

Unaudited Half-Year Report
for the 6 months ended 31 March 2008



THE INCOME & GROWTH VCT PLC

(formerly TriVest VCT plc)

www.incomeandgrowthvct.co.uk

Investment Objective

The objective of The Income and Growth VCT plc ('I & G' 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 Fund invests in companies at various stages of development. In some instances this includes 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

as at 31 March 2008

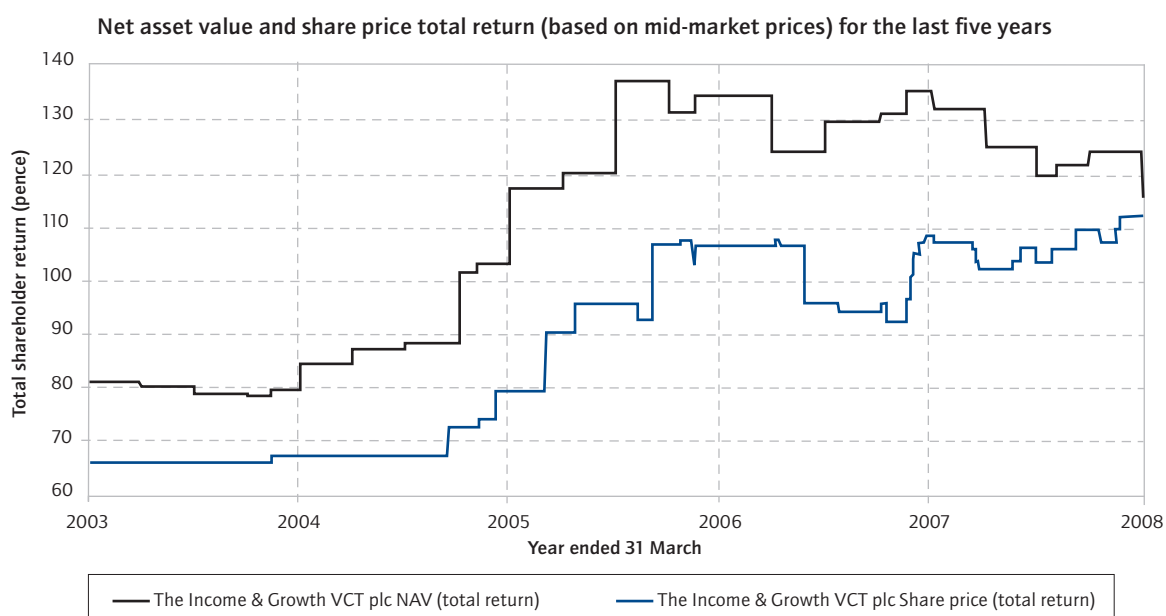
-  Net Asset Value per 'O' Share was 95.25p – a decrease of 3.25% over the six month period if the 2p dividend paid in the period is excluded
-  Net Asset Value Total Return per 'O' Share since launch in November 2000 was 111.70p – an increase of 18.2%
-  Share Price Total Return per 'O' Share since launch in November 2000 was 106.95p – an increase of 13.2%
-  'S' Share Fund Offer raised £11.8 million by 5 April 2008

Performance Summary – ordinary shares of 1 pence ('O' Shares)

Period	Net assets (£000s)	Net asset value (NAV) per share (p)	NAV total return to shareholders since launch per share (p) ²	Share price (p) ¹	Share price total return to shareholders since launch per share (p) ²
Six months ended 31 March 2008	34,336	95.25	111.70	90.50	106.95
Year ended 30 September 2007	36,778	100.52	112.97	87.50	99.95
30 September 2006	44,150	112.89	121.59	84.50	93.20
30 September 2005	49,205	122.53	127.98	87.50	92.95
30 September 2004	33,032	80.02	84.22	62.50	67.95

¹Source: London Stock Exchange ²Total returns to shareholders include dividends paid

In the graph below, the share price and 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

Chairman's Statement

I am pleased to present the Company's Half-yearly Report for the six months ended 31 March 2008 - the first report in its new form since moving to a single manager VCT.

The last six months has been dominated by three events – the first has been the adverse economic climate; the second was the Offer for Subscription for 'S' Shares the outcome of which was highly successful in this difficult economic environment and the third, the Company's change in March of this year from being dual managed to becoming a single manager VCT under the stewardship of Matrix Private Equity Partners LLP (MPEP). During all this the Company has enjoyed a number of profitable realisations from the MPEP portfolio. I will comment in more detail about all these events below.

Offer for Subscription by the Company

The Offer for Subscription under the Securities Note to raise up to £15 million for I&G was launched in December 2007. The reaction from independent commentators and the leading IFAs was positive, and I am pleased to report that, after the period end, the Offer for Subscription closed on 5 April 2008 having issued 11.8 million new 'S' Shares at a price of 100 pence per share and having raised £11.8 million before costs. Of the total 11.8 million new 'S' Shares, 3.7 million had been allotted as at 31 March 2008. In a year in which raising new money for the VCT sector has proved challenging, it is very encouraging to record such a successful outcome. I would like to welcome our new 'S' Fund Shareholders and thank all Shareholders, both existing and new, for their support.

Change to Single Manager

In my last Report to you I stated that "Foresight and MPEP became, ..., the dual Investment Managers of the Company on 31 August 2007". Since that time the Board has extended MPEP's management role. Of the two, MPEP has shown itself, both on an absolute return basis, and on a risk reward analysis basis, to be the substantially better performing manager in the economic conditions faced by the Company so far. Its policy of investing in sound profitable businesses with established track records should make the portfolio more resilient when tested by an economic downturn. Your Board, in anticipation of more difficult times, took the view that investment in the more risky early stage technology sector should be curtailed, and as a result Foresight Group LLP's (Foresight) expertise in this area is now no longer needed. In March this year therefore, the Board gave Foresight notice of termination as a Manager to the Company.

The final elements of the handover of the Foresight portfolio are being co-ordinated between the two Managers at this time.

I am confident that to concentrate the portfolio in the hands of our best performing Manager, MPEP, was a good investment decision as well as being a prudent step. MPEP continues to be one of the top VCT managers in the marketplace.

Performance

At 31 March 2008 the Company's NAV per 'O' Share was 95.25 pence (30 September 2007: 100.52 pence), a decrease of 3.25 per cent over the six month period if the 2 pence dividend paid in the period is excluded. The NAV per 'S' Share was 94.47 pence. During the same period there was a fall of 14.83 per cent in the FTSE Small Cap Index. This movement in the NAV is disappointing and can be attributed to several countervailing reasons.

On the positive side, the MPEP portfolio overall continued to perform well with their portfolio increasing by some £1.2 million during the period. However, several of the smaller investments in the core portfolio were affected by a reduction in the price-earnings ratios of directly comparable quoted companies.

On the downside, first, most of the unquoted investments in the Foresight portfolio have been revalued downwards by some £1.2 million following the latest review of that portfolio. Many of these companies are still at a relatively early stage of development. Secondly, the Foresight quoted stocks, and the quoted stocks in the former Nova portfolio, contributed to a further fall of £700,000.

Dividends to Shareholders of £731,000 and Share Buy-backs costing £564,000 also added to the fall in net assets.

In the longer term the Company has continued to perform well with Net Asset Value Total Return per 'O' Share since launch and Share Price Total Return per 'O' Share since launch both rising by 18.2 per cent and 13.2 per cent respectively.

Cumulative dividends paid to date to 'O' Fund Shareholders amount to 16.45 pence per share.

Portfolio

All major stock markets have moved into volatile and uncertain territory. The US and European credit boom has been punctured resulting in the sub-prime crisis in the US and major bank rescues both in the US and Europe. Whatever government proclamations state, the UK economy is actively engaged in international trade, and, therefore, will be directly affected. UK economic performance has in recent years been strongly driven by expansion of the public sector, London's financial industry, and by strong growth in the property sector. These drivers are now losing impetus. In particular, leveraged property valuations in the UK could have negative consequences for the UK banking and property sectors.

Investors will see from the Investment Managers' review that the six months to 31 March 2008 have been a busy and successful period for the MPEP portfolio. Advantage was taken of good market conditions to dispose profitably of the Company's investment in Ministry of Cake Holdings, BBI Holdings and to receive a further payment from Secure Mail Services. Shortly after the end of the period, further payments were received from a prepayment of loan stock from VSI and from a recapitalisation of Holloway White Allom. Two management buyouts, Focus Pharmaceuticals and Monsal, were added to the portfolio.

The former Foresight portfolio is proving more problematical as tougher trading conditions make it more difficult for early stage companies to develop. Oxonica, the largest holding, has raised further funds to give it more time to deliver, and new contracts have been booked. The rest of the portfolio is showing the effects of a much harsher environment.

However, taking into account the 'S' Share fundraising, only 22 per cent of the total portfolio is now accounted for by technology.

Revenue Account

At 31 March 2008, revenue reserves available for distribution to 'O' Fund Shareholders were £433,705 (31 March 2007; £283,866). As in previous years, the Board expects to be able to propose a final dividend for the year ended 30 September 2008.

Dividend Investment Scheme – 'O' Fund

36,025 shares were issued to members of the Scheme on 24 October 2007 and a further 39,782 shares were issued to members of the Scheme on 5 March 2008. Presently there are 177 members of the Scheme, who between them hold a total of 1,978,154 'O' Shares representing 4 per cent of the Company.

Share buy-backs

During the six months ended 31 March 2008, the Company bought back 618,140 'O' Shares (representing 1.66 per cent of the 'O' Shares in issue at the beginning of the period) at a total cost of £558,926 (net of expenses). These shares were subsequently cancelled by the Company.

Valuation Policy

Quoted stocks are valued at bid prices, rather than mid-market prices in accordance with accounting standards. It is worth commenting that the 'O' Fund does hold a number of relatively early stage AIM listed 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.

Extraordinary General Meeting 17 September 2008 – Articles of Association, changes required by Companies Act 2006.

Notice of an Extraordinary General Meeting of the Company is set out at the end of this document to be held on 17 September 2008 at 10.30 am at Matrix Group Limited, One Vine Street, London, W1J 0AH ("EGM").

The resolution to be proposed at the EGM requests shareholder approval in relation to amendments to the articles of association of the Company ("Articles") to take account of the changes to be brought about by the Companies Act 2006 in relation to directors' duties and conflicts of interests.

Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. The requirement is very broad and could apply, for example, if a director became a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with a director's conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and second, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think that this is appropriate.

It is also proposed that the amendments to the Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors

We are also taking this opportunity to bring the provisions requiring Directors to declare their material interests into line with market practice.

The detailed proposed changes to the Articles are set out in the resolution in the notice of the EGM.

The resolution will be proposed as a special resolution requiring the approval of at least 75 per cent of the votes cast on the resolution at the meeting. The resolution will also be conditional on the passing of the resolutions to be proposed at the Class Meetings referred to below.

Class Meetings

Notices for the Class Meeting of the holders of 'O' Shares and 'S' Shares ("Class Meetings") are set out at the end on pages 23 and 25 to be held at 10.40 am and 10.50 am respectively on 17 September 2008 at Matrix Group Limited, One Vine Street, London, W1J 0AH. At each Class Meeting a resolution will be proposed to approve the passing of the resolution to be proposed at the EGM and any variation of class rights resulting therefrom. The resolutions will be proposed as special resolutions requiring the approval of at least 75 per cent of the votes cast in the resolution at the relevant meeting.

Action to be taken

Shareholders will find enclosed forms of proxy for the EGM and the Class Meetings. Whether or not you propose to attend the meetings, you are requested to complete and return the form of proxy so as to be received not less than 48 hours before the time appointed for holding of the relevant meeting. Completion and return of the forms of proxy will not prevent you from attending and voting in person at the meetings should you wish to do so.

Recommendation

The Board considers that the resolution is in the best interests of the Company, and its Shareholders as a whole. Accordingly, the Board recommends you to vote in favour of the resolution to be proposed at the EGM and Class Meetings as they intend to do in respect of their own holdings of 91,908 shares (33,883 'O' Shares and 58,025 'S' Shares), representing approximately 0.19 per cent of the issued share capital of the Company (representing 0.09 per cent of the issued 'O' Shares and 0.49 per cent of the issued 'S' Shares).

Outlook

Looking ahead, most of the Company's portfolio is well placed to withstand an economic downturn. There is the capacity to provide additional funding should bank lending be curtailed. If

there is a prolonged downturn, achieving exits at good prices could be more difficult. On the other hand there should be interesting opportunities to buy into good businesses on attractive valuations.

The legacy Foresight portfolio will continue to be monitored closely. Most importantly though, the Board remains particularly pleased with the progress that the core MPEP portfolio is making, especially given the current financial background and we hope that there will be further profitable realisations over the next six months. Once again I would like to thank Shareholders for their continued support.

Colin Hook

Chairman

27 May 2008

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with applicable accounting standards in the United Kingdom, gives a true and fair view of the assets, liabilities, financial position and loss of the Company, as required by D.T.R 4.2.4; and
- (b) the Chairman's Statement includes a fair review of the information required by D.T.R 4.2.7 and in accordance with D.T.R 4.2.10
- (c) there were no relevant Related Party Transactions to be reported as required by D.T.R 4.2.8

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 announcement should be construed as a profit forecast.

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 2007, when it was a multi-manager VCT. This includes investments in early stage and technology companies and in companies quoted on the Alternative Investment Market 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 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 per cent of its investments in a single company and must have at least 70 per cent by value of its investments throughout the period in shares or securities comprised in VCT qualifying holdings, of which a minimum overall of 30 per cent by value must be ordinary shares which

carry no preferential rights. In addition, although the Company can invest less than 30 per cent of an investment in a specific company in ordinary shares, it must have at least 10 per cent 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 per cent 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 per cent 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 15 per cent 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 Portfolio Summary

as at 31 March 2008

	Total cost at 31 March 2008 (unaudited) £	Valuation at 30 Sept 2007 (audited) £	Additional Investment in the period £	Valuation at 31 March 2008 (unaudited) £
Matrix Private Equity Partners LLP (MPEP)				
HWA Limited (trading as Holloway White Allom) Specialist contractor in the high-value residential and heritage property refurbishment market	69,105	4,691,649	–	4,672,367
Image Source Group Limited Royalty free picture library	305,000	2,850,171	–	2,796,119
Youngman Group Limited Manufacturer of ladders and access towers	1,000,052	2,930,234	–	2,553,606
Blaze Signs Holdings Limited Manufacturer and installer of signs	1,338,500	1,704,694	–	1,704,694
Amaldis Limited Manufacturer and distributor of beauty products	80,313	967,438	–	1,048,764
Tikit Group plc Provider of consultancy services and software solutions for law firms	500,000	1,304,346	–	978,259
Tottel Publishing Limited Specialist law and tax imprint	514,800	809,221	–	921,056
PastaKing Holdings Limited Manufacturer and supplier of fresh pasta meals	292,405	611,778	–	871,029
VSI Limited Provider of software for CAD and CAM vendors	388,853	730,901	–	823,503
IDOX plc Developer of products for document, content and information management	872,625	775,833	–	735,000
PXP Holdings Limited (Pinewood Structures) Designer, manufacturer and supplier of timber frames for buildings	790,912	790,912	–	671,151
DiGiCo Europe Limited Designer and manufacturer of audio mixing desks	656,900	656,900	–	656,900
British International Holdings Limited Helicopter service operator	500,000	538,535	–	531,239
Focus Pharma Holdings Limited Licensor and distributor of generic pharmaceuticals	516,900	–	516,900	516,900
B G Consulting Group Limited/Duncary 4 Limited Technical training business and outplacement careers consultancy	1,153,976	332,212	–	495,934
Brookerpaks Limited Importer and distributor of garlic and vacuum-packed vegetables	55,000	416,130	–	466,233
Monsal Holdings Limited Supplier of engineering services to water and waste sectors	424,447	–	424,447	424,447
Vectair Holdings Limited Provider of air care and sanitary washroom products	215,914	300,579	–	301,278
Campden Media Limited Magazine publisher and conference organiser	334,880	326,842	–	182,749
SectorGuard plc Provision of manned guarding, mobile patrolling and alarm response services	150,000	107,142	–	96,429
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	550,852	413,139	–	82,656
Inca Interiors Limited Supplier of quality kitchens to house developers	350,000	50,000	–	50,000
Letraset Limited Manufacturer and distributor of graphic art products	650,000	213,982	–	25,000
BBI Holdings plc Manufacturer of gold conjugate for the medical diagnostics industry	–	1,430,231	–	–
Ministry of Cake (Holdings) Limited Manufacturer of desserts and cakes for the food industry	–	1,039,709	–	–
Other Investments in the portfolio*	1,719,785	–	–	–
	13,431,219	23,992,578	941,347	21,605,313

	Total cost at 31 March 2008 (unaudited) £	Valuation at 30 Sept 2007 (audited) £	Additional Investment in the period £	Valuation at 31 March 2008 (unaudited) £
Foresight Group LLP (Foresight)				
Oxonica plc Specialist in the design, manipulation and engineering of properties of materials at the nano-scale	2,524,527	1,944,060	387,764	2,297,606
Biomer Technology Limited Developer of biomaterials for medical devices	137,170	753,837	–	753,837
NexxtDrive Limited Developer of patented transmissio technology	812,014	738,264	–	738,264
Camwood Limited Provider of software repackaging services	1,028,181	1,028,181	–	591,249
Aquasium Technology Limited Design, manufacture and marketing of bespoke electron beam welding and vacuum furnace equipment	700,000	567,310	–	363,954
DCG Datapoint Group Limited Design, supply and integration of data storage solutions	312,075	376,283	–	336,097
Sarantel Group plc Antennae for mobile phones and other wireless devices	1,881,251	408,465	–	272,311
Alaric Systems Limited Software development, implementation and support in the credit/debit card authorisation and payments market	595,802	446,822	–	148,941
ANT plc Provider of embedded browser/email software for consumer electronics and internet appliances	462,816	131,319	–	144,451
Corero plc Specialist provider of software solutions to the banking and securities and education markets	600,000	279,955	–	103,141
Aigis Blast Protection Limited Specialist blast containment materials company	272,120	249,990	–	68,030
	9,325,956	6,924,486	387,764	5,817,881
Total	22,757,175	30,917,064	1,329,111	27,423,194

*'Other investments in the portfolio' comprise those investments that have been valued at nil and from which the Directors only expect to receive small recoveries: F H Ingredients Limited, Stortext-FM Limited and the Hunter Rubber Company in the MPEP portfolio.

Investment Managers' Review

Matrix Private Equity Partners LLP

The six months to 31 March 2008 have proved an active and successful period for the MPEP portfolio, in terms of new investments, portfolio performance and, in particular, profitable realisations.

Two new MBO investments were added to the portfolio during the period. In October, £517,000 was invested to support the MBO of Focus Pharmaceuticals, a specialist licensor and distributor of generic pharmaceuticals based in Burton upon Trent. In December, £424,000 was invested in the MBO of Monsal; headquartered in Mansfield, Monsal is engaged in anaerobic technology and consultancy in the water treatment and waste disposal industries.

December also saw the sale of the Company's investment in Ministry of Cake (Holdings), when it was bought by Greencore Group. The £721,000 investment was realised in cash for total net capital proceeds of £1.75 million, representing a £1.03 million profit over cost and a £710,000 uplift on the valuation prevailing at 30 September 2007.

In January a second investment was sold at a significant profit. BBI Holdings, the AIM-quoted manufacturer and distributor of point-of-care medical diagnostic products, became the subject of a recommended offer by Inverness Medical Innovations Inc., a US company quoted on the American Stock Exchange ("AMEX"). Favourable exchange rate movements and the strengthening share price of Inverness, which offered a share alternative to the cash offer of 185p per BBI share, enabled the Company to sell its shares in the market at just over 205p per share. The proceeds of £1.89 million produced a profit of £1.4 million over the Company's investment cost of £496,000 and a £460,000 increase over the valuation as at 30 September 2007.

Following the successful realisation of Secure Mail Services in 2006, further amounts became payable on successful retention of a major contract and in December and March additional payments totalling £847,000 were received, bringing capital proceeds from this £1.3 million investment to £4.77 million. Further smaller payments may also be received over the coming year. A dividend of £68,000 was also paid out of the administration of The Hunter Rubber Company in December.

Since the end of March 2008, a £143,000 prepayment of loan stock has been received from VSI, giving rise to a £14,000 profit to the Company. Also in early April, a debt-funded recapitalisation of HWA enabled £2.38 million of cash to be returned to the Company at a small uplift to its most recent valuation; the Company's shareholding in HWA has also

increased to 21 per cent. A restructuring at Amaldis has further underpinned the value of the Company's investment.

The current investments continue to perform well generally, with few exceptions, but the effects of wider economic conditions have begun to bear on private company valuations. This will inevitably slow the momentum of some portfolio companies and may create problems for others. However, we remain confident in respect of the overall quality of the portfolio.

Foresight Group LLP

The last six months have continued to see significant volatility in the performance of the portfolio's quoted holdings and as a consequence the underlying investment performance of Foresight's element of the portfolio has declined.

In 2007 Oxonica's share price was impacted by the loss of its most significant contract with Petrol Ofisi of Turkey, for its fuel additive Envirox. The company's share price hit a low of 18p per share but has improved in recent weeks as a result of a successful fund raising and several positive announcements and was 33p as at 31 March 2008. Oxonica is gradually developing its revenues in its four main divisions and in December 2007 successfully raised in excess of £4 million from new and existing shareholders to provide ongoing finance to fund further commercial development of its products. In February it announced a successful trial and confirmation of continuing orders by Stagecoach for its fuel additive and significant commercial progress for the product in mainland Europe and Russia. Continued progress in Oxonica's security business was highlighted recently when the company secured a new \$2.15 million contract for a number of development products.

Despite continuing to achieve design wins for its filtering antenna for mobile and wireless devices, Sarantel announced a significant drop in sales to £2 million (2006: £4 million) for the year to 30 September 2007 although losses marginally narrowed to £5.8 million (2006: £7 million). The company has refocused the business, achieved a major cost breakthrough in its manufacturing process and made considerable progress in developing its GPS customer pipeline winning orders for example from Garmin and Iridium. Against this improved background, in April 2008 Sarantel announced that it had successfully raised some £3.4 million in ongoing funding for the business at a price of 3p per share. A combination of its recent poor results and the price of the recent funding round has resulted in a fall in the value of Income and Growth's holding in the period under review but Sarantel is now well positioned to take advantage of its growing pipeline.

However, ANT announced a strong second half performance in 2007 with good growth in unit shipments of its software solutions for the digital TV market following a change in sales strategy. The improvement in the second half of 2007 demonstrates continuing growth in digital media subscribers and the company expects further growth in 2008 through selling its products to the cable, satellite and terrestrial TV markets. Following its selection by Scientific Atlanta/Cisco, the company is uniquely positioned to benefit from the worldwide roll out of SA/Cisco's IPTV platform as the latter's service platform and applications supplier of choice.

Corero recently announced disappointing results for 2007. As a result of poor trading in the financial markets division and an increased cost base, sales fell to £5.2 million (2006: £6.3 million)

and losses widened to £1.4 million from breakeven a year earlier. The company has recently restructured to address these issues including substantially reducing corporate costs and reducing headcount by 20 per cent. The company expects 2008 to be a transitional year with improved performance providing a stronger base for future growth.

The unquoted portfolio generally has seen disappointing performance with a number of companies failing to make sufficient progress either in meeting milestones or growing earnings. Recognising this and anticipating challenging trading conditions ahead, further provisions have been applied to the valuations of the Income and Growth's investments in Aigis, Alaric, Aquasium, Camwood and Datapoint.

Non-Statutory Analysis between the Ordinary Share and 'S' Share Funds

Profit and Loss accounts for the six months ended 31 March 2008

	Notes	Ordinary Share Fund			'S' Share Fund		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Unrealised losses on investments		–	(2,353,042)	(2,353,042)	–	–	–
Gains on realisations of investments		–	1,641,036	1,641,036	–	–	–
Income		486,926	–	486,926	–	–	–
Investment management fees	2	(101,710)	(660,130)	(761,840)	(1,315)	(3,944)	(5,259)
Other expenses		(237,860)	–	(237,860)	(1,627)	–	(1,627)
Profit/(loss) on ordinary activities before taxation		147,356	(1,372,136)	(1,224,780)	(2,942)	(3,944)	(6,886)
Tax on ordinary activities		(22,709)	22,709	–	–	–	–
Profit/(loss) attributable to equity shareholders		124,647	(1,349,427)	(1,224,780)	(2,942)	(3,944)	(6,886)
Basic and diluted earnings per 1p share	4	0.34p	(3.71)p	(3.37)p	(0.66)p	(0.88)p	(1.54)p

Balance Sheets as at 31 March 2008

	Notes	Ordinary Share Fund		'S' Share Fund	
		£	£	£	£
Non current assets					
Investments			27,423,194		–
Current assets					
Debtors and prepayments			214,230	3,549,504	
Current investments			7,189,315	–	
Cash at bank			95,347	–	
			7,498,892	3,549,504	
Creditors: amounts falling due within one year			(586,301)	(6,886)	
Net current assets/(liabilities)			6,912,591		3,542,618
Net assets			34,335,785		3,542,618
Share capital and reserves					
Called up share capital			360,472		37,498
Share premium account			213,062		3,512,006
Capital redemption reserve			59,516		–
Special distributable reserve			18,813,238		–
Revaluation reserve			6,259,311		–
Profit and loss account			8,630,186		(6,886)
Equity shareholders' funds			34,335,785		3,542,618
Number of shares in issue			36,047,146		3,749,820
Net asset value per 1p share	8		95.25 p		94.47 p

	Total of both Funds (per Statutory Profit and Loss Account)		
	Revenue £	Capital £	Total £
	–	(2,353,042)	(2,353,042)
	–	1,641,036	1,641,036
	486,926	–	486,926
	(103,025)	(664,074)	(767,099)
	(239,487)	–	(239,487)
	144,414	(1,376,080)	(1,231,666)
	(22,709)	22,709	–
	121,705	(1,353,371)	(1,231,666)

	Total of both Funds (per Statutory Balance Sheet)	
	£	£
		27,423,194
	3,763,734	
	7,189,315	
	95,347	
	11,048,396	
	(593,187)	
		10,455,209
		37,878,403
		397,970
		3,725,068
		59,516
		18,813,238
		6,259,311
		8,623,300
		37,878,403

Unaudited Profit and Loss Account

for the six months ended 31 March 2008

	Notes	Six months ended 31 March 2008 (unaudited)			Six months ended 31 March 2007 (unaudited)		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Unrealised (losses)/gains on investments	5	–	(2,353,042)	(2,353,042)	–	752,297	752,297
Net gains on realisation of investments	5	–	1,641,036	1,641,036	–	160,181	160,181
Income		486,926	–	486,926	703,103	–	703,103
Investment management expense	2	(103,025)	(664,074)	(767,099)	(114,298)	(342,892)	(457,190)
Other expenses		(239,487)	–	(239,487)	(228,203)	–	(228,203)
Profit/(loss) before taxation		144,414	(1,376,080)	(1,231,666)	360,602	569,586	930,188
Tax on ordinary activities		(22,709)	22,709	–	(76,736)	76,736	–
Profit/(loss) for the financial period		121,705	(1,353,371)	(1,231,666)	283,866	646,322	930,188
Basic and diluted earnings per ordinary Share:	4			(3.37)p			2.38p
Basic and diluted earnings per 'S' Share:	4			(1.54)p			–

The total column of this statement is the Profit and Loss Account of the Company. All the items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period. All operations were conducted in the United Kingdom.

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

Unaudited Note of Historical Cost Profits and Losses

for the six months ended 31 March 2008

	Notes	Six months ended 31 March 2008 (unaudited)			Year ended 31 March 2007 (unaudited)		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
(Loss)/profit on ordinary activities before taxation				(1,231,666)			930,188
Add/(less) unrealised losses/(gains) on investments				2,353,042			(752,297)
Add/(less) realisation of revaluation gains/(losses) of previous years				(186,809)			(93,579)
Historical cost profit on ordinary activities before taxation				934,567			84,312
Historical cost profit/(loss) for the period after taxation and dividends				203,379			(1,382,310)

The notes on pages 16 to 19 form part of these half-yearly financial statements.

	Year ended 30 September 2007 (audited)		
	Revenue £	Capital £	Total £
	–	(3,150,761)	(3,150,761)
	–	85,906	85,906
	981,124	432,488	1,413,612
	(225,226)	(675,676)	(900,902)
	(495,435)	–	(495,435)
	260,463	(3,308,043)	(3,047,580)
	(19,868)	19,868	–
	240,595	(3,288,175)	(3,047,580)
			(7.85)p
			–

	Year ended 30 September 2007 (audited)		
	Revenue £	Capital £	Total £
			(3,047,580)
			3,150,761
			1,042,522
			1,145,703
			(1,052,708)

Unaudited Balance Sheet

as at 31 March 2008

	Notes	31 March 2008 (unaudited) £	31 March 2007 (unaudited) £	30 September 2007 (audited) £
Non-current assets				
Investments	5	27,423,194	36,676,416	30,917,064
Current assets				
Debtors and prepayments		3,763,735	920,424	718,787
Investments at fair value	6	7,189,315	6,041,018	6,581,497
Cash at bank		95,347	53,516	46,862
		11,048,397	7,014,958	7,347,146
Creditors: amounts falling due within one year		(593,187)	(251,808)	(1,485,717)
Net current assets		10,455,210	6,763,150	5,861,429
Net assets		37,878,404	43,439,566	36,778,493
Capital and reserves	7			
Called up share capital		397,970	388,788	365,895
Share premium account		3,725,068	136,594	136,594
Capital redemption reserve		59,516	30,441	53,334
Special reserve		18,813,238	24,509,138	21,508,270
Revaluation reserve		6,259,311	13,464,704	8,425,544
Profit and loss account		8,623,301	4,909,901	6,288,856
Equity shareholders' funds		37,878,404	43,439,566	36,778,493
Net asset value per Ordinary Share	8	95.25p	111.73p	100.52p
Net asset value per 'S' Share	8	94.47p	–	–

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 March 2008

	Notes	Six months ended 31 March 2008 (unaudited) £	Six months ended 31 March 2007 (unaudited) £	Year ended 30 September 2007 (audited) £
Opening shareholders' funds		36,778,493	44,150,278	44,150,278
Net share capital subscribed/(bought back) for in the period	7	3,062,765	(174,278)	(2,125,794)
(Loss)/profit for the period		(1,231,666)	930,188	(3,047,580)
Dividends paid in period	3	(731,188)	(1,466,622)	(2,198,411)
Closing shareholders' funds		37,878,404	43,439,566	36,778,493

Unaudited Cash Flow Statement

for the six months ended 31 March 2008

	Six months ended 31 March 2008 (unaudited) £	Six months ended 31 March 2007 (unaudited) £	Year ended 30 September 2007 (audited) £
Operating activities			
Net revenue on activities before taxation	144,414	360,602	260,463
Capitalised fees	(664,074)	(342,892)	(675,676)
Transaction costs	(54,295)	(148)	(1,419)
Decrease in debtors	504,557	16,348	217,985
Increase in creditors	387,668	63,748	17,430
Capital dividends received	–	–	432,488
Net cash inflow from operating activities	318,270	97,658	251,271
Equity dividends paid	(1,462,948)	(1,466,622)	(1,466,621)
Acquisitions of investments	(1,329,112)	(1,553,841)	(3,544,272)
Disposals of investments	4,165,270	1,195,083	4,968,804
Management of liquid resources	(607,818)	(71,578)	(612,057)
Financing	(1,035,177)	(174,278)	(1,577,357)
Increase/(decrease) in cash for the period	48,485	(1,973,578)	(1,980,232)
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash for the period	48,485	(1,973,578)	(1,980,232)
Net funds at the start of the period	46,862	2,027,094	2,027,094
Net funds at the end of the period	95,347	53,516	46,862

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 preparation

The unaudited results cover the six months to 31 March 2008 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 2007 and, to the extent that it does not conflict with the Companies Act 1985, the 2003 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies', revised December 2005. There are no comparatives for the 'S' Fund for the year ended 30 September 2007, as this Fund had not allotted any shares by that date.

As a result of the Directors' decision to distribute capital profits by way of a dividend, the Company revoked its investment company status as defined under section 266 (3) of the Companies Act 1985, on 17 August 2004.

b) Investments

Investments are recognised on a trade date basis. All investments held by the Company are classified as "fair value through profit and loss" 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. 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.

Investments are stated at "fair value through profit and loss", in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines.

The fair value of quoted investments is the bid price value of those investments at the close of business on 31 March 2008.

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

- (i) Investments which have been made in the last twelve months are at fair value which, unless another methodology gives a better indication of fair value, will be at cost;
- (ii) Investments in companies at an early stage of their development are also valued at fair value which, unless another methodology gives a better indication of fair value, will be at cost;
- (iii) Where investments have been held for more than twelve months or have gone beyond the stage in their development in (i) or (ii) above, the shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being discounted to reflect points of difference identified by the Investment Manager compared to the sector, as well as to reflect lack of marketability). Where overriding factors apply, alternative methods of valuation will be used. These will include the application of a material arms-length transaction by an independent third party, cost less provision for impairment, discounted cash flow, or a net asset basis;
- (iv) Where a value is indicated by a material arms-length transaction by a third party in the shares of a company, this value will be used;
- (v) Unquoted investments will not normally be re-valued upwards for a period of at least twelve months from the date of acquisition. 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 become permanently impaired 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 Managers, will agree the values that represent the extent to which an investment has become permanently impaired. 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;
- (vi) Premia on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

Although the Company holds more than 20 per cent of the equity of certain companies, it is considered that the investments are held as part of an investment portfolio. Accordingly, and as permitted by FRS 9 'Associates and Joint Ventures', their value to the Company lies in their marketable value as part of that portfolio. It is not considered that any of our holdings represents investments in associated companies.

2 Investment management expenses

	Six months ended 31 March 2008 Ordinary Share Fund £	Six months ended 31 March 2008 'S' Share Fund £	Six months ended 31 March 2007 Ordinary Share Fund £	Year ended 30 September 2007 Ordinary Share Fund £
Fees payable under Investment Adviser's Agreement	406,840	5,259	457,190	900,902
Amounts payable under Incentive Agreement	355,000	–	–	–
Total investment management expense	761,840	5,259	457,190	900,902

The Directors have charged 75 per cent of the fees payable under the investment adviser's agreement, and 100 per cent 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.

Under the terms of the Incentive Agreement, each Manager is entitled to a performance fee equal to 20 per cent of the excess of the value of any realisation of an investment made after 30 June 2007, over the value of that investment in a Manager's portfolio at that date, which value is itself uplifted at the rate of 6 per cent per annum. No fee is payable in any year if the value of that Manager's portfolio at that year-end plus the cumulative value of any realisations made up to that year-end is less than the value of that Manager's portfolio at 30 June 2007. The amount shown above is an accrual based upon performance for the year-to-date. The eventual amount payable will depend on the actual performance at the year-end.

3 Dividends on equity shares paid and payable

	Six months ended 31 March 2008 £	Six months ended 31 March 2007 £	Year ended 30 September 2007 £
Ordinary Shares – interim paid of nil (31 March 2007: 3p 30 September 2007: 5p) pence per share	–	1,173,298	1,905,087
Ordinary Shares – final paid of 2p (31 March 2007: 0.75p 30 September 2007: 0.75p) pence per share	726,069	293,324	293,324
Under-provision re prior year	5,119	–	–
	731,188	1,466,622	2,198,411

Notes to the Unaudited Financial Statements

4 Earnings and return per share

	Six months ended 31 March 2008 Ordinary Share Fund £	Six months ended 31 March 2008 'S' Share Fund £	Six months ended 31 March 2007 Ordinary Share Fund £	Year ended 30 September 2007 Ordinary Share Fund £
i) Total earnings after taxation: Basic earnings per share	(1,224,780) (3.37)p	(6,886) (1.54)p	930,188 2.38p	(3,047,580) (7.85)p
ii) Net revenue from ordinary activities before taxation Revenue return per share	124,647 0.34p	(2,942) (0.66)p	283,866 0.73p	240,595 0.62p
Net unrealised capital gains/(losses)	(2,353,042)	–	752,297	(3,150,761)
Net realised capital gains/(losses)	1,641,036	–	160,181	85,906
Income from capital dividends	–	–	–	432,488
Capital expenses	(637,421)	(3,944)	(266,156)	(655,808)
iii) Total capital return Capital return per share	(1,349,427) (3.71)p	(3,944) (0.88)p	646,322 1.65p	(3,288,175) (8.47)p
iv) Weighted average number of shares in issue in the period	36,391,058	446,276	39,081,898	38,802,180

Other than the performance related incentive, there are no instruments in place that will increase the number of shares in issue in future. Accordingly, the above figures currently represent both basic and diluted returns.

5 Summary of movement on investments during the period

	Traded on AIM £	Unlisted or traded on OFEX £	Preference shares £	Qualifying loans £	Total £
Valuation at 30 September 2007	6,381,352	16,874,972	75,815	7,584,925	30,917,064
Purchases at cost	387,764	324,511	808	616,028	1,329,111
Sales – proceeds	(1,893,169)	(1,477,278)	(3,518)	(791,305)	(4,165,270)
– realised gains	462,938	1,070,889	–	161,504	1,695,331
Unrealised losses	(711,688)	(1,102,505)	(787)	(538,062)	(2,353,042)
Valuation at 31 March 2008	4,627,197	15,690,589	72,318	7,033,090	27,423,193
Book cost at 31 March 2008	6,991,220	5,764,014	174,995	9,826,946	22,757,175
Unrealised (losses)/gains at 31 March 2008	(2,364,023)	9,926,575	(102,677)	(2,793,856)	4,666,019
	4,627,197	15,690,589	72,318	7,033,090	27,423,194
Gains/(losses) on investments					
Realised gains/(losses) based on historical cost	1,397,050	869,460	(1,890)	(756,098)	1,508,522
Less amounts recognised as unrealised gains/(losses) in previous years	934,112	(201,429)	(1,890)	(917,602)	(186,809)
Realised gains based on carrying value at 30 September 2007	462,938	1,070,889	–	161,504	1,695,331
Net movement in unrealised appreciation in the period	(711,688)	(1,102,505)	(787)	(538,062)	(2,353,042)
Losses on investments for the period ended 31 March 2008	(248,750)	(31,616)	(787)	(376,558)	(657,711)

Transaction costs of £54,295 were incurred in the period and are treated as realised losses on investments in the Profit and Loss Account. Deducting these from realised gains above gives £1,641,036 of gains as shown in the profit and loss account.

6 Current asset investments

These comprise investments in two Dublin based OEIC money market funds, one managed by Royal Bank of Scotland and one by Blackrock (formerly Merrill Lynch). £6,911,065 (31 March 2007: £5,778,438; 30 September 2007: £6,311,460) of this sum is subject to same day access, while £278,250 (31 March 2007: £262,580; 30 September 2007: £270,037) is subject to two day access.

7 Capital and reserves for the six months ended 31 March 2008

	Called up share capital	Share premium account	Capital redemption reserve	Special reserve	Revaluation reserve	Profit and loss account	Total
	£	£	£	£	£	£	£
At 1 October 2007	365,895	136,594	53,334	21,508,270	8,425,544	6,288,856	36,778,493
Shares bought back	(6,182)	–	6,182	(563,966)	–	–	(563,966)
Shares issued	37,498	3,512,006	–	–	–	–	3,549,504
Dividends re-invested into new shares	759	76,468	–	–	–	–	77,227
Dividends paid	–	–	–	–	–	(731,188)	(731,188)
Loss transferred between reserves	–	–	–	(2,131,066)	–	2,131,066	–
Realisation of previously unrealised appreciation	–	–	–	–	186,809	(186,809)	–
(Loss)/profit for the period	–	–	–	–	(2,353,042)	1,121,376	(1,231,666)
At 31 March 2008	397,970	3,725,068	59,516	18,813,238	6,259,311	8,623,301	37,878,404

8 Net asset value per share

	31 March 2008 Ordinary Share Fund £	31 March 2008 'S' Share Fund £	31 March 2007 Ordinary Share Fund £	30 September 2007 Ordinary Share Fund £
Net assets	34,335,785	3,542,618	43,439,566	36,778,493
Number of shares in issue	36,047,146	3,749,820	38,878,803	36,589,479
Net asset value per share	95.25p	94.47p	111.73p	100.52p

9 Post balance sheet event

Between 1 April and 5 April, a further 8,052,412 'S' Shares were allotted, before the Offer closed, raising further net funds of £7.6 million.

10 The financial information for the six months ended 31 March 2008 and the six months ended 31 March 2007 has not been audited.

The information for the year ended 30 September 2007 does not comprise full financial statements within the meaning of Section 240 of the Companies Act 1985. The financial statements for the year ended 30 September 2007 have been filed with the Registrar of Companies. The auditors have reported on these financial statements and that report was unqualified and did not contain a statement under Section 237(2) of the Companies Act 1985.

11 Copies of this statement are being sent to all shareholders. Further copies are available free of charge from the Company's registered office, One Jermyn Street, London SW1Y 4UH or, with effect from 16 June 2008, One Vine Street, London, WIJ 0AH.

THE INCOME & GROWTH VCT PLC

(Registered in England and Wales No. 4069483)

NOTICE of an EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at 10.30 am on Wednesday 17 September 2008 at Matrix Group Limited, One Vine Street, London, W1J 0AH for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:-

SPECIAL RESOLUTION

That, subject to the passing of the resolutions to be proposed at the class meetings of the holders of ordinary shares of 1 pence each and 'S' ordinary shares of 1 pence each to be held on 17 September 2008 at 10.40 am and 10.50 am respectively, the articles of association of the Company be and hereby are amended as follows:

- (i) by the deletion of existing articles 20.7; 20.8; 24.5; 24.6; 24.7; 24.8 and 24.9;
- (ii) by the adoption of new articles 24.5; 24.6; 24.7; 24.8 and 24.9 in the form set out below:

"24.5 Subject to the provisions of the Statutes, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office:-

- (a) may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be or become a member or director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit .
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director of the Company; and
- (e) shall not infringe or be in breach of his duties to the Company by reason of such interest. This Article 24.5(e) shall take effect when Article 24.6 shall take effect.

24.6

- (a) This Article 24.6 shall take effect on and from the commencement in force of Section 175 of the Companies Act 2006.
- (b) The Board may authorise, to the fullest extent permitted by law:
 - (i) any matter which would or might otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or a conflict of duties);
 - (ii) a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality of this Article 24.6(b) may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises.
- (c) An authorisation under Article 24.6(b) may be given subject to such terms and conditions as the Board think fit to impose at the time of such authorisation or subsequently and the authorisation may be varied or terminated by the Board at any time.
- (d) An authorisation under Article 24.6(b) is only effective if any requirement as to the quorum of the meeting is met without the Director in question and any other interested Director counting in the quorum at any meeting at which such matter, or such office, employment or position, is approved and the authorisation is agreed to without their voting or would have been agreed to if their votes had not been counted.
- (e) If a matter or office, employment or position, has been authorised by the Board in accordance with this Article 24.6 (and subject to Article 24.6(c)) then:

- (i) the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;
 - (ii) the Director may (and shall if required by the Board) absent himself from meetings or discussions of the Board at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
 - (iii) the Director may (and shall if required by the Board) decline to review information provided by the Company which will or may relate to or be connected to that matter, or that office, employment or position.
- (f) A Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the Board pursuant to this Article 24.6 (subject in any such case to any terms or conditions to which such approval is for the time being subject).
- (g) This Article is without prejudice to the operation of Article 24.5.

24.7 The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company).

24.8 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters and resolutions considered or held.

24.9 If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or if the Director concerned is the chairman, to the other Directors at the meeting) and his ruling in relation to any Director (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive."

BY ORDER OF THE BOARD

Matrix-Securities Limited
Secretary

Registered Office
One Jermyn Street
London SW1Y 4UH

27 May 2008

NOTES:

- 1 Each director has an appointment letter with the Company which will be available for inspection at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 6.00 pm on 15 September 2008 (or, in the event of any adjournment, 6.00 pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Capita Registrars on 020 8639 2000. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
5. A reply paid form of proxy is enclosed with this document. To be valid, it should be lodged with the Company's registrar, Capita Registrars, so as to be received not later than 10.30 am on 15 September 2008 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.
6. As at 27 May 2008 (being the last business day prior to the publication of this notice), the Company's issued share capital consists of 47,849,438 shares, carrying one vote each. Therefore, the total voting rights in the Company as at 27 May 2008 were 47,849,438.
7. 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 member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the 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.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
10. The Register of Directors' Interests will be available for inspection at the meeting

THE INCOME & GROWTH VCT PLC

(Registered in England and Wales No. 4069483)

NOTICE CONVENING A CLASS MEETING OF THE HOLDERS OF ORDINARY SHARES

NOTICE IS HEREBY GIVEN that a meeting of the holders of ordinary shares of 1 pence each in the capital of The Income & Growth VCT plc ("the Company") will be held at 10.40 am on 17 September 2008 at Matrix Group Ltd, One Vine Street, London, W1J OAH (or as soon thereafter as the extraordinary general meeting of the Company to be held at 10.30 am on that date shall have been concluded) for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

SPECIAL RESOLUTION

That the holders of ordinary shares of 1 pence each in the capital of the Company ("Ordinary Shares") hereby sanction, approve and consent to:

- (a) the passing and carrying into effect as a special resolution of the Company, the resolution set out in the notice of extraordinary general meeting of the Company convened for 10.30 am on 17 September 2008 (a copy of which is produced to the meeting 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 right and privileges attached to the Ordinary Shares which will, or may, result from the passing and carrying into effect of the resolution 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 Ordinary Shares.

BY ORDER OF THE BOARD

Matrix-Securities Limited
Secretary

Registered Office
One Jermyn Street
London SW1Y 4UH

27 May 2008

NOTES:

1. Each director has an appointment letter with the Company which will be available for inspection at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes that they may cast), members must be registered in the Register of Members of the Company at 6.00 pm on 15 September 2008 (or, in the event of any adjournment, 6.00 pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member, but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Capita Registrars on 020 8639 2000. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
5. A reply paid form of proxy is enclosed with this document. To be valid, it should be lodged with the Company's registrar, Capita Registrars, so as to be received not later than 10.40 am on 15 September 2008 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken to the date of the meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
6. As at 27 May 2008 (being the last business day prior to the publication of this notice), the Company's issued Ordinary Share capital consists of 36,047,146 Ordinary Shares, carrying one vote each. Therefore, the total Ordinary Shares' voting rights in the Company as at 27 May 2008 are 36,047,146.
7. 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 member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the 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.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
10. The Register of Directors' Interests will be available for inspection at the meeting.
11. Notice is hereby further given that the necessary quorum for the above meeting shall be holders of Ordinary Shares present in person or by proxy holding not less than one-third of the paid up Ordinary Share capital 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 10.40 am on 18 September 2008 and at such adjourned meeting the holders of Ordinary Shares present in person or by proxy shall be quorum regardless of the number of Ordinary Shares held.

THE INCOME & GROWTH VCT PLC

(Registered in England and Wales No. 4069483)

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

NOTICE IS HEREBY GIVEN that a meeting of the holders of 'S' ordinary shares of 1 pence each in the capital of The Income & Growth VCT plc ("the Company") will be held at 10.50 am on 17 September 2008 at Matrix Group Ltd, One Vine Street, London, W1J OAH (or as soon thereafter as the class meeting of the holders of ordinary shares of 1 pence each in the capital of the Company to be held at 10.40 am on that date shall have been concluded) for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

SPECIAL RESOLUTION

That the holders of 'S' ordinary shares of 1 pence each in the capital of the Company ("S Shares") hereby sanction, approve and consent to:

- (a) the passing and carrying into effect as a special resolution of the Company, the resolution set out in the notice of extraordinary general meeting of the Company convened for 10.30 am on 17 September 2008 (a copy of which is produced to the meeting 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 right and privileges attached to the S Shares which will, or may, result from the passing and carrying into effect of the resolution 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 Jermyn Street
London SW1Y 4UH

27 May 2008

NOTES:

1. Each director has an appointment letter with the Company which will be available for inspection at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes that they may cast), members must be registered in the Register of Members of the Company at 6.00 pm on 15 September 2008 (or, in the event of any adjournment, 6.00 pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member, but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Capita Registrars on 020 8639 2000. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
5. A reply paid form of proxy is enclosed with this document. To be valid, it should be lodged with the Company's registrar, Capita Registrars, so as to be received not later than 10.50 am on 15 September 2008 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken to the date of the meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
6. As at 27 May 2008 (being the last business day prior to the publication of this notice), the Company's issued 'S' Share capital consists of 11,802,292 'S' Shares, carrying one vote each. Therefore, the total 'S' Shares' voting rights in the Company as at 27 May 2008 are 11,802,292.
7. 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 member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the 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.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
10. The Register of Directors' Interests will be available for inspection at the meeting.
11. Notice is hereby further given that the necessary quorum for the above meeting shall be holders of 'S' Shares present in person or by proxy holding not less than one-third of the paid up 'S' Share capital 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 10.50 am on 18 September 2008 and at such adjourned meeting the holders of 'S' Shares present in person or by proxy shall be quorum regardless of the number of 'S' Shares held.

Notes

Notes

Corporate Information

Directors (Non-executive)

Colin Hook (Chairman)
Christopher Moore
Helen Sinclair

Company's Registered Office and Head Office

One Jermyn Street
London
SW1Y 4UH*

Company Secretary

Matrix-Securities Limited
One Jermyn Street
London
SW1Y 4UH*

Solicitors

Martineau Johnson
No 1 Colmore Square
Birmingham
B2 5PG

Registrars

Capita Registrars
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Sponsors and Stockbrokers

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

Promoter and Administrator

Matrix-Securities Limited
One Jermyn Street*
London
SW1Y 4UH

Independent Auditors

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

VCT Status Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers and Custodians

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

Investment Managers

Matrix Private Equity Partners LLP

One Jermyn Street
London
SW1Y 4UH*
www.matrixgroup.co.uk

MPEP is responsible for selecting investments in a range of industrial and commercial sectors.

Foresight Group LLP

Swiss Life House
South Park
Sevenoaks
Kent
TN13 1DU
www.foresightgroup.eu

Foresight were responsible for selecting investments primarily in the UK information technology, software and computer services sectors. MPEP have now assumed the management of these investments, as described in the Chairman's Statement.

*With effect from 16 June 2008, the Company, Matrix-Securities Limited and Matrix Private Equity Partners LLP will be moving to One Vine Street, London, W1J 0AH.

Company Registration Number : 4069483

Website: www.incomeandgrowthvct.co.uk