INVESTMENT PRODUCTS

MATRIX INCOME & GROWTH VCT PLC

A VENTURE CAPITAL TRUST

REPORT & ACCOUNTS

Unaudited Half-yearly Report
for the six months ended 30 June 2008

MATRIX

Investment Objective

Matrix Income & Growth VCT plc ("MIG VCT" or the "Company") is a Venture Capital Trust ("VCT") listed on the London Stock Exchange. Its investment portfolio, which invests primarily in established and profitable unquoted companies, is managed by Matrix Private Equity Partners LLP ("MPEP" or "the Investment Manager").

The Company's objective is to provide investors with an income stream by way of tax free dividends and to generate capital growth which, following portfolio realisations, can be distributed by way of additional tax free dividends.

Financial Highlights

Half-yearly results for the six months ended 30 June 2008

	30 June 2008	30 June 2007	31 December 2007
Total return per share*	112.01p	110.49p	121.10p
Net cumulative dividends paid**	12.00p	3.20p	4.20p
Net asset value (NAV) per share	100.01p	107.29p	116.89p
Share price (mid-market price)	89.50p	91.50p	100.50p

* Net asset value per share plus cumulative dividends per share. This compares with an original investment cost of 100 pence per share, which after allowing for income tax relief of 40 pence per share, equates to 60 pence per share.

** For a breakdown of recent dividends paid, please see Note 8 of the Notes to the Unaudited Financial Statements on page 16 of this Half-yearly Report.

Net assets as at 30 June 2008 were £21,281,357 (30 June 2007: £23,715,873).

An interim income dividend of 1 penny per share and an interim capital dividend of 2.3 pence per share have been declared and are payable on 11 September 2008 to Shareholders on the Register on 15 August 2008, thereby increasing net cumulative dividends paid to 15.3 pence per share.

Chairman's Statement

I am pleased to present this Half-yearly Report covering the six month period ended 30 June 2008.

Results and dividend

In light of the economic uncertainty and turmoil in financial markets during the last six months this has been a challenging period for investment companies. Against this background, your Company has performed reasonably well; however, the value of its qualifying investment portfolio has not been immune to earnings' disappointments, or, more importantly, to the impact of the significant downward pressure on the valuations of comparable quoted companies, which are benchmarked for valuation purposes. Total shareholder (NAV) return declined by 7.5% in the period from 121.10 pence per share to 112.01 pence per share.

The revenue account generated a net return (after tax) for the period of £331,785 (2007: £306,813). The Board has declared an interim income dividend of 1 penny per share (2007: 1 penny per share), and an interim capital dividend of 2.3 pence per share, both of which will be paid on 11 September 2008 to Shareholders on the Register on 15 August 2008. The capital dividend is particularly pleasing, arising principally from the sale of BBI Holdings plc, which I reported to you in the Annual Report for the year to 31 December 2007.

Net asset value

The net asset value at 30 June 2008 was 100.01 pence per share (30 June 2007: 107.29 pence per share) compared with a NAV of 109.09 pence per share at the beginning of the period, after deducting the dividends of 7.80 pence per share paid to Shareholders in the period. This fall of 8.3% compares with a decline of 14.9% in the FTSE SmallCap Index over the same period.

Investment portfolio

In January, the disposal of the investment in BBI Holdings realised proceeds of £0.8 million, an overall gain over cost of £0.5 million.

MPEP believes that the price expectations on the part of most vendors of smaller companies still to be generally too high and has therefore pursued a very selective approach to investing in new businesses. Only one small investment of £0.4 million was completed during the period in the Management Buy-Out ("MBO") of Plastic Surgeon Fine Finishers. Since the end of the period, an investment of £1.0 million has been completed in Derringfield, a company seeking to acquire businesses in the IT sector.

For further information on the investment portfolio please see the Investment Manager's Review on pages 4-5 of this Half-yearly Report.

Income

Income was derived from two main sources. Firstly, the investments made by your Investment Manager usually include a substantial component of interest-bearing loan stocks. The interest earned upon these loan stocks continues to make a significant contribution and at 30 June 2008 these fixed interest securities were generating an annualised yield of 8.3%. Secondly, income from money market funds generated an average annualised yield of approximately 5.6% over the period. As at the end of the period the annualised running yield on the qualifying investment portfolio as a whole was 4.8%, compared to 5.0% on all the investments taken as a whole.

Investment in qualifying holdings

The Company is required to meet the target set by HM Revenue & Customs of investing 70% of the funds raised in qualifying unquoted and AIM quoted companies, which it has achieved throughout the period. The Company was 74.5% invested in qualifying companies (based on VCT cost as defined in tax legislation) at the period-end, with the balance of the portfolio invested in a selection of readily realisable, money market funds with AAA credit ratings.

Share buy-backs

730,581 Ordinary Shares came onto the market during the six months to 30 June 2008. The Company bought back 134,037 of these shares at a price of 102.29 pence per share, which represented a discount of 12.5% to the then published NAV, and 596,544 of these shares at a price of 89.05 pence, which represented a discount of 15% to the then published NAV, adjusted for dividends payable.

These shares, representing 3.3% of the issued share capital at the beginning of the period, were subsequently cancelled by the Company. The Board regularly reviews its share buy-back policy.

VAT on management fees

With effect from 1 October this year, the Company will no longer have to pay VAT on the management fees charged from that date. The Board is also aware of the recent announcement that VAT already paid to HMRC for at least the last three years may also become reclaimable. The precise amounts involved are as yet uncertain, but both these developments should provide a boost to Shareholders' income and capital returns.

Communicating with Shareholders

The Company maintains a programme of regular communication with Shareholders through newsletters and a dedicated website www.migvct.co.uk, supplementing the half-yearly and annual reports. The Board welcomes the opportunity to meet Shareholders at the Company's General Meetings during which representatives of the Investment Manager are present to discuss the progress of the portfolio. The next AGM of the Company will be held in May 2009.

Outlook

The economic environment is continuing to deteriorate and these conditions may challenge our existing portfolio companies' earnings and valuations further. However, your Company has substantial liquid resources which will provide the Investment Manager with scope to add to the qualifying investment portfolio at attractive valuations as opportunities present themselves. Your Board, therefore, remains relatively optimistic about the medium to long-term prospects for the Company.

Finally, I would like to thank all of our Shareholders for their continuing support.

Keith Niven
Chairman
6 August 2008

Directors' 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.

Related Party Transactions

Details of related party transactions in accordance with D.T.R. 4.2.8. can be found in Note 13 to the Unaudited Financial Statements on page 18.

Principal Risks and Uncertainties

In accordance with D.T.R. 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 31 December 2007. 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. Other risks relate to credit risk, market price risk, interest rate risk and currency risk. A more detailed explanation of these can be found in Note 19 on pages 43 - 47 of the 2007 Annual Report and Accounts – copies of which are available on the VCT's website, www.migvct.co.uk.

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.

On behalf of the Board

Keith Niven
Chairman
6 August 2008

Investment Manager's Review

The climate for new investment has continued to be difficult over the past six months. We have maintained our selective approach to analysing potential new investments in the face of continued deterioration in the UK economic background and we remain of the view that the market has not yet re-established the equilibrium necessary for high quality businesses to be sold at prices acceptable to private equity-backed management teams.

We now expect new investment activity to remain at its current low level for the next few months but that market conditions may then enter a cycle providing excellent investment opportunities at more realistic prices which will provide the potential for significant returns for MIG VCT from the beginning of 2009. Private equity returns tend to be substantially greater when investments are made at low points in the economic cycle.

During the period, one new investment was completed; in April £390,000 was invested to support the MBO of Plastic Surgeon Fine Finishers, an Exeter-based business which provides snagging and cosmetic repair services to the residential housing market and commercial properties. Since the period-end a further £1 million has been invested in Derringfield, a company formed specifically to seek acquisitions in the IT sector.

As previously reported, the investment in BBI Holdings was realised by the sale of that company to Inverness Medical Innovations Inc. in January 2008. The proceeds of £842,000 produced a £460,000 profit on the Company's investment cost of £382,000.

At 30 June 2008, the portfolio comprised investments in eighteen companies at a total current cost of £13.9 million, valued in accordance with International Private Equity and Venture Capital Valuation (IPEVCV) Guidelines at £15 million, representing an uplift of 8% above cost. This is a reduction from the 28% uplift prevailing at 31 December 2007, and reflects both the tightening trading conditions being experienced by portfolio companies and, more significantly, material reductions in FTSE Sector PE ratios, by reference to which your Company's portfolio investments are valued.

Blaze Signs has successfully integrated its major acquisition and ended its financial year very strongly. Youngman, after another excellent year in 2007, has suffered from the well-publicised problems of the construction sector and a downward adjustment in valuation has been made. PXP, which is directly exposed to the housing market, has continued to trade below its investment plan.

More positively, PastaKing, Vectair and VSI have all continued to grow profits, with Vectair benefiting from strong export markets both in Europe and the US. VSI's strong cash generation enabled it to prepay £228,000 of its loan stock at a 10% premium. British International has enjoyed solid trading, buoyed by its high levels of contracted revenue.

Trading at Campden Media and Racoon has continued to disappoint, with both experiencing levels of profitability much lower than anticipated at the time of investment and their reduced valuations reflect this. Performance of the newer MBOs is generally satisfactory, with DiGiCo, originally affected by a slow start caused by product launch delays, now trading well; Focus has met expectations to date and although Monsal's trading has disappointed so far, it is well placed to generate significant revenue from a number of forthcoming major contracts in both its existing and new markets in water and waste management. Whilst SectorGuard has made acquisitions, its commercial progress has not yet been reflected in its share price.

Aust Construction Investors, Barnfield Management Investments and Calisamo Management, have all been actively seeking attractive investment opportunities in their chosen sectors of construction and related services, food manufacturing and healthcare respectively, but have not found investment transactions at the right price.

The depth and longevity of the current economic slowdown and stock market turmoil will inevitably be reflected in the value of the VCT's investments. However, we continue to believe that the long-term prospects for the portfolio are excellent and that attractive buying opportunities will emerge to enhance longer term performance.

Matrix Private Equity Partners LLP
6 August 2008

Investment Portfolio Summary

as at 30 June 2008

	Date of initial investment	Total book cost £'000	Valuation £'000	% of net assets by value
Qualifying investments				
AIM quoted investments				
SectorGuard plc Provider of manned guarding, mobile patrolling and alarm response services	Aug-05	150	86	0.40%
		150	86	0.40%
Unquoted investments				
Blaze Signs Holdings Limited Signwriter	Apr-06	1,574	2,156	10.13%
Youngman Group Limited Manufacturer of ladders and access towers	Oct -05	1,000	1,751	8.23%
PastaKing Holdings Limited Supplier to the educational and food service market	Jun-06	464	1,381	6.49%
VSI Limited Developer and marketer of 3D software	Apr-06	390	1,094	5.14%
Aust Construction Investors Limited Company seeking to acquire business in the construction sector	Oct-07	1,000	1,000	4.70%
Barnfield Management Investments Limited Company seeking to acquire businesses in the food sector	Oct-07	1,000	1,000	4.70%
Calisamo Management Limited Company seeking to acquire businesses in the healthcare sector	Dec-07	1,000	1,000	4.70%
DiGiCo Europe Limited Designer and manufacturer of audio mixing desks	Jul-07	1,000	1,000	4.70%
British International Holdings Limited Supplier of helicopter services	Jun-06	1,000	944	4.44%
Vectair Holdings Limited Designer and distributor of washroom products	Jan-06	560	943	4.43%
Focus Pharma Holdings Limited Licensor and distributor of generic pharmaceuticals	Oct-07	657	657	3.09%
Monsal Holdings Limited Supplier of engineering services to water and waste sectors	Dec-07	616	616	2.89%
PXP Holdings Limited (Pinewood Structures) Designer, manufacturer, supplier and installer of timber-frames for buildings	Dec-06	1,000	575	2.70%
Campden Media Limited Magazine publisher and conference organiser	Jan-06	975	414	1.95%

	Date of initial investment	Total book cost £'000	Valuation £'000	% of net assets by value
Unquoted investments (continued)				
Plastic Surgeon Holdings Limited (The) Snagging and finishing of domestic and commercial properties	Apr-08	390	390	1.83%
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	Dec-06	874	36	0.17%
FH Ingredients Limited Processor and distributor of frozen herbs to the food processing industry	Feb-05	213	–	0.00%
		13,713	14,957	70.29%*
Total qualifying investments		**13,863**	**15,043**	**70.69%**
Non-qualifying investments				
Global Treasury Funds plc (Royal Bank of Scotland)**		1,509	1,509	7.09%
Fidelity Institutional Cash Fund plc**		1,212	1,212	5.70%
GS Funds plc (Goldman Sachs)**		1,086	1,086	5.10%
SWIP Global Liquidity Fund plc (Scottish Widows)**		1,045	1,045	4.91%
Barclays Global Investors Cash Selection Funds plc**		630	630	2.96%
Institutional Cash Series plc (BlackRock)**		496	496	2.33%
Insight Liquidity Funds plc (HBOS)**		398	398	1.87%
Total non-qualifying investments		**6,376**	**6,376**	**29.96%**
Total investments		**20,239**	**21,419**	**100.65%**
Other assets		224	224	1.05%
Current liabilities		(362)	(362)	(1.70)%
Net assets		**20,101**	**21,281**	**100.00%**

* As at 30 June 2008, the Company held 74.5% of its total investments in qualifying holdings, and therefore complied with the VCT investment test. For the purposes of the VCT investment tests, the Company is permitted to disregard disposals of investments for six months from the date of disposal.

** Disclosed as Investments at fair value within Current assets in the Balance Sheet.

Unaudited Profit and Loss Account

for the six months ended 30 June 2008

	Notes	Six months ended 30 June 2008 (unaudited) Revenue £	Capital £	Total £
Unrealised (losses)/gains on investments held at fair value		–	(2,338,608)	(2,338,608)
Realised gains/(losses) on investments held at fair value		–	86,966	86,966
Income	5	649,235	–	649,235
Investment management fees	3	(69,547)	(208,643)	(278,190)
Other expenses		(164,161)	–	(164,161)
Return on ordinary activities before taxation		415,527	(2,460,285)	(2,044,758)
Tax on ordinary activities	6	(83,742)	60,160	(23,582)
Return attributable to equity shareholders		331,785	(2,400,125)	(2,068,340)
Return per share	7	1.53p	(11.06)p	(9.53)p

The total column is the profit and loss account of the Company.
All revenue and capital items in the above statement derive from continuing operations.
No operations were acquired or discontinued in the period. There were no other gains or losses in the period.

Unaudited Note of Historical Cost Profits and Losses

for the six months ended 30 June 2008

	Six months ended 30 June 2008 (unaudited) Total £
(Loss)/profit on ordinary activities before taxation	(2,044,758)
Less: unrealised (losses)/gains on investments	(2,338,608)
Realisation of revaluation gains/(losses) of previous years	396,538
Historical cost profit/(loss) on ordinary activities before taxation	690,388
Historical cost (loss)/profit on ordinary activities after taxation and dividends	(1,039,484)

The notes on pages 14 to 18 form part of these half-yearly financial statements.

Six months ended 30 June 2007 (unaudited and restated) Revenue £	Capital £	Total £	Year ended 31 December 2007 (audited) Revenue £	Capital £	Total £
–	1,607,124	1,607,124	–	2,386,239	2,386,239
–	(148)	(148)	–	1,433,612	1,433,612
625,023	–	625,023	1,231,117	–	1,231,117
(65,423)	(196,271)	(261,694)	(137,119)	(411,357)	(548,476)
(160,711)	–	(160,711)	(337,887)	–	(337,887)
398,889	1,410,705	1,809,594	756,111	3,408,494	4,164,605
(92,076)	62,904	(29,172)	(188,788)	132,958	(55,830)
306,813	1,473,609	1,780,422	567,323	3,541,452	4,108,775
1.39p	6.66p	8.05p	2.58p	16.07p	18.65p

Six months ended 30 June 2007 (unaudited and restated) Total £	Year ended 31 December 2007 (audited) Total £
1,809,594	4,164,605
1,607,124	2,386,239
–	(9,385)
202,470	1,768,981
(136,153)	1,182,664

Unaudited Balance Sheet
as at 30 June 2008

	Notes	As at 30 June 2008 (unaudited) £	As at 30 June 2007 (unaudited and restated) £	As at 31 December 2007 (audited) £
Non-current assets				
Investments at fair value	1c, 10	15,043,401	11,936,670	17,998,075
Current assets				
Debtors and prepayments		174,610	124,753	147,575
Investments at fair value	11	6,375,857	11,797,408	7,747,608
Cash at bank		49,740	121,289	51,562
		6,600,207	12,043,450	7,946,745
Creditors: amounts falling due within one year		(362,251)	(264,247)	(216,905)
Net current assets		6,237,956	11,779,203	7,729,840
Net assets		**21,281,357**	**23,715,873**	**25,727,915**
Capital and reserves	12			
Called up share capital		212,791	221,038	220,097
Capital redemption reserve		8,647	400	1,341
Revaluation reserve		1,392,384	3,339,030	4,127,530
Special distributable reserve		18,741,244	20,676,105	19,561,655
Profit and loss account		926,291	(520,700)	1,817,292
Equity Shareholders' funds (equity interests)		**21,281,357**	**23,715,873**	**25,727,915**
Net asset value per Ordinary Share	9	**100.01 p**	**107.29 p**	**116.89 p**

The notes on pages 14 to 18 form part of these half-yearly financial statements.

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2008

	Six months ended 30 June 2008 (unaudited) £	Six months ended 30 June 2007 (unaudited and restated) £	Year ended 31 December 2007 (audited) £
Opening Shareholders' funds	25,727,915	22,244,902	22,244,902
Ordinary Shares bought back	(671,928)	–	(95,275)
(Loss)/gain for the period before dividends	(2,068,340)	1,780,422	4,108,775
Dividends paid in period	(1,706,290)	(309,451)	(530,487)
Closing Shareholders' funds	21,281,357	23,715,873	25,727,915

The notes on pages 14 to 18 form part of these half-yearly financial statements.

Unaudited Summarised Cash Flow Statement

for the six months ended 30 June 2008

	Six months ended 30 June 2008 (unaudited) £	Six months ended 30 June 2007 (unaudited) £	Year ended 31 December 2007 (audited) £
Operating activities			
Investment income received	639,694	644,916	1,227,519
Investment management fees paid	(296,267)	(261,694)	(548,476)
Other cash payments	(139,331)	(119,627)	(399,250)
Net cash inflow from operating activities	204,096	263,595	279,793
Investing activities			
Acquisitions of investments	(390,289)	(18)	(6,272,923)
Disposals of investments	1,093,351	–	2,499,491
Net cash inflow/(outflow) from investing activities	703,062	(18)	(3,773,432)
Dividends			
Equity dividends paid	(1,706,290)	(309,451)	(530,487)
Taxation			
Taxation repaid/(paid)	587	–	(46,000)
Cash outflow before financing and liquid resource management	(798,545)	(45,874)	(4,070,126)
Management of liquid resources			
Decrease in current investments	1,371,751	108,913	4,158,713
Financing			
Share capital bought back	(575,028)	–	(95,275)
(Decrease)/increase in cash for the period	(1,822)	63,039	(6,688)

The notes on pages 14 to 18 form part of these half-yearly financial statements.

Reconciliation of Loss on Ordinary Activities before Taxation to Net Cash Inflow from Operating Activities

for the six months ended 30 June 2008

	Six months ended 30 June 2008 (unaudited) £	Six months ended 30 June 2007 (unaudited) £	Year ended 31 December 2007 (audited) £
(Loss)/profit on ordinary activities before taxation	(2,044,758)	1,809,594	4,164,605
Net unrealised losses/(gains) on investments	2,338,608	(1,607,124)	(2,386,239)
Net (gains)/losses on realisations of investments	(86,966)	148	(1,433,612)
Transaction costs	(30)	(148)	(75,264)
(Increase)/decrease in debtors	(27,035)	17,762	(5,060)
Increase in creditors	24,277	43,363	15,363
Net cash inflow from operating activities	204,096	263,595	279,793

The notes on pages 14 to 18 form part of these half-yearly 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 30 June 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 31 December 2007 and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies' issued by the Association of Investment Trust Companies in January 2003 and reviewed in 2005 ("the SORP").

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

b) Presentation of the Profit and Loss Account

In order to better reflect the activities of a VCT and in accordance with the SORP, supplementary information which analyses the Profit and Loss Account between items of a revenue and capital nature has been presented alongside the Profit and Loss Account. 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

Investments are recognised on a trade date basis. 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 published in 2005. 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.

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 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 earnings (the ratio used being based on a comparable listed company or sector but the resulting value being discounted to reflect points of difference by the Investment Manager compared to the sector as well as 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 assess 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 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) Premium on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

2. Capital gains and losses on investments, whether realised or unrealised, are dealt with in the capital reserve and movements in the period are shown in the Profit and Loss Account.

3. In accordance with the policy statement published under "Management and Administration" in the Company's prospectus dated 9 July 2004, the Directors have charged 75% of the investment management expenses to the capital reserve.

4. Earnings for the six months ended 30 June 2008 should not be taken as a guide to the results for the full year.

5. Income

	Six months ended 30 June 2008 £	Six months ended 30 June 2007 £	Year ended 31 December 2007 £
Income from investments			
Dividends	93,304	56,247	63,834
Money market funds	215,531	311,604	583,935
Loan stock interest	336,052	255,628	579,006
Bank deposits	4,348	1,544	4,342
Total income	649,235	625,023	1,231,117

6. Taxation

The tax charge for the period is caused by capital losses not being tax deductible, leaving taxable profits chargeable at 20.75%.

7. Earnings and return per share

The basic earnings, revenue return and capital return per share shown below for each period are respectively based on numerators i)-iii), each divided by the weighted average number of shares in issue in the period - see iv) below.

	Six months ended 30 June 2008 £	Six months ended 30 June 2007 £	Year ended 31 December 2007 £
i) Total earnings after taxation	(2,068,340)	1,780,422	4,108,775
Basis earnings per share (pence)	**(9.53)p**	**8.05p**	**18.65p**
ii) Net revenue from ordinary activities after taxation	331,785	306,813	567,323
Revenue return per share (pence)	**1.53p**	**1.39p**	**2.58p**
Net unrealised capital (losses)/gains	(2,338,608)	1,607,124	2,386,239
Net realised capital gains/(losses)	86,966	(148)	1,433,612
Capital expenses	(148,483)	(133,367)	(278,399)
iii) Capital gain/(loss)	(2,400,125)	1,473,609	3,541,452
Capital gain/(loss) per share (pence)	**(11.06)p**	**6.66p**	**16.07p**
iv) **Weighted average number of shares in issue in the period**	**21,705,974**	**22,103,821**	**22,031,665**

8. Dividends paid

	Six months ended 30 June 2008 £	Six months ended 30 June 2007 £	Year ended 31 December 2007 £
Final income dividend paid for year ended 31 December 2006 of 1.4p per share	–	309,451	309,451
Interim income dividend paid for year ended 31 December 2007 of 1.0p per share	–	–	221,036
Final income dividend paid for year ended 31 December 2007 of 1.4p per share	306,257	–	–
Final capital dividend paid for year ended 31 December 2007 of 6.4p per share	1,400,033	–	–
	1,706,290	**309,451**	**530,487**

9. Net asset value per share

	As at 30 June 2008 £	As at 30 June 2007 £	As at 31 December 2007 £
Net assets	21,281,357	23,715,873	25,727,915
Number of shares in issue	21,279,171	22,103,821	22,009,752
Net asset value per share (pence)	**100.01p**	**107.29p**	**116.89p**

10. Summary of non-current investments at fair value during the period

	Traded on AIM £	Ordinary shares £	Preference shares £	Qualifying loans £	Total £
Valuation at 1 January 2008	852,366	7,545,246	43,307	9,557,156	17,998,075
Purchases at cost	–	39,029	195	351,065	390,289
Sales – proceeds	(842,877)	–	–	(250,474)	(1,093,351)
– realised gains	86,996	–	–	–	86,996
Decrease in unrealised gains	(10,721)	(1,384,878)	(1,829)	(941,180)	(2,338,608)
Valuation at 30 June 2008	**85,764**	**6,199,397**	**41,673**	**8,716,567**	**15,043,401**
Book cost at 30 June 2008	150,106	4,038,507	45,749	9,629,548	13,863,910
Unrealised (losses)/gains at 30 June 2008	(64,342)	2,205,132	(3,078)	(745,328)	1,392,384
Permanent impairment in value of investments	–	(44,242)	(998)	(167,653)	(212,893)
Valuation at 30 June 2008	**85,764**	**6,199,397**	**41,673**	**8,716,567**	**15,043,401**
Gains on investments					
Unrealised gains/(losses) at 1 January 2008	320,147	3,590,010	(1,249)	218,622	4,127,530
Permanent impairment in value of investments	–	(44,242)	(998)	(167,653)	(212,893)
Realised gains from the prior period	(373,768)	–	–	(22,770)	(396,538)
Net movement in unrealised appreciation in the period	(10,721)	(1,384,878)	(1,829)	(941,180)	(2,338,608)
Unrealised gains/(losses) on investments at 30 June 2008	**(64,342)**	**2,160,890**	**(4,076)**	**(912,981)**	**1,179,491**

11. Current investments at fair value

These comprise investments in seven Dublin based OEIC money market funds managed by Royal Bank of Scotland, Blackrock Investment Management, Goldman Sachs, Insight Investment Management, Barclays Global Investors, Scottish Widows Investment Management and Fidelity Investment Management.

£6,372,366 (30 June 2007: £10,101,315; 31 December 2007: £7,744,215) of this sum is subject to same day access, whilst £3,491 (30 June 2007: £1,696,093; 31 December 2007: £3,393) is subject to 2 day access.

12. Capital and reserves

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Special distributable reserve £	Profit and loss account £	Total £
At 1 January 2008	220,097	1,341	4,127,530	19,561,655	1,817,292	25,727,915
Shares bought back	(7,306)	7,306	–	(671,928)	–	(671,928)
Written off to special reserve	–	–	–	(148,483)	148,483	–
Realisation of previously unrealised depreciation	–	–	(396,538)	–	396,538	–
Dividend – final for year ended 31 December 2007	–	–	–	–	(1,706,290)	(1,706,290)
Profit/(loss) for the period	–	–	(2,338,608)	–	270,268	(2,068,340)
At 30 June 2008	212,791	8,647	1,392,384	18,741,244	926,291	21,281,357

13. Related party transactions

Bridget Guérin is a director and shareholder (2.0%) of Matrix Group Limited, which owns 100% of the equity of MPE Partners Limited. MPE Partners Limited has a 50% interest in Matrix Private Equity Partners LLP ("MPEP"), the Company's Investment Manager. Bridget Guérin is also a director of Matrix-Securities Limited who provided Company Secretarial and Accountancy Services to the Company under agreements dated 9 July 2004 for a fee of £43,157 (30 June 2007: £41,158; 31 December 2007: £85,031) in the period. The agreements with MPEP and with Matrix-Securities Limited became effective from 5 October 2004.

14. The information for the year ended 31 December 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 31 December 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.

15. This Half-yearly Report will shortly be made available on our website: www.migvct.co.uk and will be circulated by post to those shareholders who have requested to receive copies of the report. Further copies are available free of charge from the Company's registered office, One Vine Street, London W1J 0AH.

Shareholder Information

Shareholders wishing to follow the Company's progress can visit the Company's website at www.migvct.co.uk which contains publicly available information or links to information about our largest investments, the latest NAV and the share price. The London Stock Exchange's website at www.londonstockexchange.com/en-gb/pricesnews provides up to the minute details of the share price and latest NAV announcements, etc. A number of commentators such as TrustNet at www.trustnet.com and Allenbridge at www.taxshelterreport.co.uk provide comparative performance figures for the VCT sector as a whole. The share price is also quoted in the Financial Times.

The Company circulates a biannual newsletter to Shareholders in the quarters in which it does not publish Annual or half-yearly accounts. The next edition will be distributed in December 2008. The Board intends to announce the Company's preliminary results in respect of the year ending 31 December 2008 at the beginning of March 2009 and the Annual Report will be made available on the Company's website: www.migvct.co.uk and circulated by post to those Shareholders who have requested to receive hard copies of the Report later that month.

Net asset value per share

The Company's NAV per share as at 30 June 2008 was 100.01 pence. The Company announces its unaudited NAV on a quarterly basis.

Dividend

The Directors have declared an interim income dividend of 1 penny per share, and an interim capital dividend of 2.3 pence per share, both of which will be paid on 11 September 2008 to Shareholders on the Register on 15 August 2008.

Shareholders who wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrars, Computershare Investor Services PLC at the address below.

Shareholder enquires:

For information on your holding, to notify the Company of a change of address or to request a dividend mandate form please contact the Company's Registrars, Computershare Investor Services PLC, on 0870 702 0010 or write to them at PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH or, should you prefer, visit their website at www-uk.computershare.com.

Corporate Information

Directors
Keith Niven (Chairman)
Bridget Guérin
Christopher Moore
Tom Sooke

All of whom are non-executive and of:
One Vine Street
London W1J 0AH

Secretary and administrator
Matrix-Securities Limited
One Vine Street
London W1J 0AH

Investment Manager
Matrix Private Equity Partners LLP
One Vine Street
London W1J 0AH

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

VCT Tax Adviser
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Receiving Agent
Matrix Registrars Limited
One Vine Street
London W1J 0AH

Solicitors
CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London EC1A 4DD

Promoter
Matrix-Securities Limited
One Vine Street
London W1J 0AH

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

Sponsor and Stockbroker
Landsbanki Securities (UK) Limited
Beaufort House
15 St Botolph Street
London EC3A 7QR

Registrar
Computershare Investor Services PLC
Corporate Actions
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH

Company No : 5153931

Email: info@matrixpep.co.uk
Website: www.migvct.co.uk