Unaudited Half-Year Report

for the six months ended 31 March 2012

THE INCOME & GROWTH VCT PLC

www.incomeandgrowthvct.co.uk

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.

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Financial Highlights

Six months to 31 March 2012

- Dividends totalling 24.0 pence per share have been paid to shareholders during the period.
- Increase of 23.8% in total return (share price basis) to Shareholders
- Increase of 6.9% in total return (net asset value (NAV) basis) to Shareholders
- Strong liquidity has been further enhanced by a successful fundraising, in which the Company has raised an additional £4.9 million (including £1.7 million allotted during the period).

Performance Summary

The net assets of the 'O' and 'S' Share Funds were merged to form one share class of Ordinary Shares on 29 March 2010. At that date, the net assets of the merged VCT were £35.7 million, which have increased to £45.7 million at 31 March 2012. The merger was effected by converting the relevant 'O' Shares into 'S' Shares using a conversion ratio of 0.7578. All the issued and unissued former 'S' Shares were subsequently redesignated as Ordinary Shares on a 1 for 1 basis.

To help shareholders in each former share class understand the trend in performance of their investment, comparative data for each former share class is shown below:-

	Net assets (£m)	NAV per Share (p)	Cumulative dividends paid per Share (p)	Total return (NAV basis) to shareholders since launch per Share (p)	Share price[1] (p)	Total return (share price basis) to shareholders (p)
Ordinary Shares raised 2007/08 ('S' Shares until 29 March 2010)						
As at 31 March 2012	45.7	105.4	28.5	133.9	90.5	119.0
As at 30 September 2011	49.2	120.8	4.5	125.3	91.6	96.1
As at 30 September 2010	36.6	99.0	0.5	99.5	87.0	87.5
As at 30 September 2009	11.0	93.2	0.0	93.2	94.5	94.5
As at 30 September 2008	11.2	94.6	0.0	94.6	100.0	100.0
Former 'O' Share Fund raised 2000/01						
As at 31 March 2012	–	79.9	43.7	123.6	–	–
As at 30 September 2011	–	91.5	25.5	117.0	–	–
As at 30 September 2010	–	75.0	22.5	97.5	–	–
As at 30 September 2009	24.9	71.5	20.5	92.0	54.8	75.3
As at 30 September 2008	29.6	83.6	16.5	100.1	79.5	96.0

Note:

The data for all periods shows the return on an initial subscription price of 100p at the date of inception of each Fund. Data as at 31 March 2012 is supported by the table on page 2 divided by £10,000.

[1] Source: London Stock Exchange.

Return before and after tax relief

The table below shows the total returns (NAV basis) at 31 March 2012 for a shareholder in each original class that invested £10,000 at £1 a share at each Fund's inception.

		Ordinary Shares 2007/08[1]	Former 'O' Shares 2000/2001
Original investment (10,000 shares at £1 each)	(£)	10,000	10,000
Number of shares held post merger		10,000	7,578
Rate of income tax relief	%	30%	20%[2]
Cost net of income tax relief	(£)	7,000	8,000
NAV at 31 March 2012	(£)	10,542	7,987
Dividends paid to shareholders since subscription	(£)	2,850	4,367
Total return (NAV basis) to Shareholders since subscription	(£)	13,392	12,354
Profit before income tax relief[3]	(£)	3,392	2,354
Profit ***after*** income tax relief[4]	(£)	6,392	4,354

[1] Formerly, 'S' Shares

[2] Additional capital gains tax deferral relief of up to £4,000 available to qualifying shareholders

[3] NAV total return minus initial investment cost (before applicable income tax relief)

[4] NAV total return minus cost net of income tax relief

Chairman's Statement

I am pleased to present the Company's Half-Year Report for the six months ended 31 March 2012.

The persisting uncertainty in the UK and global economies has continued to impact on the Company during this six month period under review and we are now experiencing once again some resurgence of the earlier volatility, primarily as a result of continuing unresolved debt problems in several of the Eurozone countries. However, there are some positive economic indicators coming out of the United States. Nevertheless, most commentators are predicting a long road to recovery for the UK economy.

Many of the companies in the portfolio continue to make good progress in spite of the challenging conditions that have prevailed in recent months. In this six month period under review, news from the portfolio was dominated by the announcement that the Company had sold its shareholding in App-DNA Group Limited realising net proceeds of £14,542,468. This resulted in a special interim dividend of 20p per Share being paid to all Shareholders in January of this year.

Net asset value and total return to shareholders

As at 31 March 2012 the Company's NAV per share was 105.4 pence (30 September 2011: 120.8 pence or 96.8 pence after deducting dividends of 24.0 pence per share paid to Shareholders during the period). The NAV total return per share (being the closing net asset value plus total dividends paid to date) has risen to 133.9 pence compared to 125.3 pence at the year-end representing an increase of 6.9% over the period, explained below. This is an increase of 41.7% over the NAV per share of 94.5 pence at inception of the Fund.

For Shareholders who held the former 'O' Share class, the NAV total return is now 123.6 pence per share, representing an increase of 30.8% over the NAV per share of 94.5 pence at inception. Further details are contained in the tables showing the performance of both share classes in the Financial Highlights on pages 1 – 2 of this Report.

The above increase in NAV total return of 6.9% for the period compares with an increase of 13.9% in the FTSE SmallCap Index and a rise of 16.2% in the FTSE AiM All-Share Index, both on a total return basis, over the same period. It should be noted however that the recent growth in the AiM index has been largely driven by oil related stocks, which are outside the investment mandate for most VCTs. The Board is satisfied that the performance of the VCT compares favourably with its peers.

The NAV per share has benefited in this half-year from recognising the gains arising from the sales of App-DNA and DiGiCo and the net increase in the value of the remaining portfolio companies.

Shareholders should note that a performance incentive fee could be payable for the current financial year ending 30 September 2012 in respect of the realisation of App-DNA. This sum has been accrued in the Accounts at 31 March 2012 and the NAV per share reported above therefore includes this provision of approximately 6 pence per Share.

Investment portfolio

As reported in the Annual Report, the substantial disposal of App-DNA and the partial disposal of DiGiCo towards the end of 2011 have contributed to net cash proceeds of £16,629,038 from portfolio realisations, which also included a number of smaller loan stock repayments.

There were two new investments during the six month period to finance the MBOs of Equip (including the Rab and Lowe Alpine brands) and EMaC (a provider of outsourced service plans in the automotive sector) totalling some £3.3 million whilst a further £6 million was invested into a number of companies preparing to trade. A small follow-on investment of £6,710 was made into Data Continuity Group. There were two partial loan stock repayments made during the period by Fullfield and Focus Pharma totalling some £276k and the VCT accepted £254,000 from NexxtDrive in full repayment of this company's outstanding loan stock and arrears of interest.

Details of all these transactions are contained in the Investment Manager's Review on pages 11 – 12.

The MPEP invested portfolio generally had an encouraging period and the value of that portfolio has increased by 8.9% on a like for like basis, mainly due to the uplift from the partial sale of DiGiCo. PXP continues to give cause for concern although it is hoped that a restructuring will benefit this business. In contrast, ATG Media, DiGiCo and Iglu.com continue to trade well with Iglu's valuation seeing an improvement of £548k over the period. The difficulties at Image Source Group were the largest negative contributor to the value of this part of the portfolio.

The ex-Foresight portfolio had a positive period with the portfolio up by some £1,321k (excluding the realisation of App-DNA referred to above). Alaric Systems and Aquasium Technology both saw good uplifts in their respective valuations. Since the period-end the Company has sold its interest in Camwood for £942,947 giving a further boost to realised gains of some £762,190 compared to cost.

Revenue Account

The net revenue return for the period has increased by £36,352 over the comparable period last year, to £268,220. Income has continued to benefit from a higher level of loan stock interest, up by £98,103 (including interest received from recent loan stock investments) and higher dividends, up by £38,627 compared to last year.

Against this, fund management fees have risen by £151,149, due to the higher net assets at the start of the year. Running costs have increased by £104,133 including a rise in trail commission payments of £38,637 reflecting the level of net assets at the start of the year. Higher directors' fees of £34,725, which include a one-off payment of £10,000 made to each of the Directors in respect of additional work carried out on specific projects for the Company, have also contributed to this increase.

Dividends

The Company has paid total dividends of 24.0 pence per share since the year-end. An interim capital dividend in respect of the year ended 30 September 2011 of 20.0p pence per share was paid on 30 January 2012 and a final dividend of 4 pence per share (comprising 2.0 pence from capital and 2.0 pence from income) was approved by Shareholders at the Annual General Meeting held on 9 February 2012 and paid on 28 March 2012. The Company's Dividend Investment Scheme applied to both of these dividends using an issue price equal to the average of the middle market price for the Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the payment date. It is pleasing to note that £1.26 million of dividends were re-invested through the Scheme.

Cumulative dividends per share paid to date amount to 28.5 pence (pre-merger: 0.5 pence; post-merger: 28.0 pence) for the current share class (former 'S' Shares) and 43.67 pence (pre-merger: 22.45 pence; 21.22 pence post merger) for the former 'O' Shares.

The Board remains firmly committed to providing an attractive dividend stream to Shareholders as and when circumstances allow. Accordingly, the Board will consider the level of dividends at the year-end.

Dividend Investment Scheme

The Company's Dividend Investment Scheme ("the Scheme") is a convenient, easy and cost effective way to build up your shareholding in the Company. Instead of receiving cash dividends you can elect to receive new shares in the Company.

By opting to receive your dividend in this manner, there are three benefits to you:

– The dividend is tax free to you;

– Shareholders are allotted new ordinary shares which will, subject to your particular circumstances, attract VCT tax reliefs applicable for the tax year in which the shares are allotted. The tax relief currently available to investors in new VCT shares is 30% for the 2012/13 tax year for investments up to £200,000 in any one tax year; and

– The Scheme also has one unique advantage. Under its terms, a member is able to re-invest at an advantageous price, being the average market price of the shares for the five business days prior to the dividend being paid. This price is likely to be at a discount of 10% to the underlying net asset value.

Elections under the Scheme may be received by the Scheme Administrator, Capita Registrars, at any time, but no later than 15 days prior to a dividend payment date should you wish your election to be used in respect of that particular dividend.

Linked Offer for Subscription

A Linked Offer for Subscription was launched on 20 January 2012 across three Matrix VCTs, of which the Company was one, to raise £7 million each. To date the Company has raised £4.9 million gross. The Offer will remain open until 30 June 2012.

Cash available for investment

During this economic downturn, both the Board and the Manager have continued to work to ensure that the Company's cash deposits continue to remain as secure as possible. We have for some time been spreading cash deposits between a number of the leading global cash funds and depositing directly to carefully selected individual banks, thereby limiting our exposure to any one particular bank. The Board and Manager both continue to believe strongly that at this time the security and protection of the Company's capital is more important than striving for a small increase in deposit rates at the cost of much higher risk.

Cash and liquidity fund balances as at 31 March 2012 amounted to £16.0 million. In addition, a further £6 million has been invested into a series of acquisition vehicles pending further investment (and a further £1 million after the period-end). As at the date of this Report, cash and liquidity fund balances had increased to £18.3 million as a result of the subscriptions under the Joint Offer.

Chairman's Statement

Share buy-backs

During the six months ended 31 March 2012 the Company bought back 449,818 (2011: 904,909) Shares (representing 1.11% (2011: 2.45%) of the Shares in issue at the beginning of the year) at a total cost of £399,876 (2011: £805,142) (inclusive of expenses). These shares were subsequently cancelled by the Company.

The Board regularly reviews its buyback policy and, given the less volatile outlook for the valuation of the portfolio, has undertaken to reduce the discount to NAV to allow the Company's shares to trade at around 10% below the published NAV.

Shareholder communications

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

The Investment Manager held a successful and well attended Shareholder workshop in January 2012. The Board understands that the Manager intends to hold this as an annual event.

Outlook

Equity markets around the world, most notably in Europe, have recently suffered sharp falls. The trigger for the latest sell-off was the news that the European Central Bank had suspended its lending to Greek banks at the same time as many depositors were looking to withdraw their money. It has felt like a long two years since 25 March 2010 when Greece received its first bailout package from the EU and the IMF. Much has happened since but little seems to have been achieved. However, the coming months look crucial for Europe and for the future of the single currency. The UK, like many member states of the EU, is in or close to recession and is facing strict austerity measures. The recent political changes within Europe merely add to the uncertainty. As at the date of publication of this Report, it is unclear whether Greece will leave the Eurozone, either voluntarily or by being pushed.

As a result of this economic scenario, the Company has continued to retain a significant cash position. Moreover, the recent fundraising will enable the Company to be able to use its substantial cash balance to better advantage. However, amid all this political and economic uncertainty, the Manager has seen a surge in enquiries for funding and, indeed, interest in investments in the Company's portfolio. This places the Company in an excellent position to take advantage of what are expected to be increasingly attractive purchase opportunities which should become available as and when the economy climbs out of recession. Therefore, your Board still expects to see attractive investment opportunities with the potential for improved performance and portfolio values over the longer term.

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

Colin Hook
Chairman

28 May 2012

Principal Risks and Uncertainties

In accordance with Disclosure and Transparency Rule (DTR) 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed since the publication of the Annual Report and Accounts for the year ended 30 September 2011. The Board acknowledges that there is regulatory risk and continues to manage the Company's affairs in such a manner as to comply with section 274 Income Tax Act 2007. The principal risks faced by the Company are:

- economic risk;
- risk of loss of approval as a Venture Capital Trust
- investment and strategic risk;
- regulatory risk;
- financial and operating risk;
- market risk;
- asset liquidity risk;
- market liquidity risk;
- counterparty risk.

A detailed explanation of these risks can be found in the Directors' Report on pages 28 - 29 and in Note 20 on pages 67 - 74 of the Annual Report and Accounts of the Company for the year ended 30 September 2011 ("the Annual Report") copies of which are available on the Company's website: www.incomeandgrowthvct.co.uk.

Responsibility Statement

In accordance with DTR 4.2.10 the Directors confirm that to the best of their knowledge:

(a) the condensed set of financial statements, which has been prepared in accordance with the statement, "Half-Yearly Reports", issued by the Accounting Standards Board, gives a true and fair view of the assets, liabilities, financial position and profit of the Company, as required by DTR 4.2.4; and

(b) the interim management report, included within the Chairman's Statement, Investment Portfolio Summary and the Investment Manager's Review includes a fair review of the information required by DTR 4.2.7 being an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements.

(c) There are no related party transactions that are required to be disclosed in accordance with DTR 4.2.8.

Going Concern

The Board has assessed the Company's operation as a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Management Report which is included within the Chairman's Statement, the Investment Portfolio Summary, the Investment Manager's Review and in the equivalent sections, including the Directors' Report, of the Annual Report. The Directors have satisfied themselves that the Company continues to maintain a significant cash position and is currently raising additional funds. The majority of companies in the portfolio continue to trade profitably and the portfolio taken as a whole remains resilient and well diversified. The major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control. The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Note 20 on pages 67 – 74 of the Annual Report. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cautionary Statement

This report may contain forward looking statements with regards to the financial condition and results of the Company, which are made in the light of current economic and business circumstances. Nothing in this report should be construed as a profit forecast.

On behalf of the Board

Colin Hook
Chairman

28 May 2012

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 buy-out 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 funds raised under the original prospectus in 2000/01, and £7 million, in the case of funds raised after 6 April 2006, (including the former 'S' Share Fund raised in 2007/08) of gross assets at the time of investment to be classed as a VCT qualifying holding.

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 in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules). 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 (save as may be permitted under VCT rules).

The VCT regulations in respect of funds raised after 6 April 2011 will change, such that 70% of such funds must be invested in equity.

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 to maximise the amount which may be invested in loan stock. 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 three 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.

Borrowing

The VCT has never borrowed and has no current plans to undertake any borrowing.

Management

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

Impact of possible changes to the VCT tax rules on the VCT's investment policy

Changes to the VCT tax legislation, which may be introduced with effect from 6 April 2012 in the Finance Bill 2012 were pubished on 29 March 2012. The proposals are being considered by Parliament and will be subject to EU state aid approval, but are expected to be approved. The current proposals could impact on the Company's Investment Policy as follows:

(1) The size of companies in which investment can be made is proposed to be increased back to pre 6 April 2006 levels of £15 million immediately before and £16 million immediately after the investment.

(2) The maximum number of permitted employees for an investee company at the time of investment is proposed to be increased from 50 to 250 (this limit does not apply to VCT funds raised before 6 April 2007).

(3) The £1 million limit on the amount of investment a VCT may make into a particular company within a tax year is to be abolished. A new rule will require that an investee company should not receive more than £5 million from State Aid sources, including VCTs, within any twelve month rolling period.

(4) If the proposals are adopted in their current form it will no longer be possible for the Manager to carry out certain types of MBO transactions using funds raised after 5 April 2012. If this turns out to be the case, the Company still intends to use other types of MBO transactions and therefore does not anticipate that this change will have a significant impact on the Company's investment policy.

Investment Portfolio Summary

as at 31 March 2012

	Total cost at 31 March 2012 (unaudited) £	Valuation at 30 September 2011 (audited) £	Additional Investments in the period £	Valuation at 31 March 2012 (unaudited) £
IDOX plc Provider of document storage systems	872,625	1,796,667	–	2,409,167
Ingleby (1879) Limited (EMaC) Service plans for the motor trade	1,878,124	–	1,878,124	1,878,124
ATG Media Holdings Limited Publisher and online auction platform operator	888,993	1,675,368	–	1,790,091
Fullfield Limited (Motorclean) Provider of vehicle cleaning and valet services	1,603,643	1,718,189	–	1,782,645
Iglu.com Holidays Limited Online ski and cruise travel agent	152,326	888,657	–	1,437,057
Blaze Signs Holdings Limited Manufacturer and installer of signs	1,338,500	1,354,238	–	1,422,207
EOTH Limited (Rab and Lowe Alpine) Branded outdoor equipment and outdoor clothing	1,383,313	–	1,383,313	1,383,313
ASL Technology Holdings Limited Printer and photocopier services	1,769,790	1,674,630	–	1,318,602
RDL Corporation Limited Recruitment consultants for the pharmaceutical, business intelligence and IT industries	1,441,667	1,383,792	–	1,310,775
CB Imports Group Limited (Country Baskets) Importer and distributor of artificial flowers, floral sundries and home decór products	1,000,000	1,025,448	–	1,089,194
Ackling Management Limited Company preparing to trade in the food manufacturing, distribution and brand management sectors	1,000,000	–	1,000,000	1,000,000
Almsworthy Trading Limited Company preparing to trade in the specialist construction, building support services, building products and related sectors	1,000,000	–	1,000,000	1,000,000
Culbone Trading Limited Company preparing to trade in the outsourced sector	1,000,000	–	1,000,000	1,000,000
Fosse Management Limited Company preparing to trade in the brand management, consumer products and retail sectors	1,000,000	–	1,000,000	1,000,000
Madacombe Trading Limited Company preparing to trade in the engineering sector	1,000,000	–	1,000,000	1,000,000
Peddars Management Limited Company preparing to trade in the database management and data mapping sectors and in management services to the legal and building industries	1,000,000	–	1,000,000	1,000,000
Camwood Enterprises Limited Provider of software repackaging services	180,757	499,182	–	942,947
Aquasium Technology Limited Design, manufacture and marketing of bespoke electron beam welding and vacuum furnace equipment	700,000	486,319	–	893,108
Newincco 1124 Limited (DiGiCo Europe) Designer and manufacturer of audio mixing desks	876,497	–	876,497	876,497
Image Source Group Limited Royalty free picture library	1,754,558	238,977	1,449,558	730,722
Youngman Group Limited Manufacturer of ladders and access towers	1,000,052	682,203	–	700,992
British International Holdings Limited Helicopter service operator	590,909	646,718	–	679,283
Duncary 8 Limited City-based provider of specialist technical training	634,923	535,699	–	641,605
Westway Services Holdings (2010) Limited Installation, service and maintenance of air conditioning systems	353,589	928,577	–	628,150

Investment Portfolio Summary

as at 31 March 2012

	Total cost at 31 March 2012 (unaudited) £	Valuation at 30 September 2011 (audited) £	Additional Investments in the period £	Valuation at 31 March 2012 (unaudited) £
Brookerpaks Limited Importer and distributor of garlic and vacuum-packed vegetables	55,000	576,042	–	608,314
Alaric Systems Limited Software development, implementation and support in the credit/debit card authorisation and payments market	595,802	167,114	–	590,281
Original Additions Topco Limited Manufacturer and distributor of beauty products	25,696	537,948	–	537,948
Machineworks Software Limited Software for CAM and machine tool vendors	20,471	407,310	–	431,349
Focus Pharma Holdings Limited Licensor and distributor of generic pharmaceuticals	405,407	628,706	–	405,654
Tikit Group plc Provider of consultancy services and software solutions for law firms	132,017	458,094	–	386,866
Letraset Limited Manufacturer and distributor of graphic art products	650,010	234,385	–	300,381
Faversham House Publisher, exhibition organiser and operator of websites for the environmental, visual communications and building services sectors	487,744	487,744	–	291,984
Omega Diagnostics Group plc In-vitro diagnostics for food intolerance, autoimmune diseases and infectious diseases	279,996	291,663	–	233,330
The Plastic Surgeon Holdings Limited Supplier of snagging and finishing services to the property sector	406,082	101,521	–	214,033
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	550,852	157,755	–	151,050
Vectair Holdings Limited Designer and distributor of washroom products	53,400	139,125	–	150,837
ANT plc Provider of embedded browser/email software for consumer electronics and internet appliances	462,816	144,451	–	137,885
Lightworks Software Limited Software for CAD vendors	20,471	54,138	–	83,184
Oxonica plc International nanomaterials group	2,524,527	69,624	–	69,624
Corero plc Provider of e-business technologies	600,000	35,363	–	55,991
Monsal Holdings Limited Supplier of engineering services to water and waste sectors	468,610	42,446	–	42,446
Sarantel Group plc Developer and manufacturer of antennae for mobile phones and other wireless devices	1,881,252	39,485	–	40,847
Data Continuity Group Limited (formerly DCG Group Limited) Design, supply and integration of data storage solutions	90,034	–	6,710	38,749
NexxtDrive Limited Developer and exploiter of patented transmission technologies	487,014	162,500	–	–
PXP Holdings Limited (Pinewood Structures) Designer, manufacturer and supplier of timber frames for buildings	920,176	–	–	–
Aigis Blast Protection Limited Specialist blast containment materials company	272,120	–	–	–
Legion Group plc Provider of manned guarding, mobile patrols and alarm response services	150,000	–	–	–
Biomer Technology Limited Developer of biomaterials for medical devices	137,170	–	–	–
Watchgate Limited Holding Company	1,000	–	–	–

	Total cost at 31 March 2012 (unaudited) £	Valuation at 30 September 2011 (audited) £	Additional Investments in the period £	Valuation at 31 March 2012 (unaudited) £
Realised investments				
App-DNA Group Limited Provider of software repackaging services	–	11,633,974	–	–
DiGiCo Europe Limited Designer and manufacturer of audio mixing desks	–	1,258,330	–	–
Backbarrow Limited Company that was preparing to trade in the food manufacturing, distribution and brand management sectors	–	1,000,000	–	–
Bladon Castle Management Limited Company that was preparing to trade in the brand management, consumer products and retail sectors	–	1,000,000	–	–
Rusland Management Limited Company that was preparing to trade in the brand management, consumer products and retail sectors	–	1,000,000	–	–
Torvar Limited Company that was preparing to trade in the database management and data mapping sectors and in management services to the legal and building industries	–	1,000,000	–	–
Total	36,097,933	37,162,382	11,594,202	32,685,232

Investment Manager's Review

The period began with two new investments and two significant realisations which are described in more detail below. We are continuing to see good quality, realistically priced investment opportunities and are finding that management buy-out ("MBO") teams are increasingly turning to us as a source of deliverable, long-term finance as an alternative to bank funding. We are therefore pleased with and encouraged by the current level of deal flow, enabling us to pursue a number of deals which we expect to come to fruition over the coming months. We are also discussing a number of interesting realisation opportunities with both trade and private equity investors.

Investment activity

As referred to in the Annual Report, two new investments were completed shortly after the year-end in October and November 2011, financing the MBOs of Equip Outdoor Technologies (EOTH Limited) and EMaC. In the first of these I&G VCT made an investment of £1,383,313 to provide mezzanine finance as part of a £7.8 million transaction to support the acquisition of the international intellectual property and assets of Lowe Alpine Srl from administration in Italy by Equip Outdoor Technologies Limited, a company specialising in owning and distributing brands focused on the outdoor sector including the Rab brand. The second was a new investment of £1,878,124 to support the MBO of EMaC Limited, the UK's leading provider of outsourced service plans to franchised dealers in the automotive sector.

Four of the Company's investments in companies preparing to trade were realised during the period as in our view insufficient progress was being made in negotiating suitable, attractive opportunities. Nevertheless the Operating Partner programme as a whole has continued to generate successful investments for the Company and accordingly seven new investments have been made (one of which was completed after the period-end).

Image Source was the only company in the portfolio to require significant further investment during the six months to 31 March 2012. A further investment in the form of a loan of £1,449,558 was made in December 2011 to help support the resolution of a legal dispute with a former employee and shareholder in that company. This company continues to suffer from challenging market conditions.

The Company accepted a repayment of £250,000 from NexxtDrive in full repayment of this company's outstanding loan stock (held at a cost of £325,000) and arrears of interest. Two partial loan stock pre-payments were received in January 2012 from Focus Pharma (£111,493 plus a premium of £50,039 totalling £161,532) and Fullfield (£114,546).

As also referred to in the last Annual Report, I&G VCT made two major realisations following the year-end, in November and December 2011. In the first of these, I&G VCT realised in full its investment in AppDNA by way of a trade sale to Citrix Systems Inc in November 2011. The total cash consideration from the sale of £14,542,468 contributed to total proceeds to the Company over the life of the investment of £15,054,113, which represented a 29 times return on the Company's original investment of £514,090. This figure increases to 32 times if approximately £1.8 million of potential deferred consideration is also brought into the calculation. In December 2011, I&G VCT made a partial disposal of its investment in DiGiCo in a transaction financed by ISIS Equity Partners. I&G VCT received cash proceeds of £1,405,642 representing a 3 times cash return on this investment to date. In addition, I&G VCT received a loan stock and equity (1.57%) investment in Newincco 1124 (the company that has acquired DiGiCo) with a valuation of £876,497, bringing the total return on this investment to 4.4 times the original investment cost. The Company sold an additional 49,985 shares in Tikit Group plc during the period realising a 2.7 times return on the original cost of these shares.

Following the period-end in April 2012, I&G VCT sold its investment in Camwood Enterprises to this company's management team for a cash consideration of £942,947 compared to a year-end valuation of £499,182. Total proceeds to I&G VCT over the life of the investment amounted to £1,458,302 representing a 2.8x return on the VCT's investment cost of £514,090.

Portfolio review

Overall, the portfolio as 31 March 2012 is valued at £32.7 million (September 2011: £37.2) million against a cost of £36.1 million (September 2011: £29.6 million). The MPEP portfolio accounts for 78% of the cost which now represents 91.5% of the portfolio value.

The portfolio's performance as a whole continues to be robust. DiGiCo, Iglu.com Holidays and ATG Media have once again produced the strongest performances and this is reflected in their valuations. Many other portfolio companies have also continued to increase sales and profits despite the challenges of the economic environment. Focus Pharma continues to trade well and expects to progress further with several additional product launches planned for 2012. PXP continues to be affected by the depressed state of trading in the construction and house building sectors. The original investment has been written down to nil although a small additional investment into this company has been approved which is expected to generate a positive return.

Plastic Surgeon has made considerable inroads into new markets which have driven growth in profitability and are expected to continue to develop.

Elsewhere the position is more mixed. Blaze Signs continues to consolidate its recovery and is starting to benefit from some contract gains whilst profitability remains well below peak levels. Westway suffered from lower revenues last year but is now growing profits again and has strong customer relationships. RDL had a disappointing first year with a net reduction in contract staff placements in its core pharmaceuticals and IT markets. Of the new investments made during the twelve months prior to 31 March 2012, Fullfield (Motorclean Group) and Ingleby (EMaC) have both made promising starts whilst EOTH (Rab and Lowe Alpine) has grown revenues in a more problematic market for outdoor performance wear.

The performance of the remaining ex-Foresight investments has been encouraging, primarily reflecting the record levels of profitability achieved by Aquasium and Alaric.

Outlook

We believe that the portfolio overall is resilient and is creating value which will be realised in the medium to long term. The Company is very well placed to cover both any portfolio needs and funding for attractive new investment opportunities that may arise and its cash position has been further enhanced by the current fundraising.

Unaudited Income Statement

for the six months ended 31 March 2012

	Notes	Six months ended 31 March 2012 (unaudited) Revenue £	Capital £	Total £	Six months ended 31 March 2011 (unaudited) Revenue £	Capital £	Total £
Unrealised gains on investments	8	–	2,273,414	2,273,414	–	1,541,682	1,541,682
Net realised gains on investments	8	–	3,155,198	3,155,198	–	379,561	379,561
Income	2	751,588	–	751,588	576,851	–	576,851
Investment management expense	3	(148,768)	(3,306,304)	(3,455,072)	(110,981)	(332,942)	(443,923)
Other expenses		(293,755)	–	(293,755)	(189,622)	–	(189,622)
Provision for litigation costs no longer required/(charged)	4	–	1,337,456	1,337,456	–	–	–
Profit on ordinary activities before taxation		**309,065**	**3,459,764**	**3,768,829**	**276,248**	**1,588,301**	**1,864,549**
Tax on profit on ordinary activities	5	(40,845)	40,845	–	(44,380)	44,380	–
Profit on ordinary activities after taxation		**268,220**	**3,500,609**	**3,768,829**	**231,868**	**1,632,681**	**1,864,549**
Basic and diluted earnings per Ordinary Share	6	**0.65p**	**8.48p**	**9.13p**	**0.62p**	**4.36p**	**4.98p**

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

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

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

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

The notes on pages 17 to 23 form part of these half-year financial statements.

Year ended 30 September 2011 (audited)		
Revenue £	Capital £	Total £
–	10,870,219	10,870,219
–	343,231	343,231
1,654,663	–	1,654,663
(237,946)	(713,837)	(951,783)
(375,837)	–	(375,837)
–	(1,337,456)	(1,337,456)
1,040,880	**9,162,157**	**10,203,037**
(176,808)	176,808	–
864,072	**9,338,965**	**10,203,037**
2.21p	**23.83p**	**26.04p**

Unaudited Balance Sheet

as at 31 March 2012

	Notes	31 March 2012 (unaudited) £	31 March 2011 (unaudited) £	30 September 2011 (audited) £
Non-current assets				
Investments at fair value	8	32,685,232	28,756,485	37,162,382
Current assets				
Debtors and prepayments	9	350,297	1,718,335	280,709
Current asset investments	10	13,917,141	6,768,945	11,682,461
Cash at bank		2,056,750	2,566,232	1,577,420
		16,324,188	11,053,512	13,540,590
Creditors: amounts falling due within one year		(3,307,167)	(291,383)	(212,717)
Net current assets		**13,017,021**	**10,762,129**	**13,327,873**
Provision for liabilities and charges	4	–	–	(1,337,456)
Net assets		**45,702,253**	**39,518,614**	**49,152,799**
Capital and reserves	11			
Called up share capital		433,544	394,792	406,920
Share premium account		8,584,454	3,728,433	5,669,141
Capital redemption reserve		191,807	179,860	187,309
Revaluation reserve		2,882,155	2,563,342	12,350,858
Special reserve		14,101,218	21,307,003	17,139,273
Profit and loss account		19,509,075	11,345,184	13,399,298
Equity shareholders' funds		**45,702,253**	**39,518,614**	**49,152,799**
Basic and diluted net asset value:				
Basic net asset value per Ordinary Share	12	105.42p	100.10p	120.79p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 March 2012

	Notes	Six months ended 31 March 2012 (unaudited) £	Six months ended 31 March 2011 (unaudited) £	Year ended 30 September 2011 (audited) £
Opening shareholders' funds		49,152,799	36,604,696	36,604,696
Share capital bought back in the period	11	(399,876)	(805,142)	(1,475,019)
Share capital subscribed in the period	11	2,946,435	3,393,424	5,353,709
Profit for the period		3,768,829	1,864,549	10,203,037
Dividends paid in period	7	(9,765,934)	(1,538,913)	(1,533,624)
Closing shareholders' funds		**45,702,253**	**39,518,614**	**49,152,799**

The notes on pages 17 to 23 form part of these half-year financial statements.

Unaudited Cash Flow Statement

for the six months ended 31 March 2012

	Six months ended 31 March 2012 (unaudited) £	Six months ended 31 March 2011 (unaudited) £	Year ended 30 September 2011 (audited) £
Operating activities			
Investment income received	614,011	424,952	1,571,454
Investment management fees paid	(599,772)	(653,033)	(1,160,893)
Recoverable VAT and interest received thereon	–	34,370	34,370
Other income	–	3,582	3,647
Other cash payments	(264,049)	(136,645)	(480,615)
Net cash outflow from operating activities	**(249,810)**	**(326,774)**	**(32,037)**
Investing activities			
Acquisitions of investments	(11,465,139)	(1,559,531)	(2,739,946)
Disposals of investments	21,499,964	2,835,173	4,907,493
Net cash inflow from investing activities	**10,034,825**	**1,275,642**	**2,167,547**
Dividends			
Equity dividends paid	(8,509,703)	(1,538,914)	(1,533,624)
Cash inflow/(outflow) before financing and liquid resource management	**1,275,312**	**(590,046)**	**601,886**
Management of liquid resources			
(Increase)/decrease in current investments	(2,234,680)	1,939,628	(2,973,888)
Financing			
Issue of Ordinary Shares	1,690,204	1,950,890	5,353,709
Purchase of own shares	(251,506)	(840,776)	(1,510,823)
	1,438,698	**1,110,114**	**3,842,886**
Increase in cash for the period	**479,330**	**2,459,696**	**1,470,884**

Reconciliation of profit on ordinary activities before taxation to net cash outflow from operating activities

for the six months ended 31 March 2012

	Six months ended 31 March 2012 (unaudited) £	Six months ended 31 March 2011 (unaudited) £	Year ended 30 September 2011 (audited) £
Profit on ordinary activities before taxation	**3,768,829**	**1,864,549**	**10,203,037**
Net unrealised gains on investments	(2,273,414)	(1,541,682)	(10,870,219)
Net gains on realisations of investments	(3,155,198)	(379,561)	(343,231)
Increase in debtors	(143,661)	(108,138)	(118,633)
Increase/(decrease) in creditors	1,593,634	(161,942)	1,097,009
Net cash outflow from operating activities	**(249,810)**	**(326,774)**	**(32,037)**

The notes on pages 17 to 23 form part of these half-year financial statements.

Notes to the Unaudited Financial Statements

1 Principal accounting policies

The following accounting policies have been applied consistently throughout the period. Full details of principal accounting policies will be disclosed in the Annual Report.

a) Basis of accounting

The unaudited results cover the six months to 31 March 2012 and have been prepared under UK Generally Accepted Accounting Practice (UK GAAP), consistent with the accounting policies set out in the statutory accounts for the year ended 30 September 2011 and the 2009 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ("the SORP").

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

b) Presentation of the Income Statement

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

c) Investments

All investments held by the Company are classified as "fair value through profit and loss", in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines, as updated in September 2009. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

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

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

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

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

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

  a) an earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment 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 has become realised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value.

(iii) Premiums on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

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

2 Income

	Six months ended 31 March 2012 (unaudited) £	Six months ended 31 March 2011 (unaudited) £	Year ended 30 September 2011 (audited) £
Dividends	104,973	66,346	365,331
Income from money-market funds	57,529	22,226	56,580
Loan stock interest	577,445	479,342	1,212,795
Bank deposit interest	11,641	5,356	16,309
Other Income	–	3,581	3,648
Total Income	**751,588**	**576,851**	**1,654,663**

3 Investment Management Expense

	Six months ended 31 March 2012 £	Six months ended 31 March 2011 £	Year ended 30 September 2011 £
Investment management fee	595,072	443,923	951,783
Performance incentive fee	2,860,000	–	–
	3,455,072	**443,923**	**951,783**

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

After the merger, the Investment Manager's Incentive Agreement for the former 'O' Share Fund has been continued while the former 'S' Share Fund's Incentive Agreement has been terminated. Under the terms of the pre-merger 'O' Share Fund Incentive Agreement, each of the ongoing Investment Manager, Matrix Private Equity Partners LLP ("MPEP") and a former Investment Manager, Foresight Group LLP ("Foresight") are entitled to a performance fee equal to 20% of the excess of the value of any realisation of an investment made after 30 June 2007, over the value of that investment in an Investment Manager's portfolio at that date ("the Embedded Value"), which value is itself uplifted at the rate of 6% per annum, subject to a High-watermark test.

However, two amendments were made to this agreement for MPEP, the ongoing Investment Manager. Firstly, the High Watermark was increased by £811,430, being the 'S' Share Fund's shortfall in total net assets from net asset value of £1 per 'S' Share, at 31 December 2009. Secondly, only 70% of any new investment made by MPEP after the merger will be added to the calculation of the Embedded Value and value of the Investment Manager's portfolio, for the purposes of assessing any excess.

The charge for the year is an estimated amount payable in respect of the current year.

Notes to the Unaudited Financial Statements

4 Provision for litigation costs no longer required

	Six months ended 31 March 2012 £	Six months ended 31 March 2011 £	Year ended 30 September 2011 £
Income/(charge) for the period	1,337,456	–	(1,337,456)

As explained in the year-end accounts, at 30 September 2011 the Company had a prima facie obligation to meet the costs of an action brought by a former director and shareholder in Image Source Group Limited ("IMSG").

Under an agreement between the Company and IMSG dated 6 December 2012, IMSG met the cost of the settlement including the Company's pro rata share of the legal fees incurred in defending the action up to 30 September 2011 and all the legal costs incurred since. To facilitate the settlement, the Company has lent approximately £1.45 million to IMSG on commercial terms and repayable in 5 years. The plaintiff to the action will also be entitled to a small percentage share of the net proceeds over and above £5 million attributable to the ordinary shareholders from any sale of IMSG up to 31 December 2016, after all loans and any outstanding interest costs and prior charges have been repaid. This loan therefore forms part of the Company's investments in note 8 and has a value of £730,722 as shown in the Investment Portfolio Summary on pages 8 – 10. Accordingly, the obligation has been discharged by the loan to IMSG in the period, to allow IMSG to settle the claim, so the provision at 30 September 2011 is no longer required at 31 March 2012 and has been credited to the Income Statement.

5 Taxation

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

6 Basic and diluted earnings and return per share

	Six months ended 31 March 2012 £	Six months ended 31 March 2011 £	Year ended 30 September 2011 £
i) Total earnings after taxation:	3,768,829	1,864,549	10,203,037
Basic earnings per share	**9.13p**	**4.98p**	**26.04p**
ii) Net revenue from ordinary acivities after taxation	268,220	231,868	864,072
Basic revenue return per share	**0.65p**	**0.62p**	**2.21p**
iii) Net unrealised capital gains	2,273,414	1,541,682	10,870,219
Net realised capital gains	3,155,198	379,561	343,231
Provision for litigation costs no longer required/(charged)	1,337,456	–	(1,337,456)
Capital expenses (net of taxation)	(3,265,459)	(288,562)	(537,029)
Total capital return	3,500,609	1,632,681	9,338,965
Basic capital return per share	**8.48p**	**4.36p**	**23.83p**
iv) Weighted average number of shares in issue in the period	41,301,622	37,412,969	39,182,112

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

7 Dividends on equity shares paid and payable

	Six months ended 31 March 2012 £	Six months ended 31 March 2011 £	Year ended 30 September 2011 £
Ordinary shares (formerly 'S' Shares)			
Interim paid of 20p capital (2011: 2p capital) per share	8,138,245	776,342	765,916
Final paid of 2p capital and 2p revenue (2011: 2p capital) per share	1,627,689	762,571	767,708
	9,765,934*	**1,538,913***	**1,533,624***

* Of this amount £1,256,231 (31 March 2011: £117,370; 30 September 2011: £117,370) of new shares were issued as part of the DRIS scheme. This explains the difference between the amount of £9,765,934 above, and the £8,509,703 shown in the Cash Flow Statement.

8 Summary of movement on investments during the period

	Traded on AiM £	Unlisted Shares £	Preference shares £	Qualifying loans £	Total £
Valuation at 1 October 2011	2,765,723	20,166,018	70,045	14,160,596	37,162,382
Purchases at cost	–	3,110,049	3,119	8,481,034	11,594,202
Sales – proceeds	(154,776)	(16,775,867)	(14,376)	(4,598,797)	(21,543,816)
– realised gains	15,818	1,499,732	–	1,683,500	3,199,050
Unrealised gains/(losses)	637,321	1,540,012	(5,000)	101,081	2,273,414
Valuation at 31 March 2012	**3,264,086**	**9,539,944**	**53,788**	**19,827,414**	**32,685,232**
Book cost at 31 March 2012	4,228,706	12,195,249	75,509	19,598,469	36,097,933
Unrealised (losses)/gains at 31 March 2012	(964,620)	2,764,625	(21,721)	228,945	2,007,229
Permanent impairment of valuation of investments	–	(5,419,930)	–	–	(5,419,930)
Valuation at 31 March 2012	3,264,086	9,539,944	53,788	19,827,414	32,685,232
Gains on investments					
Realised gains based on historical cost	97,293	13,652,585	(1,446)	1,192,735	14,941,167
Less amounts recognised as unrealised gains/(losses) in previous years	81,475	12,152,853	(1,446)	(490,765)	11,742,117
Realised gains based on carrying value at 30 September 2011	15,818	1,499,732	–	1,683,500	3,199,050
Net movement in unrealised gains/(losses) in the period	637,321	1,540,012	(5,000)	101,081	2,273,414
Gains/(losses) on investments for the period ended 31 March 2012	**653,139**	**3,039,744**	**(5,000)**	**1,784,581**	**5,472,464**

Transaction costs of £43,852 were incurred in the period and are treated as realised gains on investments in the Income Statement. Deducting these from realised gains above gives £3,155,198 of gains as shown in the Income Statement.

Proceeds above of £21,543,816 differ from the Cash Flow Statement figure of £21,499,964 by £43,852 relating to transaction costs. Purchases at cost above of £11,594,202 differ from the Cash Flow Statement figure of £11,465,139 by £129,063. This difference relates to £129,063 of costs funded by the Company in a previous period subsequently treated as a loan.

Notes to the Unaudited Financial Statements

9 Debtors

	31 March 2012 £	31 March 2011 £	30 September 2011 £
Accrued Income	329,170	260,350	191,592
Prepayments	15,090	9,865	15,044
Other debtors	6,037	5,594	74,073
Share allotment proceeds receivable	–	1,442,526	–
	350,297	**1,718,335**	**280,709**

10 Current asset investments

	31 March 2012 £	31 March 2011 £	30 September 2011 £
Royal Bank of Scotland Sterling Liquidity Fund	3,662,549	120,079	2,881,254
Blackrock Investment Management (UK) Institutional Sterling Fund	2,427,674	969,186	2,102,821
Fidelity Institutional Cash Fund	1,941,050	2,690,056	2,696,550
Prime Rate Capital Management LLP Sterling Liquidity Fund (UK based)	2,409,220	1,560,346	2,567,767
Scottish Widows Investment Partnership Sterling Liquidity Fund	3,476,648	1,429,278	1,434,069
Monies held pending investment	**13,917,141**	**6,768,945**	**11,682,461**

These comprise investments in four Dublin based OEIC money market funds and one UK based as shown in the table above. All of this sum is subject to same day access (31 March 2011: £6,768,945; 30 September 2011: £11,682,461).

11 Capital and reserves for the six months ended 31 March 2012

	Called up share capital £	Share premium account £	Capital Redemption reserve £	Revaluation reserve £	Special reserve £	Profit and loss account £	Total £
At 1 October 2011	406,920	5,669,141	187,309	12,350,858	17,139,273	13,399,298	49,152,799
Shares bought back	(4,498)	–	4,498	–	(399,876)	–	(399,876)
Shares issued	16,773	1,673,431	–	–	–	–	1,690,204
Dividends re-invested into new shares issued	14,349	1,241,882	–	–	–	–	1,256,231
Dividends paid	–	–	–	–	–	(9,765,934)	(9,765,934)
Loss transferred between reserves	–	–	–	–	(2,638,179)	2,638,179	–
Other expenses net of taxation	–	–	–	–	–	(3,265,459)	(3,265,459)
Net unrealised gains on investments	–	–	–	2,273,414	–	–	2,273,414
Net realised gains on investments	–	–	–	–	–	3,155,198	3,155,198
Writeback of provision for settlement of litigation costs (note 4)	–	–	–	–	–	1,337,456	1,337,456
Realisation of previously unrealised gains	–	–	–	(11,742,117)	–	11,742,117	–
Profit for the period	–	–	–	–	–	268,220	268,220
At 31 March 2012	**433,544**	**8,584,454**	**191,807**	**2,882,155**	**14,101,218**	**19,509,075**	**45,702,253**

12 Net asset value per share

	31 March 2012	31 March 2011	30 September 2011
Net assets	£45,702,253	£39,518,614	£49,152,799
Number of shares in issue	43,354,355	39,479,195	40,692,048
Net asset value per share – basic and diluted	105.42p	100.10p	120.79p

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

Notes to the Unaudited Financial Statements

13 Post balance sheet events

On 4 and 5 April and 10 May, the Company allotted a further 2,965,714 ordinary shares under the Matrix VCTs' Linked Offer launched on 20 January 2012, raising net funds of £2,985,810.

14 The financial information for the six months ended 31 March 2012 and the six months ended 31 March 2011 has not been audited.

The financial information contained in this half-year report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial statements for the year ended 30 September 2011 have been filed with the Registrar of Companies. The auditor has reported on these financial statements and that report was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

15 Copies of this statement are being sent to all shareholders. Further copies are available free of charge from the Company's registered office, One Vine Street, London, W1J OAH.

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