company of this size and structure, it is not appropriate to insist on a director's period of service being limited to a set number of years or to set an age limit for the retirement of directors. The AIC Code does not explicitly make recommendations on the overall length of tenure for directors. Some market practitioners feel that considerable length of service (which has generally been defined as a limit of nine years) may lead to the compromise of a Director's independence and the Board is aware that this is a recommendation of the Combined Code. The Board, however, concurs with the arguments put forward by the AIC that investment companies are more likely than most to benefit from having Directors with lengthy service.

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 nine years as a Director of Company is an asset that he brings to the Board.

The Board reviews annually, and at other times as and when necessary, the Investment Services Agreement and the performance of the Investment Manager, as well as service providers including the administrator, auditors, VCT status adviser, solicitors, bankers and registrars. Particular emphasis is placed on reviewing the Investment Manager, in terms of investment performance, quality of information provided to the Board and remuneration. This work forms part of the Board's overall internal control procedures as discussed elsewhere. The Board has considered the appointment of a management engagement committee and has concluded that this is not necessary because the Board is comprised entirely of independent non-executive directors.

Internal control

The Board acknowledges that it is responsible for the Company's system of internal control. 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.

The Board has delegated, contractually to third parties, the management of the investment portfolio, the custodial services (the safeguarding of the documents of title of the Company's assets), 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 Investment Manager and ad hoc reports and information are 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 Investment Manager.

The Directors are responsible for the internal control systems of the Company and for reviewing their effectiveness. 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 diverse investment portfolio, as more fully described in the Investment Manager's Review and Investment Portfolio Summary on pages 12 - 22). 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.

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 26 November 2009. The Board has identified no significant problems with the Company's internal control mechanisms.

The Board, assisted by the Audit Committee, carries out separate assessments in respect of the Annual and Half-Yearly 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:

- The valuations prepared by the Manager are entered into the accounting system and reconciled by the Administrator. Controls are in place to ensure the effective segregation of these two tasks;
- Independent reviews of the valuations of investments within the portfolio are undertaken quarterly by the Board and annually by the external auditors;
- 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.

Board committees

The Investment Committee comprises all three Directors, Helen Sinclair (Chairman), Colin Hook and Christopher Moore. The Committee meets as necessary to consider the investment proposals put forward by the Investment Manager. Investment guidelines have been issued to the Investment Manager 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 subsequently ratified by the Board. Investment matters are discussed extensively at Board meetings. During the year the Committee formally approved five investment/divestment approvals and met informally on numerous occasions.

The Audit Committee comprises all three Directors, Christopher Moore (Chairman), Colin Hook and Helen Sinclair. The Committee 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 auditors. The Committee makes recommendations to the Board on the appointment, re-appointment and removal of the external auditors. It is responsible for monitoring the effectiveness of the Company's internal control systems 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 Nominations and Remuneration Committee comprises the full Board and is chaired by Colin Hook. All members of the Committee are independent of the Investment Manager. The Committee meets at least once a year and is responsible for proposing candidates for appointment to the Board and for reviewing the remuneration of the Directors. The Committee held one formal meeting during the year, fully attended by all Directors, and met informally on other occasions. Appointment letters for new directors will include an assessment of the expected time commitment for each Board position and new directors will be asked to give an indication of their other significant time commitments.

The Directors have declared any existing conflicts of interest in accordance with section 175 of the Companies Act 2006 which became effective on 1 October 2008.

The Nominations and Remuneration Committee is responsible for conducting an annual performance review of Board members including a review of each director's conflict authorisations.

All of the above Committees have 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.

Directors' remuneration

The Directors' Remuneration Report, prepared in compliance with the Directors' Remuneration Report Regulations 2002, is contained on pages 41 - 43 of this Annual Report.

Investor relations

The Company communicates with Shareholders and solicits their views where it is appropriate to do so. Shareholders are welcome at the Annual General Meeting which provides a forum for Shareholders to ask questions of the Directors and to discuss issues affecting the Company with them. Shareholders may contact the Chairman of the Audit Committee if they have concerns which contact through the Chairman or Investment Manager has failed to resolve or for which such contact is inappropriate.

The Board as a whole approves the Chairman's Statement and the Investment Manager's Review which form part of the Annual Report to shareholders in order to ensure that they present a balanced and understandable assessment of the Company's position and future prospects.

The notice of the Annual General Meeting accompanies this Annual Report, which 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.

Accountability and audit

The Statement of Directors' Responsibilities in respect of the accounts is set out on pages 52 - 53 of this report.

The report of the independent auditors is set out on pages 56 - 57 of this Annual Report.

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 auditors to ensure that independence is maintained.

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 of either class.

Restrictions on voting rights

There are no restrictions on voting rights.

Appointment and replacement of directors

The rules concerning the election of directors are set out in the paragraph headed 'Terms of appointment' on pages 41 - 42 of the Directors' Remuneration Report.

Amendment of the Company's 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. Additionally in accordance with the Articles, any amendments to the Articles agreed at a general meeting are required to be approved at separate class meetings of the 'S' Fund shareholders and the 'O' Fund Shareholders before they can become effective.

Powers of the directors

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 buy-back 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 next AGM of the Company to be held on 3 March 2010.

Going concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the accounts as the Company has adequate financial resources to continue in operational existence for the foreseeable future.

By order of the Board

Matrix-Securities Limited
Secretary
15 December 2009

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Services Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law 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 of 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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.

The Directors are responsible for keeping proper 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The Directors confirm that to the best of their knowledge that:

(a) the financial statements, prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and the 2003 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP), revised in 2005 and 2009, give a true and fair view of the assets, liabilities, financial position and the loss of the Company.

(b) the management report, comprising the Chairman's Statement, Investment Portfolio Summary, Investment Manager's Review and Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board:

Colin Hook
Chairman
15 December 2009

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

Income Statements
for the year ended 30 September 2009

	Notes	Revenue £	'O' Share Fund Capital £	Total £	Revenue £	'S' Share Fund Capital £	Total £	Revenue £	Total Capital £	Total £
Unrealised losses on investments		-	(3,522,533)	(3,522,533)	-	(24,753)	(24,753)	-	(3,547,286)	(3,547,286)
Realised gains on investments		-	597,637	597,637	-	-	-	-	597,637	597,637
Income		713,044	67,950	780,994	218,315	-	218,315	931,359	67,950	999,309
Investment management fees		(138,772)	(416,316)	(555,088)	(54,110)	(162,329)	(216,439)	(192,882)	(578,645)	(771,527)
Other expenses		(368,365)	-	(368,365)	(143,399)	-	(143,399)	(511,764)	-	(511,764)
Profit/(loss) on ordinary activities before taxation		205,907	(3,273,262)	(3,067,355)	20,806	(187,082)	(166,276)	226,713	(3,460,344)	(3,233,631)
Tax on profit/(loss) on ordinary activities		(23,356)	23,356	-	(9,674)	9,674	-	(33,030)	33,030	-
Profit/(loss) on ordinary activities after taxation for the financial year		182,551	(3,249,906)	(3,067,355)	11,132	(177,408)	(166,276)	193,683	(3,427,314)	(3,233,631)
Basic and diluted earnings per share	9	0.52 p	(9.25)p	(8.73)p	0.09 p	(1.50)p	(1.41)p			
Average number of shares in issue				35,148,192			11,806,467			

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

Balance Sheets
as at 30 September 2009

	Notes	'O' Share Fund		'S' Share Fund		Adjustments (see note below)		Total
		£	£	£	£	£	£	£
Fixed assets								
Investments at fair value	10		19,291,934		598,394			19,890,328
Current assets								
Debtors and prepayments		285,807		15,937		(115,868)	185,876	
Other assets		5,440,722		10,521,348			15,962,070	
Cash at bank		37,925		17,713			55,638	
		5,764,454		10,554,998		(115,868)	16,203,584	
Creditors: amounts falling due within one year		(174,507)		(152,176)		115,868	(210,815)	
Net current assets/(liabilities)			5,589,947		10,402,822			15,992,769
Net assets			24,881,881		11,001,216			35,883,097
Capital and reserves								
Called up share capital	15		348,244		118,065			466,309
Share premium account	16		308,614		-			308,614
Capital redemption reserve	16		73,017		-			73,017
Capital reserve - unrealised	16		(5,205,574)		(74,258)			(5,279,832)
Special reserve	16		17,123,088		10,828,918			27,952,006
Profit and loss account	16		12,234,492		128,491			12,362,983
Equity shareholders' funds			24,881,881		11,001,216			35,883,097
Number of shares in issue:			**34,824,397**		**11,806,467**			
Basic net asset value per 1p share:			**71.45p**		**93.18p**			
Diluted net asset value per 1p share:			**71.45p**		**93.18p**			

Note: The adjustment above nets off the inter-fund debtor and creditor balances, so that the "Total of both Funds" balance sheet agrees to the Statutory Balance Sheet on page 59.

Unaudited Reconciliation of Movements in Shareholders' Funds

for the year ended 30 September 2009

	Notes	'O' Share Fund	'S' Share Fund	Total
		£	£	£
Opening shareholders' funds		29,624,220	11,167,492	40,791,712
Net share capital bought back in the year		(353,751)	-	(353,751)
Net share capital subscribed for in the year		96,826	-	96,826
Loss for the year		(3,067,355)	(166,276)	(3,233,631)
Dividends paid / payable in year	8	(1,418,059)	-	(1,418,059)
Closing shareholders' funds		24,881,881	11,001,216	35,883,097

Independent Auditors' 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 2009 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movement 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).

This report is made solely to the Company's members, as a body, in accordance with sections 495 to 497A 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 auditors' 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 auditors

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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

The Audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes as assessment of: whether the accounting policies are appropriate for the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

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 2009 and of its loss 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.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook issued by the Financial Services Authority (information about 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
We have nothing to report in respect of the following:

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.

Under the Listing Rules we are required to review:
- the directors' statement, set out on page 51, 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 June 2008 Combined Code specified for our review.

Rosemary Clarke (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors
15 December 2009

Income Statement

for the year ended 30 September 2009

	Notes	30 September 2009 Revenue £	30 September 2009 Capital £	30 September 2009 Total £	30 September 2008 Revenue £	30 September 2008 Capital £	30 September 2008 Total £
Net unrealised losses on investments	10	-	(3,547,286)	(3,547,286)	-	(7,553,875)	(7,553,875)
Net gains on realisation of investments	10	-	597,637	597,637	-	2,053,510	2,053,510
Income	2	931,359	67,950	999,309	1,454,724	-	1,454,724
Recoverable VAT	3	-	-	-	83,278	249,833	333,111
Investment management fees	4	(192,882)	(578,645)	(771,527)	(197,028)	(1,013,810)	(1,210,838)
Other expenses	5	(511,764)	-	(511,764)	(517,005)	-	(517,005)
Profit/(loss) on ordinary activities before taxation		226,713	(3,460,344)	(3,233,631)	823,969	(6,264,342)	(5,440,373)
Tax on profit/(loss) on ordinary activities	7	(33,030)	33,030	-	(106,773)	106,773	-
Profit/(loss) on ordinary activities after taxation for the financial year		193,683	(3,427,314)	(3,233,631)	717,196	(6,157,569)	(5,440,373)
Basic and diluted earnings per share: 'O' Share Fund	9	0.52p	(9.25)p	(8.73)p	1.66p	(16.72)p	(15.06)p
Basic and diluted earnings per share: 'S' Share Fund	9	0.09p	(1.50)p	(1.41)p	1.26p	(1.30)p	(0.04)p

All the items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period. 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 Account, there were no differences between the profit/(loss) as stated above and at historical cost.

The notes on pages 62 - 82 form part of these financial statements.

Balance Sheet
as at 30 September 2009

	Notes	as at 30 September 2009			as at 30 September 2008		
		£	£	£	£	£	£
Fixed assets							
Investments at fair value	10			**19,890,328**			23,139,395
Current assets							
Debtors and prepayments	11	**185,876**			1,843,777		
Current investments	12	**15,962,070**			16,336,014		
Cash at bank	19	**55,638**			65,690		
			16,203,584			18,245,481	
Creditors: amounts falling due within one year	13		**(210,815)**			(593,164)	
Net current assets				**15,992,769**			17,652,317
Net assets				**35,883,097**			40,791,712
Capital and reserves							
Called up share capital	15			**466,309**			472,580
Share premium account	16			**308,614**			11,266,282
Capital redemption reserve	16			**73,017**			65,472
Capital reserve - unrealised	16			**(5,279,832)**			(1,252,761)
Special reserve	16			**27,952,006**			18,169,799
Profit and loss account	16			**12,362,983**			12,070,340
Equity Shareholders' funds				**35,883,097**			40,791,712
Net asset value per share							
'O' Shares - basic	17			**71.45p**			**83.56p**
'O' Shares - diluted	17			**71.45p**			**82.39p**
'S' Shares - basic and diluted	17			**93.18p**			**94.59p**

The notes on pages 62 - 82 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 15 December 2009 and were signed on its behalf by:

Colin Hook
Director

Reconciliation of Movements in Shareholders' Funds
for the year ended 30 September 2009

	Notes	2009 £	2008 £
Opening shareholders' funds		40,791,712	36,778,493
Net share capital bought back in the year	15	(353,751)	(1,063,732)
Net share capital subscribed for in the year	15	96,826	11,248,511
Loss for the year		(3,233,631)	(5,440,373)
Dividends paid/payable in the year	8	(1,418,059)	(731,187)
Closing shareholders' funds		35,883,097	40,791,712

The notes on pages 62 - 82 form part of these financial statements.

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Cash Flow Statement

for the year ended 30 September 2009

	Notes	Year ended 30 September 2009		Year ended 30 September 2008	
Operating activities		**£**	**£**	**£**	**£**
Investment income received		1,081,127		1,435,092	
VAT received and interest thereon		408,305		-	
Investment management fees paid		(1,200,016)		(782,286)	
Other cash payments		(477,847)		(564,901)	
Net cash (outflow)/inflow from operating activities	18		(188,431)		87,905
Investing activities					
Acquisition of investments	10	(735,608)		(5,735,193)	
Disposal of investments	10	2,215,027		7,247,239	
Net cash inflow from investing activities			1,479,419		1,512,046
Equity Dividends					
Payment of equity dividends	8		(1,418,059)		(1,385,722)
Net cash (outflow)/inflow before liquid resource management and financing			(127,071)		214,229
Management of liquid resources					
Decrease/(increase) in monies held pending investment	19		373,944		(9,754,517)
Financing					
Issue of ordinary shares	15	96,826		11,171,285	
Purchase of own shares	15	(353,751)		(1,612,169)	
			(256,925)		9,559,116
(Decrease)/increase in cash for the year	19		(10,052)		18,828

The notes on pages 62 - 82 form part of these financial statements.

Notes to the Accounts

For the year ended 30 September 2009

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 UK 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 Investments Trust Companies in January 2003 and revised in 2005 and in 2009.

b) **Presentation of the Income Statement**

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

c) **Investments**

All investments held by the Company are classified as "fair value through profit and loss", in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines, as updated in September 2009, which have not materially changed the results reported last year. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

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

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

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

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

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

a) an earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment 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 a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Manager, will agree the values that represent the extent to which an investment 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.

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

d) **Current investments**
Monies held pending investment are invested in financial instruments with same day or two-day access and as such are treated as current investments, and have been valued at fair value.

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. Fixed returns on non-equity shares and on debt securities are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course.

f) **Capital reserves**
(i) Realised (included within the Profit and Loss Account)
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;

(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.

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

25% of the Investment Managers' 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.

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.

Expenses common to both Funds have been allocated 73% to the 'O' Share Fund, and 27% to the 'S' Share Fund.

h) **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.

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

	2009	2008
	£	**£**
Income from investments		
– from equities	199,022	305,895
– from OEIC funds	291,911	659,358
– from loan stock	399,866	445,525
– from bank deposits	21,480	43,946
– from VAT recoverable	36,050	-
	948,329	**1,454,724**
Other income	50,980	-
Total income	**999,309**	**1,454,724**
Total income comprises		
Revenue dividends received	422,983	965,253
Capital dividends received	67,950	-
Interest	457,396	489,471
Other income	50,980	-
	999,309	1,454,724
Income from investments comprises		
Listed overseas securities	291,911	659,358
Unlisted UK securities	598,888	751,420
	890,799	1,410,778

Income from VAT recoverable relates to interest received on VAT recoverable recognised in the year ended 30 September 2008 as per note 3 below.

Loan stock interest above is stated after deducting an amount of £nil (2008: £27,067), being a provision made against loan stock interest regarded as collectable in previous years.

Total loan stock interest due but not recognised in the year was £512,386 (2008: £568,758).

3 Recoverable VAT

	Revenue 2009	Capital 2009	Total 2009	Revenue 2008	Capital 2008	Total 2008
	£	**£**	**£**	**£**	**£**	**£**
Recoverable VAT	-	-	-	83,278	249,833	333,111

As at 30 September 2008, the Directors considered it reasonably certain that the Company would obtain a repayment of VAT of not less than £462,702. This was based upon information supplied by the Company's current and former Investment Managers, and discussions with the Company's professional advisors as a result of the European Court of Justice ruling and subsequent HMRC briefing that management fees be exempt for VAT purposes. During the year, a total of £408,305 of VAT recoverable and related interest has been actually received with the amounts disclosed in note 11 still yet to be received.

4 Investment Managers' fees

	Revenue 2009	Capital 2009	Total 2009	Revenue 2008	Capital 2008	Total 2008
	£	**£**	**£**	**£**	**£**	**£**
Matrix Private Equity Partners LLP	178,890	536,670	715,560	169,396	930,915	1,100,311
Foresight Group LLP	13,992	41,975	55,967	27,632	82,895	110,527
	192,882	578,645	771,527	197,028	1,013,810	1,210,838

'O' Share Fund

At the start of the previous year, the Investment Managers operated under an agreement dated 13 October 2000. Under this Agreement, fees equal to one quarter of 1.6% of the amount of their respective allocation values (which usually equates to carrying value) were payable quarterly in arrears to each of the Investment Managers.

Nova Capital Management Limited (Nova) resigned with effect from 31 August 2007. Matrix Private Equity Partners LLP (MPEP) and Foresight Group LLP (Foresight) assumed responsibility for half each of the Nova portfolio value with effect from 1 September 2007 and earned fees calculated upon the allocation value of their share of the Nova portfolio from that date.

Under a new investment management agreement dated 12 September 2007, but effective from 31 August 2007, MPEP advise (and Foresight advised) the Company on investments in qualifying companies. The agreement is for an initial period of three years and thereafter until the appointment is terminated by not less than one year's notice in writing at any time after the initial period.

MPEP and Foresight are entitled to an annual advisory fee of 1.6% of the closing net assets attributable to the Fund. The annual management fees are calculated and payable quarterly in advance.

A new incentive agreement replaced the old incentive agreement dated 13 October 2000. The new arrangements entitle Foresight and MPEP to receive performance related incentive payments (payable in cash or shares) based on realised gains in their individual portfolios. Each Investment Manager will be entitled to receive its own annual performance payment of 20% of any excess (over the investment growth hurdle detailed below) of realised gains over realised losses from its own portfolio during each calculation period, provided that in respect of its own portfolio:

- at any calculation date, the value of portfolio assets contained in the audited accounts adjusted for net realised gains and losses and total surplus income since 20 June 2007 is equal to or greater than the embedded value, as adjusted by new investments and the value of the Nova portfolio (as at 30 June 2007) transferred to the relevant manager; and
- at any calculation date, such excess is calculated after carrying forward all realised losses not previously offset in respect of any calculation period after 30 June 2008; and

- such excess is subject to an investment growth hurdle of 6% per annum calculated from 1 July 2007.

Under the above agreement MPEP are not entitled to a performance fee in the current year (2008: entitled to £422,733).

On 11 March 2008, the Company gave Foresight notice of their termination being one year from the date therein. Fees were payable to Foresight during the notice period as the portfolio was handed over to MPEP during the one year notice period. MPEP became the sole Investment Manager from 11 March 2009, but had assumed practical responsibility for this portfolio from 1 October 2008.

'S' Share Fund

MPEP receives a fund management fee of 2% per annum of the NAV of the 'S' Share Fund. The fund management fees are to be calculated and payable quarterly in advance.

MPEP will receive a performance related incentive fee to reward exceptional performance. MPEP will be entitled to receive a performance fee equivalent to 20% of the excess above 6p, of the annual dividends paid to 'S' Fund Shareholders. The performance fee will only be payable if the NAV per 'S' Share over the year relating to payment has remained at or above 100p per 'S' Share. The performance fee will be payable annually, with any cumulative shortfalls below the 6p threshold having to be made up in later years.

Under the above agreement MPEP are not entitled to a performance fee in the current year (2008 is not entitled).

Company

The investment management expense disclosed above is 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 at the company level. In accordance with the investment management agreement any excess expenses are borne by the Investment manager (75%) and the administrator (25%). The excess expenses during the year attributable to the Investment Manager amounted to £12,328 (2008: £nil). This has been applied between the 'O' Share Fund and the 'S' Share Fund in the same proportion to which expenses common to both funds are allocated as detailed in the accounting policies.

5 Other expenses

	2009	2008
	£	**£**
Directors' remuneration (including NIC) (see Note 6)	113,815	110,200
IFA trail commission	114,120	115,325
Administration fees	147,879	133,516
Broker's fees	6,664	11,750
Auditors' fees – audit	23,274	29,692
– other services supplied relating to taxation	1,912	2,033
– other services supplied pursuant to legislation	4,088	4,641
VCT monitoring fees	11,460	11,750
Registrar's fees	21,699	26,403
Printing	33,315	25,384
Legal & professional fees	6,023	16,081
Directors' insurance	8,925	8,926
Listing and regulatory fees	17,404	14,664
Sundry	1,186	6,640
	511,764	517,005

Administration fees above are disclosed after applying a cap on expenses as referred to in Note 4. The excess expenses attributable to the administrator amounted to £4,109 (2008: £nil).

6 Directors' remuneration

	2009	2008
Directors' emoluments	£	£
Colin Hook	41,000	40,000
Christopher Moore	31,000	30,000
Helen Sinclair	31,000	30,000
	103,000	100,000
Employer's NIC and VAT	10,815	10,200
	113,815	110,200

No pension scheme contributions or retirement benefit contributions were paid. There are no share option contracts held by the Directors. Since all the Directors are non-executive, the other disclosures required by the Listing Rules are not applicable. The Company has no employees other than Directors.

7 Tax on ordinary activities

	2009 Revenue £	2009 Capital £	2009 Total £	2008 Revenue £	2008 Capital £	2008 Total £
a) Analysis of tax charge:						
UK corporation tax on profits/(losses) for the year	33,030	(33,030)	-	106,773	(106,773)	-
Total current tax charge/(credit)	33,030	(33,030)	-	106,773	(106,773)	-
Corporation tax is based on a rate of 21% (2008:20.5%)						
b) Profit/(loss) on ordinary activities before tax	226,713	(3,460,344)	(3,233,631)	823,969	(6,264,342)	(5,440,373)
Profit/(loss) on ordinary activities multiplied by small company rate of corporation tax in the UK of 21% (2008: 20.5%)	47,610	(726,672)	(679,062)	168,914	(1,284,190)	(1,115,276)
Effect of:						
UK dividends	(27,525)	(14,270)	(41,795)	(62,574)	-	(62,574)
Unrealised losses not allowable	-	744,930	744,930	-	1,548,544	1,548,544
Realised gains not taxable	-	(125,504)	(125,504)	-	(420,970)	(420,970)
Income not yet taxable	12,945		12,945	(7,743)	-	(7,743)
Unrelieved expenditure		88,486	88,486	-	58,019	58,019
Impact of marginal rate			-	8,176	(8,176)	-
Actual current tax charge	33,030	(33,030)	-	106,773	(106,773)	-

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 (2008: nil). There is an unrecognised deferred tax asset of £317,000 (2008: £220,000) .

8 Dividends paid and payable

	2009 Revenue £	2009 Capital £	2009 Total £	2008 Revenue £	2008 Capital £	2008 Total £
Dividends on equity shares						
'O' Share Fund						
'O' Shares - final paid of 1p revenue and 3p capital in February 2009 (2008: 1p revenue and 1p capital) per share:	1,063,544	354,515	1,418,059	365,895	365,895	731,790
Over provision re prior year					(603)	(603)
'S' Share Fund	-	-	-	-	-	-
Total paid in year	1,063,544	354,515	1,418,059	365,895	365,292	731,187
Proposed final dividend	**233,154**	**522,366**	**755,520**	**448,966**	**1,063,543**	**1,512,509**

Any proposed final dividend is subject to approval by Shareholders at the Annual General Meeting and has 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.

	2009	2008
	£	£
'O' Shares:		
Revenue available by way of dividends for the year	182,551	599,837
Interim dividend for the year	-	-
Proposed final dividend for the year - 0.5p (2008:1p)	174,122	354,514
'S' Shares:		
Revenue available by way of dividends for the year	11,132	117,359
Interim dividend for the year	-	-
Proposed final dividend for the year - 0.5p (2008:0p)	59,032	-

9 Basic and diluted earnings per share

	2009 'O' Share Fund	2009 'S' Share Fund	2009 Total	2008 'O' Share Fund	2008 'S' Share Fund	2008 Total
	£	£	£	£	£	£
Total earnings after taxation:	(3,067,355)	(166,276)	(3,233,631)	(5,436,580)	(3,793)	(5,440,373)
Basic and diluted earnings per share (note a)	**(8.73)p**	**(1.41)p**		**(15.06)p**	**(0.04)p**	
Revenue profit from ordinary activities after taxation	182,551	11,132		599,837	117,359	
Basic and diluted revenue earnings per share (note b)	**0.52p**	**0.09p**		**1.66p**	**1.26p**	
Net unrealised capital losses on investments	(3,522,533)	(24,753)		(7,504,370)	(49,505)	
Net realised capital gains on investments	597,637	-		2,053,510	-	
Income from capital dividends	67,950	-		-	-	
Recoverable VAT	-	-		249,833	-	
Capitalised management fees less taxation	(392,960)	(152,655)		(835,390)	(71,647)	
Total capital return	(3,249,906)	(177,408)		(6,036,417)	(121,152)	
Basic and diluted capital earnings per share (note c)	**(9.25)p**	**(1.50)p**		**(16.72)p**	**(1.30)p**	
Weighted average number of shares in issue in the year	35,148,192	11,806,467		36,109,718	9,341,544	

Notes

a) Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
b) Revenue earnings per share is the revenue profit after taxation divided by the weighted average number of shares in issue.
c) Capital earnings per share is the total capital loss after taxation divided by the weighted average number of shares in issue.
d) Diluted earnings per share in each case are the same as basic earnings per share as no investment manager's incentive fee is payable in respect of the current year. The fee payable for last year was paid in cash, so also had no impact upon diluted earnings per share.

10 Investments

	2009	2008
	£	£
Traded on AiM	1,908,798	3,233,672
Unquoted equity shares	9,000,829	10,426,630
Unquoted preference shares	25,403	70,473
Loan stock	8,955,298	9,408,620
Total	19,890,328	23,139,395
Brought forward net unrealised gains/(losses) now realised	859,565	(2,124,430)
Realised gains during the year	623,721	4,232,235
Transaction costs	(26,084)	(54,295)
Total realised gains for the year	1,457,202	2,053,510
Unrealised losses for the year	(3,547,286)	(7,553,875)
Total losses for the year	(2,090,084)	(5,500,365)

A full list of the portfolio holdings by their aggregate market value is on pages 20 - 22.

Summary of movement on investments during the period

10a Company

	Traded on AiM or OFEX	Unquoted Ordinary shares	Preference shares	Qualifying loans	Total
	£	£	£	£	£
Cost at 30 September 2008	6,991,220	6,912,925	175,197	11,906,106	25,985,448
Impairment	-	-	-	-	-
Unrealised (losses)/gains	(3,757,548)	3,513,705	(104,724)	(2,497,486)	(2,846,053)
Valuation at 30 September 2008	3,233,672	10,426,630	70,473	9,408,620	23,139,395
Purchases at cost	-	413,497	1,246	1,320,865	1,735,608
Sales - proceeds	-	(1,386,008)	(6,864)	(668,238)	(2,061,110)
- realised gains	-	613,087	-	10,634	623,721
Unrealised losses	(1,324,874)	(1,066,377)	(39,452)	(1,116,583)	(3,547,286)
Valuation at 30 September 2009	1,908,798	9,000,829	25,403	8,955,298	19,890,328
Cost at 30 September 2009	4,466,693	9,502,392	167,689	11,587,328	25,724,102
Unrealised (losses)/gains at 30 September 2009	(2,557,895)	(501,563)	(142,286)	(2,632,030)	(5,833,774)
Valuation at 30 September 2009	1,908,798	9,000,829	25,403	8,955,298	19,890,328

10b 'O' Share Fund

	Traded on AiM or OFEX £	Unquoted Ordinary shares £	Preference shares £	Qualifying loans £	Total £
Cost at 30 September 2008	6,991,220	6,903,022	175,149	11,817,046	25,886,437
Impairment	-	-	-		-
Unrealised (losses)/gains	(3,757,548)	3,518,656	(104,700)	(2,452,956)	(2,796,548)
Valuation at 30 September 2008	3,233,672	10,421,678	70,449	9,364,090	23,089,889
Purchases at cost	-	252,235	756	908,976	1,161,967
Sales - proceeds	-	(1,386,008)	(6,864)	(668,238)	(2,061,110)
- realised gains	-	613,087	-	10,634	623,721
Unrealised losses	(1,324,874)	(1,061,425)	(39,428)	(1,096,806)	(3,522,533)
Valuation at 30 September 2009	1,908,798	8,839,567	24,913	8,518,656	19,291,934
Cost at 30 September 2009	4,466,693	9,331,227	167,151	11,086,379	25,051,450
Unrealised (losses)/gains at 30 September 2009	(2,557,895)	(491,660)	(142,238)	(2,567,723)	(5,759,516)
Valuation at 30 September 2009	1,908,798	8,839,567	24,913	8,518,656	19,291,934

10c 'S' Share Fund

	Traded on AiM or OFEX £	Unquoted Ordinary shares £	Preference shares £	Qualifying loans £	Total £
Cost at 30 September 2008	-	9,903	48	89,060	99,011
Impairment	-	-	-	-	-
Unrealised (losses)/gains	-	(4,951)	(24)	(44,530)	(49,505)
Valuation at 30 September 2008	-	4,952	24	44,530	49,506
Purchases at cost	-	161,262	490	411,889	573,641
Unrealised losses	-	(4,952)	(24)	(19,777)	(24,753)
Valuation at 30 September 2009	-	161,262	490	436,642	598,394
Cost at 30 September 2009	-	171,165	538	500,949	672,652
Unrealised (losses)/gains at 30 September 2009	-	(9,903)	(48)	(64,307)	(74,258)
Valuation at 30 September 2009	-	161,262	490	436,642	598,394

Transaction costs on the purchase and disposal of investments in the ‘O’ Share Fund of £26,084 were incurred in the year. These are excluded from realised gains shown above of £623,721, but were included in arriving at gains on realisation of investments in the Income Statement of £597,637.

Reconciliation of cash movements in investment transactions

Acquisitions of investments shown in the note above are £1,000,000 larger than disclosed in the Cash Flow Statement due to an investment in ATG Media Holdings Limited, which completed at the beginning of the year, but which was a balance held with solicitors at the 2008 year-end.

Disposals of investments shown in the Cash Flow Statement are £153,917 more than as disclosed above. This is due to monies received in respect of deferred consideration as a result of the earlier sale of Special Mail Services Limited, which occurred in 2006.

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

Financial year	Total provisions at end of year £	Write-offs in year £
2009	10,538,427	300,000
2008	8,588,728	1,439,350
2007	6,690,435	592,011
2006	6,268,991	5,522,339
2005	8,665,187	523,651
2004	7,483,325	989,815

Details of the movements in unrealised gains and losses in the year are disclosed within the Investment Portfolio Summary on pages 20 - 22.

Tottel Publishing Limited was disposed of during the year realising net proceeds of £1,887,864 from an original investment cost of £514,800. The carrying value as at 30 September 2008 was £1,294,588. There was a part disposal of the DigiCo Europe Limited "B" loan stock realising proceeds of £153,438, a premium of £10,634 on the original cost of £142,804.

11 Debtors and prepayments

	2009 £	2008 £
Amounts due within one year:		
Accrued income	92,391	174,210
Prepayments	31,777	12,488
Other debtors	61,708	1,657,079
	185,876	1,843,777

Other debtors include £61,708 of VAT recoverable from VAT already paid upon previous management fee charges.

12 Current investments

	2009 £	2008 £
'O' Share Fund		
Royal Bank of Scotland Sterling Liquidity Fund	2,198,041	1,683,879
Royal Bank of Scotland Sterling Liquidity Fund plus	93,515	287,051
Blackrock Investment Management (UK) Institutional Sterling Fund	3,149,166	3,672,485
'S' Share Fund		
Royal Bank of Scotland Sterling Liquidity Fund	2,053,004	2,330,657
Fidelity Institutional Cash Fund	4,164,843	4,091,501
Scottish Widows Investment Partnership Sterling Liquidity Fund	4,303,501	4,270,441
Monies held pending investment	15,962,070	16,336,014

This comprises cash invested in five Dublin based OEIC money market funds as shown in the table above. £93,515 (2008: £287,051) of this sum is subject to two-day access, while £15,868,555 (2008: £16,048,963) is subject to immediate access. These sums are regarded as monies held pending investment.

13 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	64,700	6,605
Other creditors	11,701	13,349
Accruals	134,414	573,210
	210,815	593,164

14 Significant interests

At 30 September 2009 the Company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

	Equity investment (Ordinary Shares)	Investment in loan stock and preference shares	Total investment (at cost)	Percentage of investee company's total equity	
	£	£	£		
Image Source Group Limited	300,000	5,000	305,000	39.60%	
Camwood Limited	361,514	666,667	1,028,181	34.70%	
Duncarry 4 Limited	33	1,035,441	1,035,474	33.16%	
Apricot Trading Limited	400,000	600,000	1,000,000	24.50%	
HWA Limited	34,553	-	34,553	21.08%	
Brookerpaks Limited	50,000	5,000	55,000	17.07%	*
Aquasium Technology Limited	166,667	533,333	700,000	16.67%	
Aust Construction Investors Limited	400,000	600,000	1,000,000	16.30%	
Calisamo Management Limited	400,000	600,000	1,000,000	16.30%	
BG Consulting Group Limited	110,169	8,333	118,502	13.00%	
Blaze Signs Holdings Limited	401,550	936,950	1,338,500	12.50%	
DCG Group Limited	83,324	228,750	312,074	11.30%	
Oxonica plc	2,524,527	-	2,524,527	10.62%	
VSI Limited	38,895	206,701	245,596	9.21%	
Amaldis (2008) Limited	13,167	67,146	80,313	9.20%	*
ATG Media Holdings Limited	355,556	644,444	1,000,000	8.90%	
Youngman Group Limited	100,052	900,000	1,000,052	8.49%	
NexxtDrive Limited	487,014	325,000	812,014	8.40%	*
Alaric Systems Limited	565,156	30,646	595,802	8.10%	
Racoon International Holdings Limited	165,256	385,596	550,852	7.71%	
PXP Holdings Limited	227,783	692,393	920,176	6.75%	
Corero plc	600,000	-	600,000	6.50%	
The Plastic Surgeon Holdings Limited	40,610	365,472	406,082	6.10%	
Monsal Holdings Limited	143,597	328,008	471,605	5.70%	
Letraset Limited	450,000	200,000	650,000	5.00%	
British International Holdings Limited	112,500	387,500	500,000	4.99%	
MC 440 Limited (Westway Cooling)	57,941	501,245	559,186	4.70%	
Vectair Holdings Limited	53,207	162,707	215,914	4.63%	
PastaKing Holdings Limited	116,962	175,443	292,405	4.50%	
Biomer Technology Limited	137,170	-	137,170	4.40%	
DiGiCo Europe Limited	253,906	260,190	514,096	4.28%	
Aigis Blast Protection Limited	272,120	-	272,120	3.70%	
Campden Media Limited	67,814	267,066	334,880	3.60%	
Sarantel Group plc	1,881,252	-	1,881,252	3.57%	

* 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 represent investments in associated undertakings.

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

MPEP also advises Matrix Income and Growth VCT plc, Matrix Income and Growth 2 VCT plc, Matrix Income and Growth 3 VCT plc and Matrix Income and Growth 4 VCT plc who have investments as at 30 September 2009 in the following:

	Matrix Income & Growth VCT plc at cost	Matrix Income & Growth 2 VCT plc at cost	Matrix Income & Growth 3 VCT plc at cost	Matrix Income & Growth 4 VCT plc at cost	Total at cost	% of equity held by funds managed by MPEP
	£	£	£	£	£	%
PXP Holdings Limited	1,163,436	1,163,436	1,163,436	679,549	4,169,857	37.3
Blaze Signs Holdings Limited	1,573,750	1,398,498	379,236	610,016	3,961,500	52.5
ATG Media Holdings Limited	859,640	863,895	776,465	1,000,000	3,500,000	30.0
DiGiCo Europe Limited	782,609	782,609	738,078	782,608	3,085,904	30.0
British International Holdings Limited	1,000,000	1,000,000	750,000	250,000	3,000,000	34.9
Racoon International Holdings Limited	874,199	878,527	789,617	406,805	2,949,148	49.0
Monsal Holdings Limited	684,351	854,450	618,156	704,771	2,861,728	46.5
Focus Pharma Holdings Limited	656,987	660,238	593,424	772,451	2,683,100	13.0
Youngman Group Limited	1,000,052	1,000,052	-	500,026	2,500,130	29.7
Campden Media Limited	975,000	975,000	-	152,620	2,102,620	28.0
Calisamo Management Limited	1,000,000		1,000,000		2,000,000	16.3
Aust Construction Investors Limited	1,000,000		1,000,000		2,000,000	16.3
The Plastic Surgeon Holdings Limited	390,289	392,264	352,528	458,837	1,593,918	30.0
PastaKing Holdings Limited	464,047	466,344	419,148	133,055	1,482,594	27.5
Apricot Trading Limited			1,000,000		1,000,000	24.5
MC 440 Limited (Westway Cooling)	317,583	-	286,855	373,376	977,814	13.0
VSI Limited	390,367	308,643	143,521	111,928	954,459	48.9
Vectair Holdings Limited	560,302	243,784	-	100,000	904,086	24.0
Stortext-FM Limited	-	-	-	561,816	561,816	5.8
Legion Group plc	150,106	150,106	-	150,102	450,314	3.9
Inca Interiors Limited	-	-	-	350,000	350,000	19.5
Duncary 4 Limited	-	-	-	207,095	207,095	39.8
Letraset Limited	-	-	-	150,000	150,000	34.7
BG Consulting Group Limited	-	-	-	23,701	23,701	15.6

15 Called up share capital

	2009	2008
	£	£
Authorised:		
Ordinary shares of 1p each ('O' Shares): 85,000,000 (2008: 85,000,000)	850,000	850,000
S ordinary shares of 1p each ('S' Shares): 25,000,000 (2008: 25,000,000)	250,000	250,000
	1,100,000	1,100,000
Allotted, called-up and fully paid:		
Ordinary shares of 1p each: 34,824,397 (2008: 35,451,438)	348,244	354,515
S ordinary shares of 1p each: 11,806,467 (2008: 11,806,467)	118,065	118,065
	466,309	472,580

Share capital of the 'O' Share Fund is 75% of the total, with 25% represented by 'S' Share Fund share capital. The rights and obligations of shareholders in each fund rank pari passu.

Under the terms of the Dividend Investment Scheme, a total of 127,403 (2008: 75,807) 'O' Shares were allotted during the year for a total consideration of £96,826 (2008: £77,226).

During the year the Company purchased 754,444 (2008: 1,213,848) of its own 'O' Shares for cash (representing 2.2% (2008: 3.4%) of the 'O' Shares in issue at the year-end) at the prevailing market price for a total cost of £353,751 (2008: £1,063,732).

Purchased (all 'O' Shares)	**Date of purchase**	**Nominal value** £
370,248	23 January 2009	3,703
30,000	26 January 2009	300
30,225	20 February 2009	302
28,858	27 February 2009	289
64,207	16 March 2009	642
70,008	17 June 2009	700
39,038	30 June 2009	390
86,360	27 August 2009	864
35,500	30 September 2009	355
754,444	Nominal value	7,545

16 Movement in share capital and reserves

Company	**Called up share capital**	**Share premium account**	**Capital redemption reserve**	**Capital reserve (unrealised) (non-distributable)**	**Special reserve**	**Profit and loss account**
	£	**£**	**£**	**£**	**£**	**£**
At 1 October 2008	472,580	11,266,282	65,472	(1,252,761)	18,169,799	12,070,340
Shares bought back	(7,545)	-	7,545	-	(353,751)	-
Shares issued	-	-	-	-	-	-
Dividends re-invested into new shares	1,274	95,552	-	-	-	-
Dividends paid	-	-	-	-	-	(1,418,059)
Transfer between reserves	-	(11,053,220)	-	-	11,053,220	-
Loss transferred between reserves	-	-	-	-	(917,262)	917,262
Other expenses net of taxation	-	-	-	-	-	(545,615)
Net unrealised losses on investments	-	-	-	(3,547,286)	-	-
Gains on disposal of investments (net of transaction costs)	-	-	-	-	-	597,637
Realisation of previously unrealised gains	-	-	-	(479,785)	-	479,785
Profit for the year	-	-	-	-	-	261,633
At 30 September 2009	466,309	308,614	73,017	(5,279,832)	27,952,006	12,362,983

'O' Share Fund	Called up share capital	Share premium account	Capital redemption reserve	Capital reserve (unrealised) (non-distributable)	Special reserve	Profit and loss account
	£	£	£	£	£	£
At 1 October 2008	354,515	213,062	65,472	(1,203,256)	18,169,799	12,024,628
Shares bought back	(7,545)	-	7,545	-	(353,751)	-
Dividends re-invested into new shares	1,274	95,552	-	-	-	-
Dividends paid	-	-	-	-	-	(1,418,059)
Other expenses net of taxation	-	-	-	-	-	(392,960)
Loss transferred between reserves						
(note b)	-	-	-	-	(692,960)	692,960
Net unrealised losses on investments	-	-	-	(3,522,533)	-	-
Gains on disposal of investments (net of transaction costs)	-	-	-	-	-	597,637
Realisation of previous unrealised gains	-	-	-	(479,785)	-	479,785
Profit for the year	-	-	-	-	-	250,501
At 30 September 2009	348,244	308,614	73,017	(5,205,574)	17,123,088	12,234,492

'S' Share Fund	Called up share capital	Share premium account	Capital redemption reserve	Capital reserve (unrealised) (non-distributable)	Special reserve	Profit and loss account
	£	£	£	£	£	£
At 1 October 2008	118,065	11,053,220	-	(49,505)	-	45,712
Shares bought back	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Dividends re-invested into new shares	-	-	-	-	-	-
Transfer between reserves (note c)	-	(11,053,220)	-	-	11,053,220	-
Other expenses net of taxation	-	-	-	-	-	(152,655)
Loss transferred between reserves (note c)	-	-	-	-	(224,302)	224,302
Net unrealised losses on investments	-	-	-	(24,753)	-	-
Profit for the year	-	-	-	-	-	11,132
At 30 September 2009	118,065	-	-	(74,258)	10,828,918	128,491

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 cancellation of the ‘O’ Share Fund Share Premium Account (as approved at the Annual General Meeting held on 13 February 2002 and Order of the Court dated 1 May 2002) has provided the Company with a special reserve out of which it can fund buy-backs of ‘O’ 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. The transfer of £692,960 to the special reserve from the realised capital reserve above is the total of realised losses incurred by the Fund in the year.

Note c - The cancellation of the ‘S’ Share Fund Share Premium Account (as approved at the Extraordinary General Meeting of the Company held on 9 October 2007 and Order of the Court dated 16 September 2009) has provided the Company with a special reserve of £11,053,220 out of which it can fund buy-backs of ‘S’ 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. The transfer of £224,302 to the special reserve from the realised capital reserve above is the total of realised losses incurred by the Fund to date.

The Shareholders authorised the Company to purchase its own shares pursuant to section 166 of the Companies Act 1985 at the Annual General Meeting held on 6 February 2009. The authority is limited to a maximum number of 5,314,170 ‘O’ Shares and 1,769,790 ‘S’ Shares (this being approximately 14.99% of the issued ‘O’ Share capital and the issued ‘S’ Share capital of the Company at the date of the Notice of the meeting. The authority will, unless previously revoked or renewed, expire on the conclusion of the Annual General Meeting of the Company to be held in 2010. The minimum price which may be paid for an ‘O’ Share or an ‘S’ Share is 1 penny per share, the nominal value thereof. The maximum price that may be paid for an ‘O’ Share or an ‘S’ Share will be 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 authority provides 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 this authority will be proposed at the Annual General Meeting to be held on 3 March 2010.

17 Net asset value per share

	2009 'O' Share Fund £	2009 'S' Share Fund £	2008 'O' Share Fund £	2008 'S' Share Fund £
Net assets	24,881,881	11,001,216	29,624,220	11,167,492
Number of shares in issue	34,824,397	11,806,467	35,451,438	11,806,467
Basic net asset value per share	71.45p	93.18p	83.56p	94.59p
Diluted net asset value per share	71.45p	93.18p	82.39p	94.59p

Diluted NAV per ‘O’ Share in 2008 assumed that the Investment Manager’s incentive fee was satisfied by the issue of 505,887 additional shares, which did not occur. No ’O’ Share Fund incentive fee is payable for 2009. For the ‘S’ Share Fund, the incentive agreement is unlikely to trigger an increase in the number of shares in issue in the foreseeable future. Thus, as there were no dilutive instruments in place in 2009, there is no difference between basic and diluted net asset value per share for both share funds.

18 Reconciliation of loss on ordinary activities before taxation to net cash (outflow)/inflow from operating activities

	2009 £	2008 £
Loss on ordinary activities before taxation	(3,233,631)	(5,440,373)
Net unrealised losses on investments	3,547,286	7,553,875
Net gains on realisation of investments	(597,637)	(2,053,510)
Decrease/(increase) in debtors	412,760	(406,071)
(Decrease)/increase in creditors and accruals	(317,209)	433,984
Net cash (outflow)/inflow from operating activities	(188,431)	87,905

19 Analysis of changes in net funds

	Cash	Liquid resources	Total
	£	£	£
At beginning of year	65,690	16,336,014	16,401,704
Cash flows	(10,052)	(373,944)	(383,996)
At 30 September 2009	55,638	15,962,070	16,017,708

20 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 2009:

	2009 (Book value)	2009 (Fair value)	2008 (Book value)	2008 (Fair value)
	£	£	£	£
Assets at fair value through profit and loss:				
Investment portfolio	19,890,328	19,890,328	23,139,395	23,139,395
Current investments	15,962,070	15,962,070	16,336,014	16,336,014
Cash at bank	55,638	55,638	65,690	65,690
Loans and receivables				
Accrued income	92,391	92,391	174,210	174,210
Other debtors	61,708	61,708	1,657,079	1,657,079
Liabilities at amortised cost or equivalent				
Other creditors	(210,815)	(210,815)	(593,164)	(593,164)
Total for financial instruments	35,851,320	35,851,320	40,779,224	40,779,224
Non financial instruments	31,777	31,777	12,488	12,488
Total net assets	35,883,097	35,883,097	40,791,712	40,791,712

The investment portfolio principally consists of unquoted investments (90.1%; 2008: 86.0%) and AiM quoted stocks (9.6%; 2008: 14.0%). The investment portfolio has a 100% (2008:100%) concentration of risk towards small UK based, sterling denominated companies, and represents 55.4% (2008: 56.7%) of net assets at the year-end.

Current investments are money market funds, discussed under credit risk below, which represent 44.5% (2008: 40.0%) 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.

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, which was a maximum of £19,890,328 at the year-end.

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 Investment Managers. 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 £ 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 Investment Managers 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. 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.

	2009 **£** **Profit and net assets**	**2008** **£** **Profit and net assets**
If overall share prices fell by 20% (2008: 20%), with all other variables held constant – decrease	(3,978,066)	(4,627,879)
Decrease in earnings, and net asset value, per 'O' Share (in pence)	(11.08)p	(13.03)p
Decrease in earnings, and net asset value, per 'S' Share (in pence)	(1.01)p	(0.08)p

	2009	2008
	£	**£**
	Profit and net assets	**Profit and net assets**
If overall share prices increase by 20% (2008:20%), with all other variables held constant – increase	3,978,066	4,627,879
Increase in earnings, and net asset value, per 'O' Share (in pence)	11.08p	13.03p
Increase in earnings, and net asset value, per 'S' Share (in pence)	1.01p	0.08p

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:

	2009	**2008**
	£	£
Loan stock investments	8,955,298	9,408,620
Money market funds	15,962,070	16,336,014
Accrued income and other debtors	92,391	354,210
VAT recoverable	61,708	464,702
Amounts held with solicitors	-	1,000,000
Cash at bank	55,638	65,690
	25,127,105	27,629,236

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, except in 2008 where £100,000 was due within four months.

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 maybe repaid.

	2009	**2008**
Repayable within	£	£
0 to 1 year	210,037	-
1 to 2 years	2,106,973	2,314,801
2 to 3 years	718,519	3,060,650
3 to 4 years	2,394,834	1,926,234
4 to 5 years	3,524,935	2,106,935
Total	8,955,298	9,408,620

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.

	0-6 months	6-12 months	over 12 months	2009 Total
	£	£	£	£
Loans to investee companies past due	2,567,197	829,902	2,416,411	5,813,510

	0-6 months	6-12 months	over 12 months	2008 Total
	£	£	£	£
Loans to investee companies past due	603,862	324,860	406,248	1,334,970

Included within loan stock investments are loans at a carrying value of £203,004 (2008: £81,250) which have been past due but have been re-negotiated. Loans which are past due but which have not been renegotiated have a carrying value of £1,197,396 (2008: £805,380). These loan stock investments are 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.

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, except for one double A rated fund, and so credit risk 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 2009 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	10,909,627	-	-	10,909,627		
Preference shares	-	25,403	-	25,403	-	1.46
Loan stocks	-	6,660,450	2,294,848	8,955,298	3.76	3.01
Money market funds	-	-	15,962,070	15,962,070	0.51	
Cash	-	-	55,638	55,638		
Debtors	154,099	-	-	154,099		
Creditors	(210,815)	-	-	(210,815)		
Total for financial instruments	10,852,911	6,685,853	18,312,556	35,851,320		
Non-financial instruments	31,777	-	-	31,777		
Total net assets	10,884,688	6,685,853	18,312,556	35,883,097		

The interest rate profile of the Company's financial net assets at 30 September 2008 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	13,660,302	-	-	13,660,302		
Preference shares	-	70,473	-	70,473	2.03	2.17
Loan stocks	-	6,844,531	2,564,089	9,408,620	5.95	2.85
Money market funds	-	-	16,336,014	16,336,014	5.41	
Cash	24,071	41,619	-	65,690		
Debtors	1,831,289	-	-	1,831,289		
Creditors	(593,164)	-	-	(593,164)		
Total for financial instruments	14,922,498	6,956,623	18,900,103	40,779,224		
Non-financial instruments	12,488	-	-	12,488		
Total net assets	14,934,986	6,956,623	18,900,103	40,791,712		

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, the table below shows the sensitivity of income earned to changes in interest rates:

	2009	**2008**
	£	**£**
	Profit and net assets	**Profit and net assets**
If interest rates fell by 1%, with all other variables held constant – decrease	(144,230)	(150,256)
Decrease in earnings, and net asset value, per 'O' Share (in pence)	(0.17)p	(0.18)p
Decrease in earnings, and net asset value, per 'S' Share (in pence)	(0.71)p	(0.72)p

	2009	**2008**
	£	**£**
	Profit and net assets	**Profit and net assets**
If interest rates rose by 1%, with all other variables held constant – increase	144,230	150,256
Increase in earnings, and net asset value, per 'O' Share (in pence)	0.17p	0.18p
Increase in earnings, and net asset value, per 'S' Share (in pence)	0.71p	0.72p

Liquidity risk
The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded, they are 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 Manager 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 which are, as reported in Note 12, nearly all accessible on an immediate basis.

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

21 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, 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.

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

23 Related party transactions
Christopher Moore is a shareholder in Oxonica plc ("Oxonica") in which the Company has invested £2,524,527 to the end of the year (total carrying value: £nil). He owns 0.21% of the equity of Oxonica.

Additionally, it has been agreed that Christopher Moore will cede 128,972 options into ordinary shares of Oxonica out of his options pool. These options are subject to performance conditions and lock in restrictions. The exercise price of the options is 45p. Oxonica ordinary shares are no longer listed on the AiM and the Company's own holding has been valued at nil.

24 Post balance sheet events
On 14 November 2009, the 'O' Share Fund's entire holding in PastaKing Holdings Limited was sold realising net proceeds of £779k.

On 30 November 2009, the 'O' Share Fund invested £91k as a follow on Loan stock investment in British International Holdings Limited.

On 10 December 2009, the 'O' Share Fund's acquisition vehicle Calisamo Management Limited changed its name to CB Imports Group Limited and invested £697k to acquire Country Baskets, in which the 'S'Share Fund also invested £303k.

The Income & Growth VCT PLC
(Registered in England and Wales No. 4069483)

NOTICE of the ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ninth Annual General Meeting of The Income & Growth VCT plc ("the Company") will be held at 11.00 am on Wednesday, 3 March 2010 at Matrix Group Limited, One Vine Street, London, W1J 0AH for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 8 and 13 will be proposed as ordinary resolutions and resolutions 9 to 12 will be proposed as special resolutions:-

ORDINARY BUSINESS

Ordinary Resolutions

1. To receive and adopt the Annual Report and Accounts of the Company for the year ended 30 September 2009, together with the auditors' report thereon.

2. To approve the Directors' Remuneration Report for the year ended 30 September 2009 which is set out in the Annual Report and Accounts of the Company for the year ended 30 September 2009.

3. To appoint PKF (UK) LLP of Farringdon Place, 20 Farringdon Road, London EC1M 3AP as auditors 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 the auditors.

5. To re-elect Helen Sinclair as a Director of the Company.

6. To approve the payment of a final dividend in respect of the year ended 30 September 2009 of 2 pence per ordinary share of 1 penny each (" 'O' Share").

7. To approve the payment of a final dividend in respect of the year ended 30 September 2009 of 0.5 pence per 'S' ordinary share of 1 penny each (" 'S' Share").

SPECIAL BUSINESS

Ordinary Resolution

8. That (i) subject to the passing of the resolutions to be proposed at the separate meeting of the holders of 'O' Shares and the separate meeting of the holders of 'S' Shares convened for 11.20 am and 11.30 am respectively on 3 March 2010 ("Separate Class Meetings") and (ii) in substitution for any existing authorities pursuant to section 551 of the Companies Act 2006 ("the Act"), the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £155,436 provided that this authority shall expire on the fifth anniversary of the date of the passing of this resolution unless

renewed, revoked or varied by the Company in general meeting (except that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and notwithstanding such expiry the Directors may allot shares or grant rights in pursuance of such offers or agreements).

Special Resolutions

9. That (i) subject to the passing of the resolutions to be proposed at the Separate Class Meetings and (ii) in substitution for any existing authorities pursuant to section 570(1) of the Companies Act 2006 ("the Act"), the Directors be and are hereby empowered in accordance with section 570(1) 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 given in accordance with section 551 of the Act by Resolution 8 set out in this notice of Annual General Meeting as if section 561(1) of the Act did not apply to the allotment provided that this power shall expire on the conclusion of the Annual General Meeting to be held in 2011, and provided further that this power shall be limited to:-

   (i) the allotment of equity securities with an aggregate nominal value of up to but not exceeding 10 per cent. of the issued 'O' Share capital of the Company and/or 10 per cent. of the issued 'S' Share capital of the Company, in each case on the date this resolution is passed pursuant to any dividend investment scheme operated from time to time by the Company;

   (ii) the allotment, otherwise than pursuant to sub-paragraph (i) above, of equity securities with an aggregate nominal value of up to but not exceeding 10 per cent. of the issued 'O' Share capital of the Company and/or 10 per cent. of the issued 'S' Share capital of the Company, in each case on the date this resolution is passed and where the proceeds of the allotment may be used in whole or in part to purchase the Company's 'O' Shares or, as the case may be, 'S' Shares in the market; and

   (iii) the allotment, otherwise than pursuant to sub-paragraphs (i) and (ii) above, of equity securities from time to time with an aggregate nominal value of up to but not exceeding 5 per cent. of the issued 'O' Share capital of the Company and/or 5 per cent. of the issued 'S' Share capital of the Company, in each case on the date this resolution is passed.

10. That (i) subject to the passing of the resolutions to be proposed at the Separate Class Meetings and (ii) in substitution for any existing authorities pursuant to section 701 of the Companies Act 2006 ("the Act"), that the Company be and is hereby generally authorised to make market purchases (as defined in section 693(4) of the Act) of its own ordinary shares of 1p each ('O' Shares) and S ordinary shares of 1p each ('S' Shares) provided that:-

   (i) the aggregate number of 'O' Shares and 'S' Shares hereby authorised to be purchased shall not exceed 5,220,175 and 1,769,790 respectively;

   (ii) the minimum price which may be paid for such 'O' Shares and 'S' Shares is 1 penny per share, the nominal amount thereof;

(iii) the maximum price (exclusive of expenses) which may be paid for an 'O' Share or, as the case may be, an 'S' Share shall be the higher of (i) five per cent. above the average of the middle market price for such share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and (ii) the amount stipulated by article 5(1) of the Buyback Regulations 2003.

(iv) the authority hereby conferred shall (unless previously renewed or revoked) expire on the conclusion of the annual general meeting of the Company to be held in 2011; and

(v) the Company may make a contract or contracts to purchase its own 'O' Shares and/or, as the case may be, 'S' 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.

11. That subject to the passing of the resolutions to be proposed at the Separate Class Meetings and with effect from the close of this meeting:

11.1 The provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association, and therefore are to be deleted in their entirety; and

11.2 The Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

12. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

Ordinary Resolution

13. That subject to the passing of the resolutions to be proposed at the Separate Class Meetings and without prejudice to Resolutions 8 and 9 the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot equity securities (which expression shall have the meaning ascribed to it in section 560(1) of the Act) and/or to sell treasury shares pursuant to any Dividend Investment Scheme operated by the Company from time to time at a subscription price per share which is less than the net asset value per share of that class.

BY ORDER OF THE BOARD

Matrix-Securities Limited
Secretary
Registered Office
One Vine Street
London W1J 0AH

15 December 2009

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 Matrix-Securities Limited, the Company Secretary at One Vine Street, London W1J 0AH or by email to: iandg@matrixgroup.co.uk or telephone on 020 3206 7000.

2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received not later than 11.00 am on Monday,1 March 2010 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 CREST Proxy Instruction (as described in paragraph 8 below) 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 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. 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.

6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 11.00 am on Monday, 1 March 2010 (or, in the event of any adjournment, on the date which is two days before the time 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.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RO55) by 11.00 am on 1 March 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST

sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

11. 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.

12. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but 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 a website 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.

13. As at 15 December 2009 (being the last business day prior to the publication of this Notice) the Company's issued share capital consisted of 34,824,397 'O' Shares and 11,806,467 'S' Shares, each carrying one vote. Therefore, the total voting rights in the Company as at 15 December 2009 were 46,630,864.

14. The Register of Directors' Interests and Directors' appointment letters shall be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting. The Directors do not have any service contracts with the Company.

15. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at www.incomeandgrowthvct.co.uk.

THE INCOME & GROWTH VCT PLC
(Registered in England and Wales with registered number 4069483)

NOTICE CONVENING A SEPARATE CLASS MEETING OF THE HOLDERS OF 'O' SHARES

Notice is hereby given that a meeting of the holders of Ordinary Shares of 1 penny each ('O' Shares) in the capital of The Income & Growth VCT plc ("the Company") will be held at 11.20 am on Wednesday, 3 March 2010 at Matrix Group Limited, One Vine Street, London, W1J OAH (or as soon thereafter as the Annual General Meeting of the Company to be held at 11.00 am on that date shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

Special Resolution

That the holders of 'O' Shares in the capital of the Company hereby sanction, approve and consent to:

(a) the passing and carrying into effect as ordinary and special resolutions of the Company, resolutions 8 to 11 and 13 set out in the notice of annual general meeting of the Company convened for 11.00 am on 3 March 2010 (a copy of which is produced to the meeting and signed by the chairman for the purposes of identification); and

(b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the 'O' Shares which will, or may, result from the passing and carrying into effect of the resolutions referred to in paragraph (a) above, notwithstanding that the passing and carrying into effect such resolution may affect the rights and privileges attached to such 'O' Shares.

BY ORDER OF THE BOARD

Matrix-Securities Limited
Secretary
Registered Office
One Vine Street
London W1J 0AH

15 December 2009

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 Separate Class Meeting of the Holders of 'O' Shares ("the Class Meeting"). A shareholder may appoint more than one proxy in relation to the Class 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 Matrix-Securities Limited, the Company Secretary at One Vine Street, London W1J 0AH or by email to: iandg@matrixgroup.co.uk or telephone on 020 3206 7000.

2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU , so as to be received not later than 11.20 am on Monday, 1 March 2010 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 CREST Proxy Instruction (as described in paragraph 8 below) 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 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 Class 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. 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.

6. To be entitled to attend and vote at the Class Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 11.20 am on Monday, 1 March 2010 (or, in the event of any adjournment, on the date which is two days before the time 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.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RO55) by 11.20 am on 1 March 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST

sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

11. 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.

12. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but 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 a website 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.

13. As at 15 December 2009 (being the last business day prior to the publication of this Notice) the Company's issued 'O' Share capital consisted of 34,824,397 'O' Shares. Therefore, the total voting rights attached to 'O' Shares at 15 December 2009 were 34,824,397.

14. The Register of Directors' Interests and Directors' appointment letters shall be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting. The Directors do not have any service contracts with the Company.

15. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at www.incomeandgrowthvct.co.uk.

16. Notice is hereby further given that in accordance with s334(4) of the Companies Act 2006 the necessary quorum for the meeting shall be two holders of 'O' Shares present holding at least one-third in nominal value of the issued 'O' Shares and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 11.20 am on Thursday, 4 March 2010 at Matrix Group Limited, One Vine Street, London, W1J 0AH and at such adjourned meeting the necessary quorum shall be one person present holding 'O' Shares,

THE INCOME & GROWTH VCT PLC

(Registered in England and Wales with registered number 4069483)

NOTICE CONVENING A SEPARATE CLASS MEETING OF THE HOLDERS OF 'S' SHARES

Notice is hereby given that a meeting of the holders of 'S' ordinary shares of 1 penny each ('S' Shares) in the capital of The Income & Growth VCT plc ("the Company") will be held at 11.30 am on Wednesday, 3 March 2010 at Matrix Group Limited, One Vine Street, London, W1J OAH (or as soon thereafter as the class meeting of the holders of ordinary shares of 1 penny each in the capital of the Company to be held at 11.30 am on that date shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

Special Resolution

That the holders of 'S' Shares hereby sanction, approve and consent to:

(a) the passing and carrying into effect as ordinary and special resolutions of the Company, resolutions 8 to 11 and 13 set out in the notice of annual general meeting of the Company convened for 11.00 am on 3 March 2010 (a copy of which is produced to the meeting and signed by the chairman for the purposes of identification); and

(b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the 'S' Shares which will, or may, result from the passing and carrying into effect of the resolutions referred to in paragraph (a) above, notwithstanding that the passing and carrying into effect such resolution may affect the rights and privileges attached to such 'S' Shares.

BY ORDER OF THE BOARD

Matrix-Securities Limited
Secretary
Registered Office
One Vine Street
London W1J 0AH

15 December 2009

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 Separate Class Meeting of the Holders of 'S' Shares ("the Class Meeting"). A shareholder may appoint more than one proxy in relation to the Class 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 Matrix-Securities Limited, the Company Secretary at One Vine Street, London W1J 0AH or by email to: iandg@matrixgroup.co.uk or telephone on 020 3206 7000.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Capita Registrars The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received not later than 11.30 am on Monday, 1 March 2010 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 CREST Proxy Instruction (as described in paragraph 8 below) 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 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 Class 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. 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.
6. To be entitled to attend and vote at the Class Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 11.20 am on Monday, 1 March 2010 (or, in the event of any adjournment, on the date which is two days before the time 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.
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8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RO55) by 11.20 am on Wednesday, 1 March 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

11. 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.

12. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but 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 a website 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.

13. As at 15 December 2009 (being the last business day prior to the publication of this Notice) the Company's issued 'S' Share capital consisted of 11,806,467 'S' Shares. Therefore, the total voting rights attached to 'S' Shares at 15 December 2009 were 11,806,467.

14. The Register of Directors' Interests and Directors' appointment letters shall be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting. The Directors do not have any service contracts with the Company.

15. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at www.incomeandgrowthvct.co.uk.

16. Notice is hereby further given that in accordance with s334(4) of the Companies Act 2006 the necessary quorum for the meeting shall be two holders of 'S' Shares present holding at least one-third in nominal value of the issued 'S' Shares and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 11.30 am on Thursday, 4 March 2010 at Matrix Group Limited, One Vine Street, London, W1J 0AH and at such adjourned meeting the necessary quorum shall be one person present holding 'S' Shares.

Corporate Information

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Christopher Moore
Helen Sinclair

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W1J 0AH

Company Secretary
Matrix-Securities Limited
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