

Summary Annual Report and Accounts

for the year ended 30 September 2010

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THE INCOME & GROWTH VCT PLC

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# Investment Objective

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

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

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### Summary Annual Report

This Summary Annual Report has been prepared voluntarily by the Directors in accordance with the relevant requirements of section 428 of the Companies Act 2006 (“the 2006 Act”). It does not contain sufficient information to allow a full understanding of the results and state of affairs of the Company and of the policies and arrangements in respect of Directors’ remuneration. For further information, the full Annual Financial Statements, the Auditors’ Report on those financial statements and the Directors’ Report should be consulted. A copy of the Annual Report, which may be obtained free of charge from the Company Secretary will be delivered to the Registrar of Companies after the Annual General Meeting. Shareholders wishing to receive the full Annual Report in future years may elect to do so by sending notice to the Company Secretary. This Summary Annual Report contains additional information derived from the Directors’ Report. It does not however contain the full text of that Report. PKF (UK) LLP have reported on the Company’s statutory accounts for the year ended 30 September 2010. This report was unqualified and contained no statement under section 498 (2) and (3) of the 2006 Act. A pdf of the full Report is available on the Company’s web page: [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk)

# Financial Highlights

The net assets of the 'O' and 'S' Share Funds were merged to form one share class of Ordinary Shares on 29 March 2010. At that date, the net assets of the merged VCT were £35.7 million, which have increased to £36.6 million at 30 September 2010.

The highlights during the year have been:-

-  Strong liquidity has been maintained in the context of continuing market volatility
-  Prior to the merger, dividends of 2p per 'O' Share and 0.5p per 'S' Share were paid on 17 March 2010. The Board has declared an interim capital dividend of 2 pence per share, and a final capital dividend of 2 pence per share will be recommended to shareholders at the AGM. These payments will bring cumulative dividends paid to date to 4.5 pence per share
-  Decrease of 7.4% in share price total return to Shareholders (formerly 'S' Shares)
-  Increase of 6.8% in net asset value (NAV) total return to Shareholders (formerly 'S' Shares)
-  Increase of 6.0% in NAV total return to former 'O' Share Fund shareholders

## Performance Summary

**The net asset value per share of the single class of Ordinary Shares existing after the merger is 99.0 pence at 30 September 2010.**

The merger was effected by converting the relevant 'O' Fund Shares into 'S' Fund Shares using a conversion ratio of 0.758. All the issued and unissued 'S' Fund Shares were subsequently redesignated as Ordinary Shares on a 1 for 1 basis.

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

	Net assets (£m)	NAV per Share (p)	Cumulative dividends paid per share (p)	NAV total return to shareholders since launch per Share (p)	Share price (p) <sup>2</sup>	Share price total return to shareholders (p)
<b>Ordinary Share Fund (called the 'S' Share Fund up until 29 March 2010)</b>						
As at 30 September 2010 <sup>1</sup>	36.6	99.0	0.5	99.5	87.0	87.5
As at 30 September 2009	11.0	93.2	0.0	93.2	94.5	94.5
As at 30 September 2008	11.2	94.6	0.0	94.6	100.0	100.0
At close of Offer for subscription	11.2	94.5	0.0	94.5	100.0	100.0

**Former 'O' Shares** – ordinary shares of 1p raised during the 2000/01 tax year and admitted to trading on 15 November 2000.

**Former 'S' Shares** – S ordinary shares of 1p raised during the 2007/08 tax year and admitted to trading on 8 February 2008.

	Net assets (£m)	NAV per Share (p)	Cumulative dividends paid per share (p)	NAV total return to shareholders since launch per Share (p)	Share price (p) <sup>2</sup>	Share price total return to shareholders (p)
<b>Former 'O' Share Fund</b>						
As at 30 September 2010 <sup>1</sup>	–	75.0	22.5	97.5	–	–
As at 30 September 2009	24.9	71.5	20.5	92.0	54.8	75.2
As at 30 September 2008	29.6	83.6	16.5	100.0	79.5	96.0

<sup>1</sup> The data at 30 September 2010 shows the return on an initial subscription price of 100p at the date of inception of each Fund taken from the table below divided by £10,000.

<sup>2</sup> Source: London Stock Exchange

### Return before and after tax relief

The tables below show the NAV total returns at 30 September 2010 for a shareholder in each original class that invested £10,000 at £1 a share at each Fund's inception.

#### Before benefit of initial income tax relief

Fund	Original investment (10,000 shares at £1 each) (£)	Number of shares held post-merger	NAV at 30 September 2010 (£)	Dividends paid to shareholders since subscription (£)	NAV total return to shareholders since subscription (£)	Profit/(loss) before income tax relief <sup>1</sup> (£)
Ordinary Share Fund 2007/08 <sup>2</sup>	10,000	10,000	9,900	50	9,950	(50)
Former 'O' Share Fund 2000/2001	10,000	7,578	7,502	2,245	9,747	(253)

<sup>1</sup> NAV total return minus initial investment cost (before applicable income tax relief)

<sup>2</sup> Formerly 'S' Share Fund

#### After benefit of initial income tax relief

Fund	Original investment (10,000 shares at £1 each) (£)	Number of shares held post-merger	Rate of income tax relief %	Cost net of income tax relief (£)	NAV at 30 September 2010 (£)	Dividends paid to shareholders since subscription (£)	NAV total return to shareholders since subscription (£)	Profit/(loss) after income tax relief <sup>2</sup> (£)
Ordinary Share Fund 2007/08 <sup>3</sup>	10,000	10,000	30%	7,000	9,900	50	9,950	2,950
Former 'O' Share Fund 2000/2001	10,000	7,578	20% <sup>1</sup>	8,000	7,502	2,245	9,747	1,747

<sup>1</sup> Additional capital gains tax deferral relief of up to £4,000 available to qualifying shareholders

<sup>2</sup> NAV total return minus cost net of income tax relief

<sup>3</sup> Formerly 'S' Share Fund

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# Financial Highlights

## Discount

The Board's current intention is to continue with its existing buy-back policy with the objective of maintaining the discount to NAV at which the Shares trade at 10% or less. The current discount for the Company's shares is 9.6%. The discount has therefore narrowed considerably from 21.4% on 31 March 2010 following the merger.

## Dividend history

In respect of year ended	Dividends paid in each year since launch		
	Payment date	Former 'O' Shares (p) per share	Former 'S' Shares (p) per share
30 September 2001	18 February 2002	1.20 pence	–
30 September 2002	12 February 2003	1.75 pence	–
30 September 2003	11 February 2004	1.25 pence	–
30 September 2004	04 February 2005	1.25 pence	–
30 September 2005	14 February 2006	0.75 pence	–
30 September 2006	14 February 2006	2.50 pence	–
30 September 2006	15 February 2007	0.75 pence	–
30 September 2007	15 February 2007	3.00 pence	–
30 September 2007	24 October 2007	2.00 pence	–
30 September 2007	15 February 2008	2.00 pence	–
30 September 2008	16 February 2009	4.00 pence	–
30 September 2009	17 March 2010	2.00 pence	0.5 pence
<b>Cumulative dividends paid prior to the merger</b>		<b>22.45 pence</b>	<b>0.5 pence</b>

Dividends paid include distributions from both income and capital.

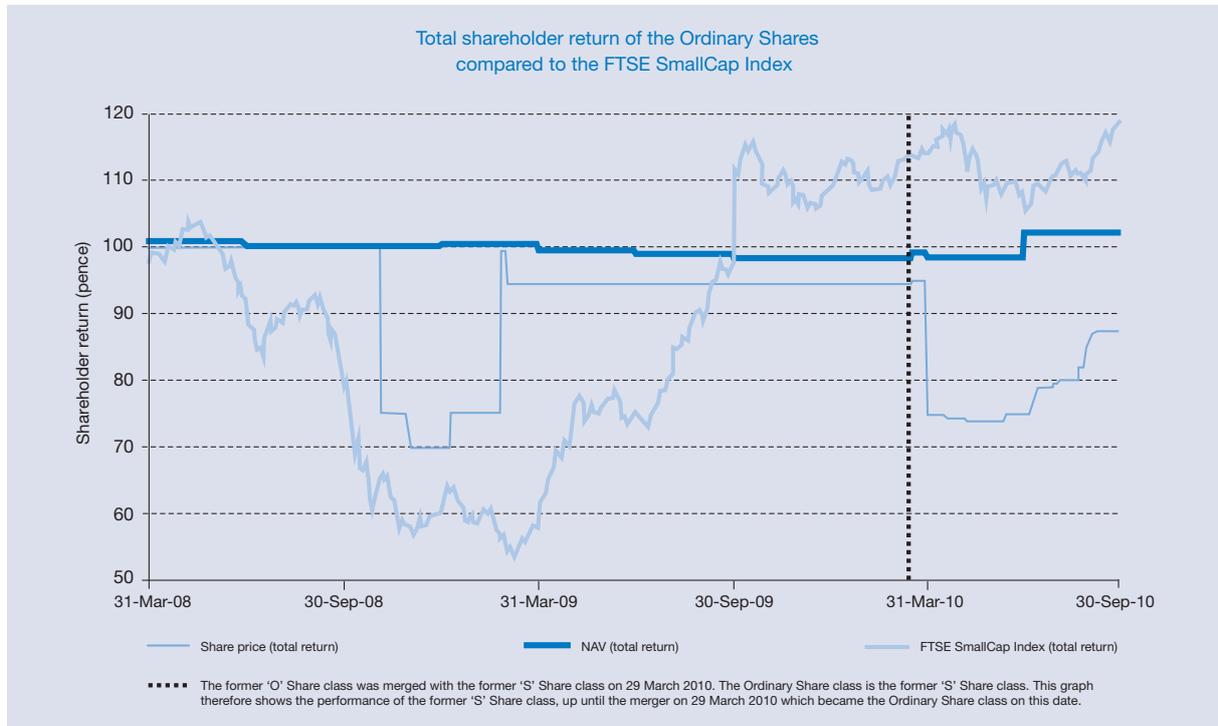
## Dividends proposed

The Directors have declared an interim capital dividend of 2.00 pence per share for the year ended 30 September 2010 to be paid to Shareholders on the Register on 28 January 2011, on 22 February 2011.

A final capital dividend of 2 pence per share will be recommended to Shareholders at the Annual General Meeting of the Company to be held on 16 February 2011 to be paid to Shareholders on the Register on 4 March 2011, on 28 March 2011.

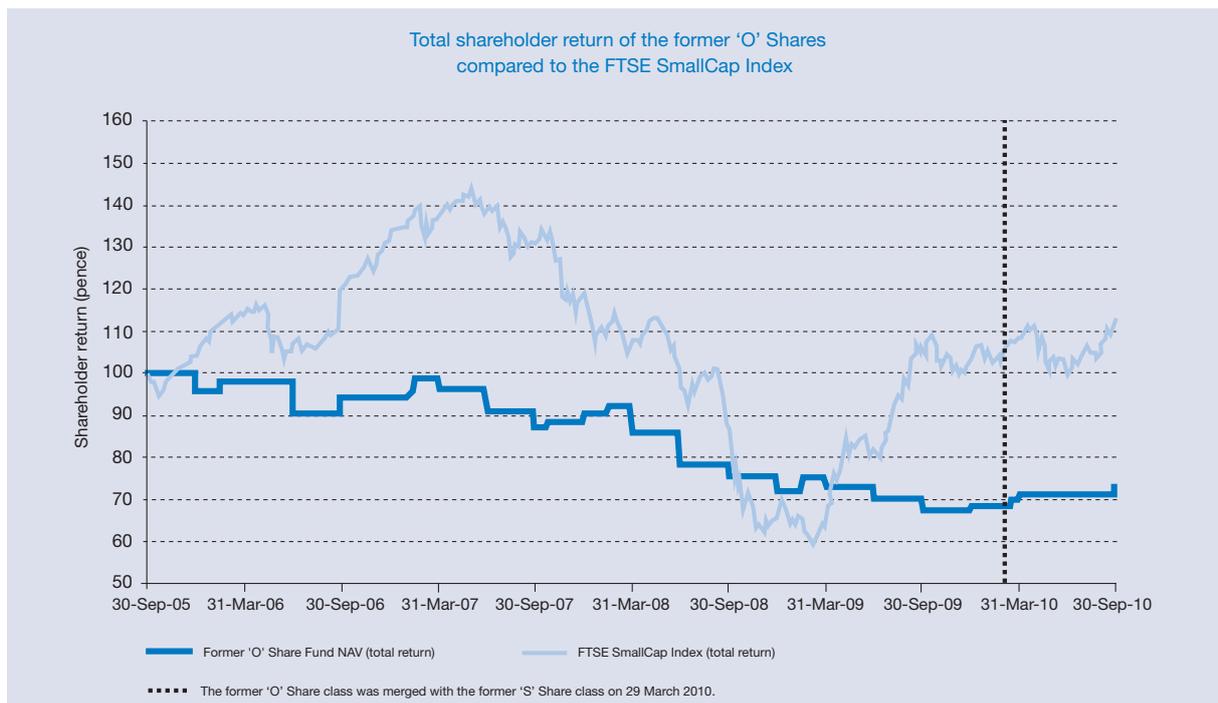
## Performance graphs

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



Source: Matrix Corporate Capital LLP

The graph below has also been included to illustrate the performance of the former 'O' Shares over the past five years based on NAV per share and the total return figures have been rebased to 100 at 1 October 2005.



Source: Matrix Corporate Capital LLP

Note: The share price and net asset value (NAV) total return comprise the share price and NAV respectively per share assuming the dividends paid were re-invested on the date on which the shares were quoted ex-dividend in respect of each dividend.

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# Chairman's Statement

I am pleased to present to Shareholders the Summary Annual Report of the Company for the year ended 30 September 2010.

The last year has been dominated by the continuing problems in the global economy. Earlier in the year in the UK, the economic problems were overshadowed by the uncertainty surrounding the outcome of the General Election and, more recently, by the widely debated public sector spending cuts. There were signs earlier in 2010 that confidence may have been returning but more recently there has been renewed volatility and uncertainty, particularly as a result of the Irish and Greek debt problems.

## Merger of the 'O' and 'S' Share classes

In my recent Half-Year Report, I reported that the Company had successfully achieved a simpler single share class structure earlier in the year. All the Resolutions which were proposed at the Extraordinary General Meeting of the Company held on 26 March 2010 and at the separate class meetings held on 29 March 2010 were duly passed.

The former 'O' and 'S' Share classes of the Company were merged following Shareholder approval. The ratio used for the conversion of former 'O' Shares into new Ordinary Shares was 0.758. Former 'S' Shares were converted into Ordinary Shares on a 1 for 1 basis. Shareholders were issued with new share certificates on 5 April 2010.

## Performance

As at 30 September 2010 the Company's NAV per Ordinary Share was 99.0 pence (30 September 2009: 93.2 pence). Adjusted for dividends paid to Shareholders during the year this represents an increase of 6.8% (7.8% in respect of the former 'O' Share Fund) over the twelve month period. This compares with a increase of 3.7% in the FTSE SmallCap Index and a rise of 21.0% in the FTSE AIM All-Share Index, both on a capital return basis.

This result is a combination of increased value in some of the portfolio companies, together with some recovery, highlighting the tendency for unquoted asset portfolios to lag the trends seen in the main quoted indices.

Cumulative dividends paid to date amount to 22.45 pence per former 'O' Share and 0.5 pence per former 'S' Share.

## The portfolio

During the twelve months under review sector price earnings multiples in those areas of the quoted market (by reference to which unquoted investments are frequently valued) in which the Company is invested, have varied sharply. By way of example, whilst the Personal Goods sector has seen a 104% increase over this period the Construction & Materials and Food Producers sectors have fallen sharply by 32% and 37% respectively.

Overall, the portfolio showed a net increase of £3.0 million over the year. The significant contributors to this increase

were Amaldis, Digico, Iglu, Camwood, Westway, British International, Monsal and ATG Media.

The MPEP invested portfolio at 30 September 2010 comprised 31 investments with a total cost of £19.9 million and valued at £22.9 million representing an uplift of 14.5% on cost at the year-end. Realisations during the year generated total gross disposal proceeds of some £1.3 million.

Two new investments were completed in December 2009 both of which have been trading strongly since investment. The first investment was C B Imports Group, an importer and distributor of artificial flowers, floral sundries and home décor products, trading under the name of Country Baskets. The Company invested £1 million into this company. The second new investment was into Iglu.com Holidays, the UK's largest specialist ski holiday and fast growing cruise holiday travel agent. The Company invested £1 million to support the MBO and recapitalisation of this Wimbledon based company. Iglu.com has made a strong start and is trading currently ahead of plan.

Following the year-end, the VCT has made two new investments and made a commitment to invest in a third company.

In the first of these, the Company used its investment of £1 million in the investment vehicle, Aust, to support the MBO of RDL Recruitment Corporation a European recruitment provider within the pharmaceutical, business intelligence and IT sectors. The VCT's total investment in this company, which has since changed its name to Aust Recruitment Group Limited, now stands at £1.4 million.

Secondly, the VCT invested £487,744 to support the MBO of Faversham House Group Limited, an established, family-owned media company providing magazines, exhibitions and online resources in the environment and sustainability, visual communications and building services sectors.

The VCT has also made a commitment to invest £280,000 into the AIM listed company Omega Diagnostics Group Plc, which provides high quality in-vitro diagnostics products for use in hospitals, blood banks, clinics and laboratories in over 100 countries and specialises in the areas of food intolerance, autoimmune disease and infectious disease.

It is a measure of the success of the Manager's efforts that the portfolio has required only £514,314 of additional funding despite the challenges that investee companies have faced. In November 2009, the Company participated in a follow-on investment into British International Holdings (BIH) investing £90,909 to provide additional working capital. BIH has enjoyed improved trading during 2010 with particularly good revenue from oil and gas support work in the Falklands Islands. The Company also made an additional loan stock and equity investment totalling £421,688 into HWA Group in January 2010. The investment was made as part of a re-financing and Rights Issue to provide additional working capital. However, since

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investment, the company continues to contend with deteriorating conditions in its sector with little sign of an upturn. A small additional investment of £1,717 was also made into Monsal as part of a re-financing round by a new third party investor.

In November 2009 the Company sold its investment in PastaKing Holdings for gross proceeds of £793,853. This realisation contributed to total proceeds over the life of this investment of £955,042, representing a 3.27x return on the original investment cost of £292,405. The Company's investment in Stortext FM was sold to Box-it Storage Group Limited in February 2010 for £2,562. This had carried a nil valuation prior to sale.

A number of other investee companies have also been trading strongly and a total of £372,724 has been returned to the Company during the year under review in partial loan stock repayments. DiGiCo Europe returned a total of £188,502 in loan stock repayments plus a premium of £14,037; Westway repaid a total of £137,064 of loan stock plus a premium of £34,575 during the year and Monsal repaid £47,158 in July as part of the closing of a second investment round.

Since the year-end, Westway has repaid part of its loan stock realising £99,681 proceeds, of which £31,148 was premium and ATG Media has made a partial repayment of £111,111.

The ex Foresight portfolio continues in the main to find these economic trading conditions difficult and is currently showing a valuation deficit of some £5.8m as against cost. The exception to this is Camwood which is currently trading strongly and is valued at some £1.15m above cost.

## Cash available for investment

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

Cash and liquidity fund balances as at 30 September 2010 amounted to £8,815,109. In addition, a further £7 million has been invested into a series of acquisition vehicles pending further investment. (This figure was reduced to £6 million after the year-end following the Company's investment in Aust Recruitment Group as outlined on page 5)

## Revenue account

The Revenue account has become negative this year, falling from a return last year of £193,683 to a loss of £50,860 this year, for several exceptional reasons. However, for the future, there are some encouraging trends.

The Company suffered falls in income from liquid deposits of £218,465 due mainly to particularly low levels of interest rates. Other expenses increased by £77,592, due to two non-recurring factors: first, they include the costs of merging the two funds although the completion of the merger is already starting to yield the benefits of greater simplicity and administrative efficiencies. Secondly, trail commission expenses have increased by a one-off item, estimated at £36,000, by bringing forward recognition of the full year liability this year. The new management agreement has also caused a re-allocation of some costs previously treated as administrative to investment management expenses.

Dividends received have remained broadly constant at £200,605, when compared to last year's total of £199,022. Loan stock interest has increased by £42,266 to £442,132.

Finally, some further VAT income has been received, as previous managers completed their recovery of VAT from HM Revenue and Customs. No more income is now anticipated from this source.

## Dividend

An interim capital dividend in respect of the year ended 30 September 2010 of 2 pence per Ordinary Share was announced on 4 November 2010. The dividend will be paid, to Shareholders on the Register on 28 January 2011, on 22 February 2011.

A final capital dividend of 2 pence per Ordinary Share will be recommended to Shareholders at the Annual General Meeting of the Company to be held on 16 February 2011 for payment to Shareholders on the register on 4 March 2011, on 28 March 2011.

The Company's Dividend Investment Scheme will apply to both of these dividends and elections under the Scheme should be received by the Scheme Administrator, Capita Registrars, by no later than Monday, 7 February 2011 in the case of the interim dividend and Monday, 14 March 2011 in the case of the final dividend.

## Share buy-backs

During the year ended 30 September 2010, and prior to the merger of the 'O' and 'S' Shares on 29 March 2010 ("the Merger"), the Company bought back 369,937 (year to 30 September 2009: 754,444) 'O' Shares (representing 1.1% (year to 30 September 2009: 2.1%) of the 'O' Shares in issue at the beginning of the year) at a cost of £175,456 (year to 30 September 2009: £353,751). No 'S' Shares were purchased during this period.

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# Chairman's Statement

Following the Merger, the Company bought back 1,037,821 new Ordinary Shares (representing 2.7% of the new Ordinary Shares in issue on the date of the merger) at a cost of £790,660.

The Board regularly reviews its buyback policy and, given the less volatile outlook for the valuation of the portfolio, has undertaken to reduce the discount to NAV at which the Company's shares trade. At 16 December, the mid-market price for the Company's Shares was 89.5 pence, representing a discount of 9.6% to the NAV prevailing at 30 September 2010.

## Fundraising

You will have seen recently that the Company is participating in a linked fundraising with Matrix Income & Growth VCT plc and Matrix Income & Growth 4 VCT plc which was launched on 12 November 2010. The funds raised will bolster the Company's strong cash position to capitalise on new investment opportunities and spread our fixed running costs over a larger asset base. Details of the Offer have already been posted to Shareholders.

## The Board

As advised in the previous report, the new provisions of the listing rules with regard to the independence of directors came into effect for VCTs just before the year-end. As a result, Christopher Moore resigned as a Director of the Company and as Chairman of the Audit Committee at the end of September 2010. I would like to thank Christopher for his invaluable advice and support throughout his period as a Director and for his leadership and guidance as Chairman of the Audit Committee.

I am delighted to report that on 1 August 2010, Jonathan Cartwright was appointed to the Board and took over the role of Chairman of the Audit Committee on 24 September 2010. Jonathan qualified as a Chartered Accountant. He has significant experience of the investment trust sector and of serving on the boards of both public and private companies in executive and non-executive roles. Jonathan joined Caledonia Investments plc in 1989, serving as Finance Director from 1991 to December 2009 and Group Financial Controller at Hanson plc from 1984 to 1989. He was a non-executive Director of Bristow Group Inc. from 1996 to 2009 and has been a non-executive director of Serica Energy plc from 2008 to date. Jonathan has served on the Self-Managed Investment Trust Committee of the Association of Investment Companies (to December 2009).

## Outlook

The Chairman of the US Federal Reserve recently delivered a bleak prognosis for the US economy, firming up the likelihood of a further round of quantitative easing to battle economic slowdown and rising unemployment and to head off the risk of a downward spiral in prices. Within the Eurozone, the continuing question marks related to the Irish, Greek and other sovereign debt problems have merely added to the financial uncertainty.

With the UK economy expected to slow over the winter, many observers still fear a double-dip recession. Economists are suggesting that the Bank of England will have to act to avoid such an event. The prospect of another round of gilt purchases has driven government debt yields sharply lower over the last month. What is certainly clear is that the stewardship of the nation's finances by the previous government means that putting the UK economy back on a sound basis will be a painful, and probably long, exercise as evidenced by the Chancellor's recent announcement of public sector spending cuts.

Although this Fund invests in profitable companies, smaller companies generally will be challenged by the anticipated testing economic environment over the coming winter. On the other hand, it is very encouraging to be able to report that the majority of companies in the portfolio continue to trade profitably and a number are reporting results ahead of budget.

The Company continues to retain a significant cash position, having correctly limited investment during the downturn. Moreover, the present Fundraising Offer, which I have referred to above, will strengthen this position further. The unquoted sector is beginning to see a return to more active levels, and the Board and Manager expect that a number of attractive investment opportunities will be identified in the near term.

In summary, your Board is encouraged greatly by the portfolio showing resilience and promise in spite of these difficult economic conditions.

## I&G website

May I remind you that the Company has its own website which is available at

[www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk).

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

## Colin Hook

Chairman

16 December 2010

## Ten Largest Investments\*

### Camwood Limited

Cost: £1,028,181  
 Valuation: £2,182,692  
 Basis of valuation: Earnings multiple  
 Equity % held: 31.6% (fully diluted)  
 Business: Provider of software packaging services  
 Location: London  
 History: Development capital  
 Income in year to I&G: £46,667



www.camwood.com

Audited financial information:

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

### Amaldis (2008) Limited (Original Additions)

Cost: £80,313  
 Valuation: £1,965,586  
 Basis of valuation: Earnings multiple  
 Equity % held: 9.2%  
 Business: Manufacturer and distributor of beauty products  
 Location: Hayes, Middlesex  
 History: Management buy-out  
 Income in year to I&G: £Nil



www.originaladditions.com

Audited financial information:

Year ended	Turnover	Operating profit	Net assets
30 April 2010	£24,164,000	£3,118,000	£1,086,000

### Iglu.com Holidays Limited

Cost: £1,000,001  
 Valuation: £1,616,116  
 Basis of valuation: Earnings multiple  
 Equity % held: 8.1%  
 Business: On-line ski and cruise travel agency  
 Location: London  
 History: Management buy-out  
 Income in year to I&G: £53,322



www.iglu.com

Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 May 2010*	£56,617,000	£974,000	£5,151,000

\* Accounts are for the operating subsidiary Iglu.com Limited

### Image Source Group Limited

Cost: £305,000  
 Valuation: £1,399,114  
 Basis of valuation: Earnings multiple  
 Equity % held: 39.6% (fully diluted)  
 Business: Royalty-free picture library  
 Location: London  
 History: Management buy-out  
 Income in year to I&G: £Nil



www.imagesource.com

Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 December 2009	£7,174,000	£406,000	£2,601,000

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

\* Excluding the seven acquisition vehicles in which the Company was invested at the year-end.

# Ten Largest Investments

## ATG Media Holdings Limited

Cost:	£1,000,000
Valuation:	£1,377,208
Basis of valuation:	Earnings multiple
Equity % held:	8.5%
Business:	Publisher and on-line auction platform operator
Location:	London
History:	Management buy-out
Income in year to I&G:	£53,190



[www.antiquestradegazette.com](http://www.antiquestradegazette.com)

### Audited financial information:

Year ended	Turnover	Operating profit	Net assets
30 September 2009	£6,118,000	£873,000	£2,010,000

## DiGiCo Europe Limited

Cost:	£325,594
Valuation:	£1,201,553
Basis of valuation:	Earnings multiple
Equity % held:	4.3%
Business:	Designer and manufacturer of digital audio mixing desks
Location:	Chessington, Surrey
History:	Management buy-out
Income in year to I&G:	£56,311



[www.digico.org](http://www.digico.org)

### Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 December 2009	£12,922,000	£3,026,000	£5,660,000

## CB Imports Group Limited (Country Baskets) (formerly Calisamo Management Limited)

Cost:	£1,000,000
Valuation:	£1,199,310
Basis of valuation:	Earnings multiple
Equity % held:	6.0%
Business:	Importer and distributor of artificial flowers, floral sundries and home décor products
Location:	East Ardsley, West Yorkshire
History:	Management buy-out
Income in year to I&G:	£58,013



CB Imports plc

[www.countrybaskets.co.uk](http://www.countrybaskets.co.uk)

### Unaudited financial information:

Year ended	Turnover	Operating profit	Net assets
31 December 2009*	£19,755,000	£2,437,000	£8,358,000

\* Accounts are for the operating subsidiary CB Imports Limited

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

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### IDOX plc

Cost: £872,625  
Valuation: £939,167  
Basis of valuation: Bid price (AiM-quoted)  
Equity % held: 2.4%  
Business: Developer and supplier of knowledge management products and services  
Location: London  
History: AiM flotation  
Income in year to I&G: £17,967



[www.idoxplc.com](http://www.idoxplc.com)

Audited financial information:

Year ended	Turnover	Operating profit	Net assets	Earnings per share
31 October 2009	£32,164,000	£6,147,000	£28,173,000	1.0p

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### Westway Services Holdings (2010) Limited (formerly MC440 Limited)

Cost: £422,122  
Valuation: £884,557  
Basis of valuation: Earnings multiple  
Equity % held: 4.7%  
Business: Installation, service and maintenance of air conditioning systems  
Location: Greenford, Middlesex  
History: Management buy-out  
Income in year to I&G: £44,176



[www.westwaycooling.com](http://www.westwaycooling.com)

Audited financial information:

Period ended	Turnover	Operating profit	Net assets
28 February 2010*	£17,369,000	£2,793,000	£4,401,000

\* Accounts are for the operating subsidiary Westway Services Limited

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### Tikit Group plc

Cost: £500,000  
Valuation: £839,129  
Basis of valuation: Bid price (AiM-quoted)  
Equity % held: 3.0%  
Business: Supplier of IT solutions and support services to the legal and accounting industries  
Location: London  
History: AiM flotation  
Income in year to I&G: £26,522



[www.tikit.com](http://www.tikit.com)

Audited financial information:

Year ended	Turnover	Operating profit	Net assets	Earnings per share
31 December 2009	£25,196,000	£3,018,000	£15,183,000	12.6p

Further details of the investments in the portfolio may be found on MPEP's website: [www.matrixpep.co.uk](http://www.matrixpep.co.uk)

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

# Investment Portfolio Summary

as at 30 September 2010

	Total Cost at 30-Sep-10 £	Total Valuation at 30-Sep-09 £	Additional investments £	Total Valuation at 30-Sep-10 £	% of <sup>1</sup> equity held £	% of portfolio by value
<b>Camwood Limited<sup>2</sup></b> Provider of software repackaging services	1,028,181	1,013,233	–	2,182,692	31.6%	7.76%
<b>Amaldis (2008) Limited (Original Additions)</b> Manufacturer and distributor of beauty products	80,313	1,586,734	–	1,965,586	9.2%	6.99%
<b>Iglu.com Holidays Limited</b> Online ski retailer and cruise travel agency	1,000,001	–	1,000,001	1,616,116	8.1%	5.75%
<b>Image Source Group Limited</b> Royalty free picture library	305,000	2,259,232	–	1,399,114	44.0%	4.98%
<b>ATG Media Holdings Limited</b> Publisher and online auction platform operator	1,000,000	1,000,000	–	1,377,208	8.5%	4.90%
<b>DiGiCo Europe Limited</b> Designer and manufacturer of digital audio mixing desks	325,594	1,131,870	–	1,201,553	4.3%	4.26%
<b>CB Imports Group Limited (Country Baskets)</b> Importer and distributor of artificial flowers, floral sundries and home décor products	1,000,000	1,000,000	–	1,199,310	6.0%	4.26%
<b>Apricot Trading Limited</b> Company seeking to acquire businesses in the marketing services and media sector	1,000,000	1,000,000	–	1,000,000	24.5%	3.56%
<b>Aust Recruitment Group Limited (formerly Aust Construction Investors Limited)</b> Recruitment provider within the pharmaceutical, business intelligence and IT sectors	1,000,000	1,000,000	–	1,000,000	16.3%	3.56%
<b>Backbarrow Limited</b> Company seeking to acquire businesses in the food manufacturing, distribution and brand management sectors	1,000,000	–	1,000,000	1,000,000	16.7%	3.56%
<b>Bladon Castle Management Limited</b> Company seeking to acquire businesses in the brand management, consumer products and retail sectors	1,000,000	–	1,000,000	1,000,000	16.7%	3.56%
<b>Fullfield Limited</b> Company seeking to acquire businesses in the food manufacturing, distribution and brand management sectors	1,000,000	–	1,000,000	1,000,000	16.7%	3.56%
<b>Rusland Management Limited</b> Company seeking to acquire businesses in the brand management, consumer products and retail sectors	1,000,000	–	1,000,000	1,000,000	24.5%	3.56%
<b>Torvar Limited</b> Company seeking to acquire businesses in the database management, mapping, data mapping and management services sectors	1,000,000	–	1,000,000	1,000,000	24.5%	3.56%
<b>I-Dox plc<sup>4</sup></b> Developer and supplier of knowledge management products	872,625	796,250	–	939,167	2.4%	3.34%
<b>Westway Services Holdings (2010) Limited</b> (formerly MC 440 Limited) Installation, service and maintenance of air conditioning systems	422,122	559,186	–	884,557	4.7%	3.15%
<b>Tikit Group plc<sup>4</sup></b> Supplier of IT solutions and support services to the legal and accounting industries	500,000	595,651	–	839,129	3.0%	2.98%
<b>British International Holdings Limited</b> Helicopter service operator	590,909	359,765	90,909	796,381	5.0%	2.83%
<b>VSI Limited</b> Provider of software for CAD and CAM vendors	245,596	794,146	–	777,937	10.0%	2.77%
<b>Monsal Holdings Limited</b> Supplier of engineering services to the water and waste sectors	426,164	353,704	1,717	768,505	5.6% <sup>1</sup>	2.73%

	Total Cost at 30-Sep-10 £	Total Valuation at 30-Sep-09 £	Additional investments £	Total Valuation at 30-Sep-10 £	% of <sup>1</sup> equity held £	% of portfolio by value
<b>Focus Pharma Holdings Limited</b> Licensor and distributor of generic pharmaceuticals	516,900	525,858	–	707,569	2.1%	2.52%
<b>Youngman Group Limited</b> Manufacturer of ladders and access towers	1,000,052	700,992	–	700,992	8.5%	2.49%
<b>Duncary 8 Limited</b> (formerly B G Consulting Group Limited/ Duncary 4 Limited) Technical training business	634,923	115,027	–	683,746	25.5%	2.43%
<b>Brookerpaks Limited</b> Importer and distributor of garlic and vacuum- packed vegetables	55,000	324,447	–	498,095	18.2% <sup>1</sup>	1.77%
<b>Aquasium Technology Limited<sup>2</sup></b> Manufacturing and marketing of bespoke electron beam welding and vacuum furnace equipment	700,000	564,739	–	396,581	16.7%	1.41%
<b>Vectair Holdings Limited</b> Designer and distributor of washroom products	215,914	375,136	–	366,575	4.6%	1.30%
<b>Racoon International Holdings Limited</b> Supplier of hair extensions, hair care products and training	550,852	79,496	–	243,664	7.7%	0.87%
<b>Blaze Signs Holdings Limited</b> Manufacturer and installer of signs	1,338,500	132,589	–	242,090	12.5%	0.86%
<b>Biomer Technology Limited<sup>3</sup></b> Developer of biomaterials for medical devices	137,170	226,585	–	226,152	4.4%	0.80%
<b>Letraset Limited</b> Manufacturer and worldwide distributor of graphic art products	650,000	0	–	213,859	5.0%	0.76%
<b>DCG Group Limited<sup>2</sup></b> Design, supply and integration of data storage solutions	257,096	262,861	–	181,771	11.3%	0.65%
<b>NexxtDrive Limited<sup>3</sup></b> Developer and exploiter of mechanical transmission technologies	812,014	203,004	–	162,500	7.1%	0.58%
<b>ANT plc<sup>2</sup></b> Provider of embedded browser/email software for consumer electronics and internet appliances	462,816	275,770	–	160,866	2.7%	0.57%
<b>Campden Media Limited</b> Magazine publisher and conference organiser	334,880	44,438	–	125,921	3.6%	0.45%
<b>Sarantel plc<sup>2</sup></b> Developer and manufacturer of antennae for mobile phones and other wireless devices	1,881,251	153,175	–	102,117	2.3%	0.36%
<b>The Plastic Surgeon Holdings Limited</b> Supplier of snagging and finishing services to the property sector	406,082	101,521	–	101,521	6.1%	0.36%
<b>Alaric Systems Limited<sup>2</sup></b> Software developer and provider of support services for retail credit card payment systems	595,803	30,647	–	30,647	6.9%	0.11%
<b>Corero plc<sup>2</sup></b> Provider of e-business technologies	600,000	34,381	–	24,558	0.3%	0.09%
<b>Oxonica plc<sup>2</sup></b> Leading international nanomaterials group	2,524,527	0	–	0	10.6%	0.00%
<b>Legion Group plc</b> Provider of manned guarding, mobile patrols and alarm response services	150,000	53,571	–	0	0.7%	0.00%
<b>PastaKing Holdings Limited</b> Manufacturer and supplier of fresh pasta meals	0	778,913	–	0	0.0%	0.00%
<b>Aigis Blast Protection Limited<sup>2</sup></b> Specialist blast containment materials company	272,120	0	–	0	0.5%	0.00%

# Investment Portfolio Summary

as at 30 September 2010

	Total Cost at 30-Sep-10 £	Total Valuation at 30-Sep-09 £	Additional investments £	Total Valuation at 30-Sep-10 £	% of <sup>1</sup> equity held £	% of portfolio by value
<b>Inca Interiors Limited (In administration)</b> Design, supply and installation of quality kitchens to house developers	350,000	0	–	0	0.0%	0.00%
<b>HWA Group Limited (Holloway White Allom)</b> High value property restoration and refurbishment	456,241	1,457,407	421,688	0	24.5%	0.00%
<b>PXP Holdings Limited (Pinewood Structures)</b> Designer, manufacturer and supplier of timber frames for buildings	920,176	0	–	0	6.8%	0.00%
<b>Total</b>	<b>30,618,822</b>	<b>19,890,328</b>	<b>6,514,315</b>	<b>28,116,479</b>	<b>–</b>	<b>100.00%</b>

## Notes

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

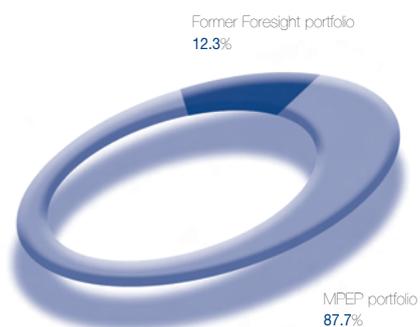
<sup>2</sup> Investment formerly managed by Foresight Group up to 10 March 2009.

<sup>3</sup> Investment formerly managed by Nova Capital Management Limited until 31 August 2007 and by Foresight Group until 10 March 2009.

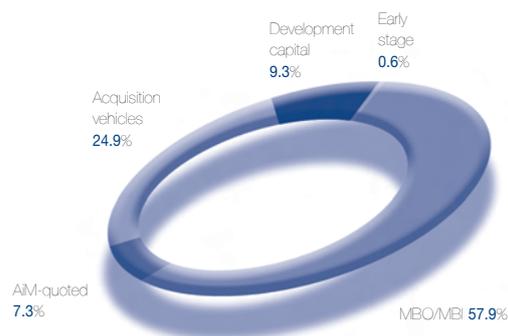
<sup>4</sup> Investment formerly managed by Nova Capital Management Limited until 31 August 2007.

## Investments at valuation at 30 September 2010

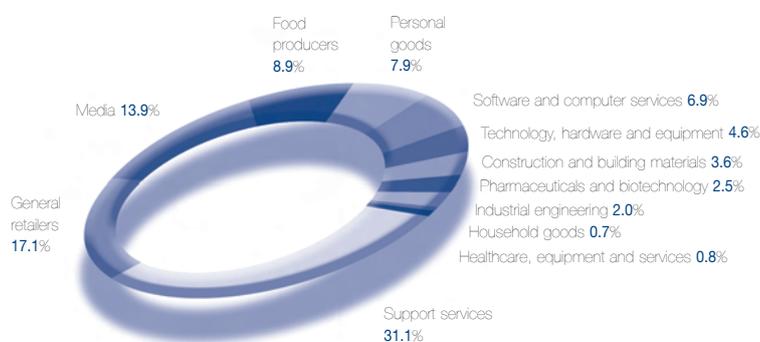
### By investment manager



### By stage of development



### By market sector



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# Board of Directors

## **Colin Hook**

*Status:* Non-Executive Chairman

*Age:* 68

*Date of appointment:* 13 October 2000

*Experience:* Colin has wide financial and commercial experience. He has worked in the City for more than 30 years. During this time he directed fund management operations for more than ten years. His City involvement includes mergers and acquisitions and flotations. From 1994 to 1997 he was Chief Executive of Ivory and Sime plc. He is currently Chairman of Pole Star Space Applications Limited, a leading provider of real-time tracking information for maritime applications via a global web-based satellite enabled solution. Until September 2010, he was the non-executive Chairman and a director of Matrix Income and Growth 4 VCT plc.

*Last re-elected to the Board:* February 2009. Standing for re-election at the AGM in 2011.

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

*Number of Board and Committee meetings attended 2009/10:* 12/12

*Remuneration 2009/10:* £41,000

*Relevant relationships with the Investment Manager or other service providers:* Matrix Income & Growth 4 VCT plc, of which Colin was non-executive chairman until 24 September 2010, is also managed by MPEP.

*Shared directorships with other I&G VCT Directors:* Matrix Income & Growth 4 VCT plc (Chairman until 24 September 2010).

*Shareholding in the Company:* 30,587 Ordinary Shares.

## **Jonathan Cartwright**

*Status:* Non-Executive Director

*Age:* 57

*Date of appointment:* 1 August 2010. Standing for election at the AGM in 2011

*Experience:* Jonathan qualified as a Chartered Accountant. He has significant experience of the investment trust sector and of serving on the boards of both public and private companies in executive and non-executive roles. Jonathan joined Caledonia Investments plc in 1989, serving as Finance Director from 1991 to December 2009. Prior to this he was Group Financial Controller at Hanson plc 1984 - 1989. He was a non-executive Director of Bristow Group Inc. (1996 – 2009) and has been a non-executive director of Serica Energy plc (from 2008 to date), British Portfolio Trust plc (from March 2010) and Aberforth Geared Income Trust plc (from March 2010). Jonathan has served on the Self-Managed Investment Trust Committee of the Association of Investment Companies (to December 2009).

*Last re-elected to the Board:* Standing for election at the AGM in 2011 following appointment to the Board on 1 August 2010

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

*Number of Board and Committee meetings attended 2009/10:* 0/1

*Remuneration 2009/10:* £5,167

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

*Relevant relationships with investee companies:* None.

*Shared directorships with other I&G VCT Directors:* None.

*Shareholding in the Company:* Nil

## **Helen Sinclair**

*Status:* Non-Executive Director

*Age:* 44

*Date of appointment:* 29 January 2003

*Experience:* Helen has extensive experience of investing in a wide range of small and medium sized businesses. She graduated in economics from Cambridge University and began her career in banking. After an MBA at INSEAD business school, Helen worked from 1991 to 1998 at 3i plc based in their London office. She was a founding director of Matrix Private Equity Limited when it was established in early 2000 and has since raised two funds, Matrix Income & Growth 2 VCT plc and Matrix Enterprise Fund. After leaving Matrix in 2005, she was a non-executive director of Hotbed Fund Managers Limited from 2006-08. She is Chairman of British Smaller Companies VCT plc, a non-executive director of Matrix Income & Growth 4 VCT plc, Framlington AIM VCT plc and Spark Ventures plc.

*Last re-elected to the Board:* March 2010. Standing for re-election at the AGM in 2011

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

*Number of Board and Committee meetings attended 2009/10:* 12/12

*Remuneration 2009/10:* £31,000

*Relevant relationships with the Investment Manager or other service providers:* Matrix Income & Growth 4 VCT plc is also managed by MPEP

*Shared directorships with other I&G VCT Directors:* Matrix Income & Growth 4 VCT plc (until 24 September 2010 when Colin Hook resigned from the Board of this VCT)

*Shareholding in the Company:* 10,605 Ordinary Shares

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# Summary Directors' Report

## **Principal activity and status as a Venture Capital Trust ("VCT")**

The principal activity of the Company during the year under review was investment in unquoted or AiM-quoted companies in the United Kingdom. Details of the principal investments made by the Company are given in the information on the Company's Ten Largest Investments and the Investment Portfolio Summary on pages 8 – 13 of this Summary Annual Report. A review of the Company's business during the year and future prospects is contained in the Chairman's Statement on pages 5 – 7.

The ordinary shares of 1p each in the capital of the Company ("O' Shares") and the S ordinary shares of 1p each in the capital of the Company ("S' Shares") were first admitted to the Official List of the UK Listing Authority ("UKLA") and to trading on 15 November 2000 and 8 February 2008 respectively. Following the merger of 'O' and 'S' Shares, detailed below, the listing of the 'S' Shares was amended on the Official List to ordinary shares of 1p in the capital of the Company ("Ordinary Shares") on 30 March 2010 and the 'O' Share listing was cancelled.

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

The Company revoked its status as an investment company on 30 November 2005 as defined by section 266 of the Companies Act 1985 ("the 1985 Act") subsequently superseded by section 833 of the Companies Act 2006 ("the 2006 Act") and does not intend to re-apply for such status.

## **Share premium account**

The cancellation of the share premium accounts attributable to the 'O' and 'S' Shares were confirmed by Court Orders made on 1 May 2002 and 16 September 2009, respectively. The share premium accounts were cancelled for the purpose of providing a special reserve which is distributable and is capable of being used for the purpose, inter alia, of funding the purchase of its own shares in the future, maximising the ability to make distributions and other corporate purposes.

## **Merger of the 'O' and 'S' Share classes**

Subsequent to resolutions approved by Shareholders at an extraordinary general meeting of the Company held on 26 March 2010, and separate class meetings of the holders of 'O' and 'S' Shares held on 29 March 2010, the 'O' and 'S' Shares were merged into one class of share: the Ordinary Shares. This was completed by: (i) such proportions of 'O' Shares held by each 'O' Share Fund Shareholder were redesignated 'S' Shares and Deferred Shares as was determined using a conversion ratio of 0.75784526; (ii) each of the issued and unissued 'S' Shares were redesignated Ordinary Shares; and the Deferred Shares were subsequently bought back by the Company for an aggregate nominal value of 1p and

cancelled. The effective date for the share merger was 29 March 2010.

## **Issue and buy-back of shares**

During the year under review, the Company issued a total of 112,768 'O' Shares (2009: 127,403) and 6,674 'S' Shares (2009: nil) under the Dividend Investment Scheme approved by Shareholders on 31 January 2006 and amended on 1 February 2010.

The Board believes that it is in the best interests of the Company and its Shareholders for the Company to make market purchases of its shares to seek both to enhance net asset value and to discourage excessive discounts to market prices quoted. An Authority for the Company to purchase its own shares pursuant to section 701 of the Companies Act was in place throughout the year under review. A resolution to renew this authority will be proposed at the Annual General Meeting to be held on 16 February 2011.

During the year the Company bought back 369,937 'O' Shares (six months to 31 March 2009: 523,538; year to 30 September 2009: 754,444) representing 1.1% (six months to 31 March 2009: 1.5%; year to 30 September 2009: 2.1%) of the 'O' Shares in issue at the beginning of the year at a cost of £175,456 (six months to 31 March 2009: £241,551; year to 30 September 2009: £353,751).

Following the merger of 'O' and 'S' Shares on 29 March 2010, the Company bought back 1,037,821 Ordinary Shares (representing 2.7% of the Ordinary Shares in issue on the date of the merger) at a cost of £790,660. The shares bought back were subsequently cancelled by the Company.

The issued Ordinary Share capital of the Company as at 30 September 2010 was £369,709 (2009: 'O' Shares: £348,244; 'S' Shares: £118,065) and the number of Ordinary Shares in issue as at this date was 36,970,891 (2009: 'O' Shares: 34,824,397; 'S' Shares: 11,806,467).

## **Results and dividend**

The basic revenue loss after taxation attributable to Shareholders for the period was £50,860 (2009: return of £193,683).

The Directors declared an interim capital dividend in respect of the year ended 30 September 2010 on 4 November 2010 of 2 pence per Ordinary Share to be paid to Shareholders on the Register on 28 January 2011, on 22 February 2011.

The Directors are recommending a final dividend of 2 pence per Ordinary Share in respect of the year ended 30 September 2010. The dividend will be paid from capital and will be proposed at the Annual General Meeting of the Company to be held on 16 February 2011 and paid to Shareholders on the Register on 4 March 2011, on 28 March 2011.

The Company's Dividend Investment Scheme will apply to both of these dividends and elections under the Scheme

should be received by the Scheme Administrator, Capita Registrars, no later than Monday, 7 February 2011 in the case of the interim dividend and Monday, 14 March 2011 in the case of the final dividend.

On 17 March 2010, the two sub-funds distributed the following final dividends in respect of the year ended 30 September 2009:

	Income	Capital	Total	Year ended 30 September 2008
<b>'O' Share Fund</b>	0.5p	1.5p	2.0p	4.0p
<b>'S' Share Fund</b>	0.5p	–	0.5p	0.0p

### Directors and their interests

The names of the Directors appear below and on page 14 of this Summary Annual Report.

The Directors' interests in the issued Ordinary Shares of the Company as at 30 September 2010 were:

Director	Ordinary Shares held on 30 September 2010	'O' Shares held on 30 September 2009	'S' Shares held on 30 September 2009
Colin Hook	30,587	11,889	21,100
Jonathan Cartwright	–	–	–
Helen Sinclair	10,605	–	10,550

During the year, Colin Hook was allotted 484 'O' Shares and 111 'S' Shares and Helen Sinclair was allotted 55 'S' Shares in respect of their memberships of the Company's Dividend Investment Scheme. There have been no changes to the Directors' share interests between the year-end and the date of this Summary Annual Report.

Jonathan Cartwright was appointed to the Board on 1 August 2010 and is therefore standing for election at the forthcoming Annual General Meeting in accordance with the Company's Articles of Association.

In accordance with the AIC Code, Colin Hook who has served on the Board for 10 years has agreed to retire annually from the Board and being eligible offers himself for re-election at the forthcoming Annual General Meeting. The Board confirms that, following a review of his performance, Colin Hook continues to make a substantial contribution to the Board as its Chairman and that his length of service is an asset to the Company. The remaining directors have no hesitation in recommending his re-election to Shareholders.

With the exception of Helen Sinclair, all the Directors are considered to be independent of the Investment Manager. Helen Sinclair also sits on the Board of Matrix Income & Growth 4 VCT plc, which is managed by Matrix Private Private Equity Partners, and as such she has agreed to retire annually from the Board. In accordance with the AIC Code, and being eligible, she will offer herself for re-election at the forthcoming Annual General Meeting. The Board confirms that, following a review of her performance, Helen Sinclair has considerable experience both of making investments in the types of companies in

which the VCT invests and of being a VCT director. She has shown herself to be a committed and independent director who continues to make a substantial contribution to the Board as Chairman of the Investment Committee. The remaining directors have no hesitation in recommending her re-election to Shareholders.

Christopher Moore resigned from the Board on 24 September 2010.

### Annual general meeting

The Notice of the Annual General Meeting, which will be held on 16 February 2011, is set out on pages 24 – 26 of this Summary Annual Report.

Resolutions 1 to 9 are being proposed as ordinary resolutions requiring more than 50% of the votes cast at the meeting to be in favour and resolutions 10 to 11 will be proposed as special resolutions requiring the approval of 75% of the votes cast at the meeting.

An explanation of Resolutions 9 to 11 is set out below:

### Authorities for the Directors to allot shares (Resolution 9) and disapply pre-emption rights of members (Resolution 10)

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

Resolution 9 will enable the Directors to allot new shares up to an aggregate nominal amount not exceeding £393,000 representing approximately 106% of the existing issued share capital of the Company as at the date of the notice of the meeting. The authority granted by this resolution will expire on the fifth anniversary of the date of the passing of this resolution.

Under section 561(1) of the 2006 Act, if the Directors wish to allot new shares or transfer treasury shares for cash they must first offer such shares to existing Shareholders in proportion to their current holdings. It is proposed by Resolution 10 to sanction the disapplication of such pre-emption rights in respect of the allotment of equity securities (i) with an aggregate nominal value of £300,000 in connection with offer(s) for subscription, (ii) with a nominal value of up to 10% of the issued share capital of the Company from time to time, pursuant to any dividend investment scheme operated by the Company, (iii) with a nominal value of up to 10% of the issued share capital of the Company from time to time and (iv) with a nominal value of up to 5% of the issued share capital of the Company from time to time. The proceeds of these allotments may be used in whole or part to purchase the Company's Shares.

Resolution 10 will expire on the conclusion of the Annual General Meeting of the Company to be held in 2012.

In accordance with an authority approved by Shareholders at the Annual General Meeting of the

# Summary Directors' Report

Company held on 3 March 2010, the Directors are authorised to allot shares pursuant to the Company's Dividend Investment Scheme at their mid market price, even if this is less than net asset value per share.

The Directors may allot securities after the expiry dates given above in pursuance of offers or agreements made prior to the expiration of these authorities. Both resolutions generally renew previous authorities approved at an Extraordinary General Meeting of the Company held on 26 March 2010.

The Directors launched a joint Offer for Subscription with Matrix Income & Growth VCT plc and Matrix Income & Growth 4 VCT plc on 12 November 2010 to raise up to £7 million for each VCT and it is the Directors' intention that new shares may be issued pursuant to the Offer under this authority (to the extent that existing authorities do not apply). It is further intended to allot shares under the Dividend Investment Scheme in respect of the proposed dividends to be paid to Shareholders on 22 February and 28 March 2011. The Directors have no further immediate intention of exercising the above powers.

## Authority to make market purchases of the Company's own shares (Resolution 11)

This resolution authorises the Company to purchase its own shares pursuant to section 701 of the 2006 Act. The

authority is limited to an aggregate of 5,541,937 Ordinary Shares representing approximately 14.99% of the issued Share capital of the Company as at the date of the Notice convening the Annual General Meeting. The resolution specifies the minimum and the maximum price which may be paid for an Ordinary Share.

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

Shareholders should note that the Directors will not exercise this authority unless they believe to do so would result in an increase in net assets per share and would be in the interests of Shareholders generally. The Directors currently intend to cancel all shares purchased under this authority. This resolution, will expire on the conclusion of the Company's Annual General Meeting to be held in 2012.

By order of the Board

Matrix Private Equity Partners LLP  
Secretary  
16 December 2010

# Summary Directors' Remuneration Report

## Remuneration policy

The remuneration policy is set by the Board. The Directors' fees are reviewed annually by the Nominations and Remuneration Committee, comprising the full Board, which determines the amount of fees to be paid to the Directors. When considering the level of Directors' fees, the Committee takes account of remuneration levels elsewhere in the Venture Capital Trust industry and other relevant information. The Committee has access to independent advice where and when it considers it appropriate. However, it was not considered necessary to take any such advice during the year under review. The Directors fees have remained at £35,000 (Chairman) and £25,000 (Director) per annum since 1 January 2006. The supplement paid to members of the Investment Committee was increased from £5,000 to £6,000 per annum with effect from 1 October 2008.

Since all the Directors are non-executive, the Company is not required to comply with the provisions of the 2006 FRC Combined Code in respect of Directors' remuneration, except in so far as they relate specifically to non-executive directors.

## Details of individual emoluments and compensation (audited information)

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

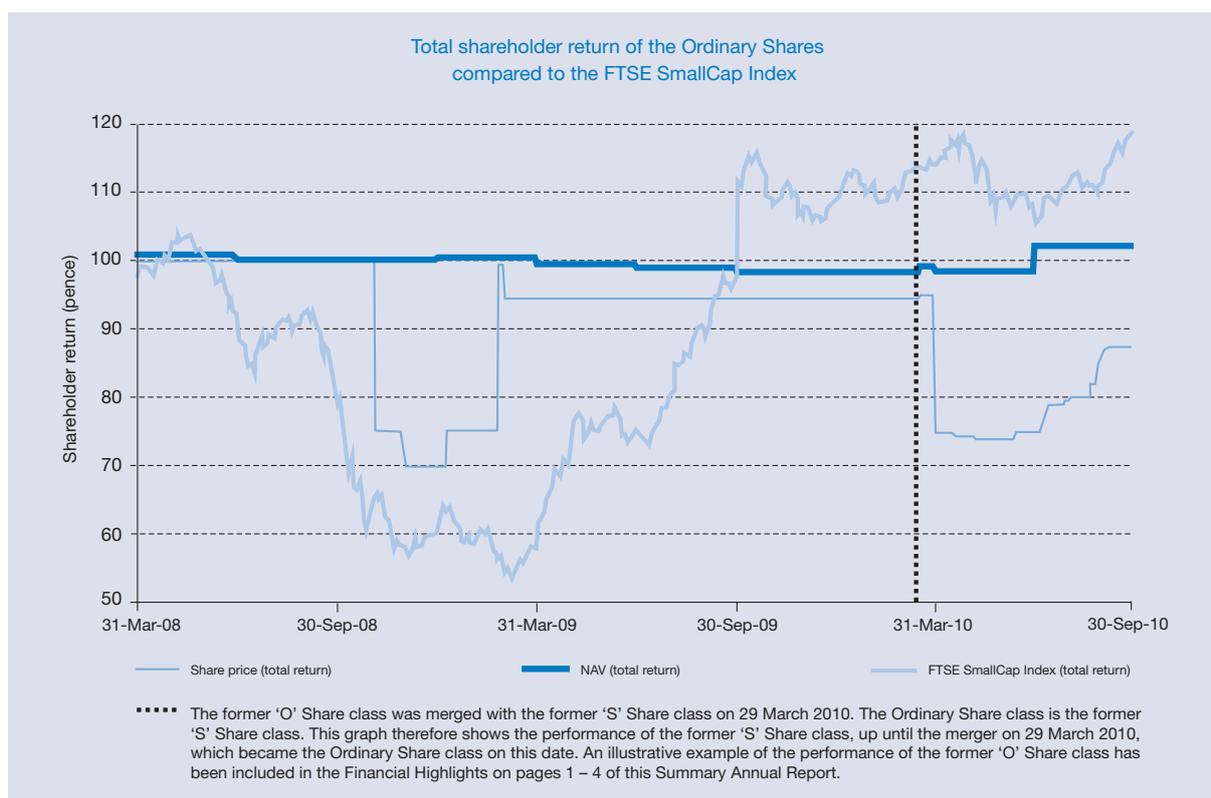
	Total emoluments year to:	
	30 September 2010	30 September 2009
	£	£
Colin Hook	41,000	41,000
Jonathan Cartwright	5,167	–
Christopher Moore	30,647	31,000
Helen Sinclair	31,000	31,000

Aggregate emoluments in respect of qualifying services amounted to £107,814 (2009: £103,000). No sums were paid to third parties in respect of any of the Directors' services during the year under review.

### Total shareholder return

The graph below charts the total cumulative shareholder return of the Ordinary Shares (assuming all dividends have been re-invested and excluding the tax reliefs available to Shareholders) since the Shares were first admitted to trading on 8 February 2008 compared to the FTSE SmallCap Index. The FTSE SmallCap is an industry recognised index of listed companies. Some consider it to be an appropriate index against which to measure the Company's performance. The total shareholder return has been re-based to 100 pence as at the beginning of the period shown. The Net Asset Value (NAV) total return has been shown separately on the graphs because the Directors believe it is a more accurate reflection of the Company's performance.

An explanation of the performance of the Company is given in the Chairman's Statement on pages 5 – 7 and in the Information on the Ten Largest Investments and Investment Portfolio Summary on pages 8 – 13.



Source: Matrix Corporate Capital LLP

By order of the Board

Matrix Private Equity Partners LLP

Secretary

16 December 2010.

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# Summary Corporate Governance Statement

The Directors have adopted the Association of Investment Companies (AIC) Code of Corporate Governance 2009 ("the AIC Code") for the financial year ended 30 September 2010. The AIC Code was endorsed by the Financial Reporting Council (FRC) on 3 February 2006, and 20 February 2009 in respect of the 2009 edition. The FRC has confirmed that in complying with the AIC Code, the Company will meet its obligations in relation to the FRC Combined Code on Corporate Governance 2008 ("the Combined Code") and paragraph 9.8.6 of the Listing Rules. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Code (which incorporates the Combined Code), will provide better information to Shareholders. The AIC Code is available online at: [www.theaic.co.uk/Documents/Technical/AICCorporateGovernanceGuideMarch2009.pdf](http://www.theaic.co.uk/Documents/Technical/AICCorporateGovernanceGuideMarch2009.pdf).

## **Compliance with the Combined Code**

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

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

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

The Board has further considered the principles detailed in the Combined Code and believes that, insofar as they are relevant to the Company's business, the Company has complied with the provisions of the Combined Code throughout the financial year ended 30 September 2010 with the following exceptions:

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

As is common practice among Venture Capital Trusts, the Directors are not appointed for specific terms. A

Director's appointment may be terminated on three months' notice being given by the Company.

The effectiveness of the Board and the Chairman is reviewed regularly as part of the internal control process led by the Audit Committee. The Board has carried out an annual performance evaluation review during the year ended 30 September 2010.

## **Compliance with the AIC Code**

The Board considers that the Company has fully complied with the AIC Code throughout the year under review with the following exception:

The AIC Code stipulates that directors who sit on the boards of more than one company managed by the same manager will not be regarded as independent for the purposes of either fulfilling the requirement that there must be an independent majority on the Board or serving as chairman. A similar provision also became mandatory for VCTs under the Listing Rules with effect from 28 September 2010. During the year, the Directors have reviewed the composition of the Board to ensure that it was compliant with the Listing Rules prior to this date. At the year-end, the Board comprised a majority of independent directors, including the Chairman.

## **The Board**

The Company has a Board of three non-executive Directors. The Board has considered whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. It has concluded that all three Directors are independent except in respect of the contracts or investee companies in which they have declared an interest. It is the policy of the Directors not to participate in decisions concerning investee companies in which they hold an interest. The Board meets at least quarterly and is in regular contact with the Investment Manager between those meetings. The Directors were subject to election by Shareholders at the first Annual General Meeting after their appointment, and retire by rotation thereafter.

## **Investor relations**

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

The notice of the Annual General Meeting accompanies this Summary Annual Report, which is normally sent to

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Shareholders allowing a minimum of 20 working days before each meeting. Separate resolutions are proposed for each substantive issue. The number of proxy votes received for each resolution is announced after each resolution has been dealt with on a show of hands and are published on the Company's website: [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk).

#### **Going concern**

The Board has assessed the Company's operation as a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Management Report which is included in its entirety in the full Annual Report. The Directors have satisfied themselves that the Company continues to maintain a

significant cash position and is currently raising additional funds. The majority of companies in the portfolio continue to trade profitably and the portfolio taken as a whole remains resilient and well diversified. The major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

By order of the Board

Matrix Private Equity Partners LLP

Secretary

16 December 2010

## Independent Auditors' Statement

#### **To the Members of The Income & Growth VCT plc**

We have examined the summary financial statements for the year ended 30 September 2010 set out on pages 21 – 23.

This statement is made solely to the Company's members, as a body, in accordance with Section 428 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our work, for this statement, or for the opinions we have formed.

#### **Respective responsibilities of the directors and the auditor**

The Directors are responsible for preparing the Summary Annual Report in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Summary Annual Report with the full annual financial statements, the Directors' Report and the Directors' Remuneration Report, and its compliance with the relevant requirements of section 428 of the Companies Act 2006 and the regulations made thereunder.

We also read the other information contained in the Summary Annual Report and consider the implications for

our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement. The other information comprises only the Financial Highlights, the Chairman's Statement, the Ten Largest Investments, the Investment Portfolio Summary, the Board of Directors, the Summary Corporate Governance Statement.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinion on those financial statements, the directors' remuneration report and the directors' report.

#### **Opinion**

In our opinion the summary financial statement is consistent with the full annual financial statements, the Directors' Report and the Directors' Remuneration Report of The Income and Growth VCT plc for the year ended 30 September 2010 and complies with the applicable requirements of section 428 of the Companies Act 2006, and the regulations made thereunder.

#### **PKF (UK) LLP Statutory auditors**

Registered Auditors  
London, UK

16 December 2010

# Income Statement

for the year ended 30 September 2010

	Revenue £	30 September 2010 Capital £	Total £	Revenue £	30 September 2009 Capital £	Total £
Net unrealised gains/(losses) on investments	–	2,986,059	2,986,059	–	(3,547,286)	(3,547,286)
Net gains on realisation of investments	–	15,412	15,412	–	597,637	597,637
Income	730,447	–	730,447	931,359	67,950	999,309
Recoverable VAT	12,295	36,886	49,181	–	–	–
Investment management fees	(204,246)	(612,738)	(816,984)	(192,882)	(578,645)	(771,527)
Other expenses	(513,840)	–	(513,840)	(511,764)	–	(511,764)
Merger costs	(75,516)	–	(75,516)	–	–	–
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(50,860)</b>	<b>2,425,619</b>	<b>2,374,759</b>	226,713	(3,460,344)	(3,233,631)
Tax on (loss)/profit on ordinary activities	–	–	–	(33,030)	33,030	–
<b>(Loss)/profit on ordinary activities after taxation for the financial year</b>	<b>(50,860)</b>	<b>2,425,619</b>	<b>2,374,759</b>	193,683	(3,427,314)	(3,233,631)
Basic and diluted earnings per Ordinary Share (formerly 'S' Share):	<b>(0.20)p</b>	<b>9.75p</b>	<b>9.55p</b>	0.09p	(1.50)p	(1.41)p
Basic and diluted earnings per former 'O' Share	–	–	–	0.52p	(9.25)p	(8.73)p

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

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

# Balance Sheet

as at 30 September 2010

	£	as at 30 September 2010 £	£	as at 30 September 2009 £
<b>Fixed assets</b>				
Investments at fair value		28,116,479		19,890,328
<b>Current assets</b>				
Debtors and prepayments	162,076		185,876	
Current investments	8,708,573		15,962,070	
Cash at bank	106,536		55,638	
		8,977,185		16,203,584
<b>Creditors: amounts falling due within one year</b>		(488,968)		(210,815)
<b>Net current assets</b>		8,488,217		15,992,769
<b>Net assets</b>		36,604,696		35,883,097
<b>Capital and reserves</b>				
Called up share capital		369,709		466,309
Share premium account		369,141		308,614
Capital redemption reserve		170,811		73,017
Capital reserve – unrealised		422,183		(5,279,832)
Special reserve		23,105,248		27,952,006
Profit and loss account		12,167,604		12,362,983
<b>Equity Shareholders' funds</b>		36,604,696		35,883,097
<b>Basic and diluted net asset value per Share</b>				
Ordinary Shares (formerly 'S' Shares)		99.01p		93.18p
Former 'O' Shares		–		71.45p

The financial statements were approved and authorised for issue by the Board of Directors on 16 December 2010 and were signed on its behalf by:

**Colin Hook**

Director

# Reconciliation of Movements in Shareholders' Funds

for the year ended 30 September 2010

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
Opening shareholders' funds	35,883,097	40,791,712
Net share capital bought back in the year	(966,118)	(353,751)
Net share capital subscribed for in the year	61,721	96,826
Profit/(loss) for the year	2,374,759	(3,233,631)
Dividends paid in the year	(748,763)	(1,418,059)
<b>Closing Shareholders' funds</b>	<b>36,604,696</b>	<b>35,883,097</b>

# Summary Cash Flow Statement

for the year ended 30 September 2010

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
<b>Operating activities</b>		
Investment income received	687,327	1,081,127
VAT received and interest thereon	144,206	388,292
Other income	4,053	20,013
Investment management fees paid	(595,053)	(1,200,016)
Other cash payments	(508,610)	(477,847)
Merger costs paid by the company	(75,516)	-
<b>Net cash outflow from operating activities</b>	<b>(343,593)</b>	<b>(188,431)</b>
<b>Investing activities</b>		
Acquisition of investments	(6,514,315)	(735,608)
Disposal of investments	1,289,635	2,215,027
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(5,224,680)</b>	<b>1,479,419</b>
<b>Equity dividends</b>		
Payment of equity dividends	(748,763)	(1,418,059)
<b>Net cash outflow before liquid resource management and financing</b>	<b>(6,317,036)</b>	<b>(127,071)</b>
<b>Management of liquid resources</b>		
Decrease in monies held pending investment	7,253,497	373,944
<b>Financing</b>		
Issue of Ordinary Shares	61,721	96,826
Purchase of own shares	(947,284)	(353,751)
	<b>(885,563)</b>	<b>(256,925)</b>
<b>Increase/(decrease) in cash for the year</b>	<b>50,898</b>	<b>(10,052)</b>

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# NOTICE of the ANNUAL GENERAL MEETING of The Income & Growth VCT plc

(Registered in England and Wales No. 4069483)

**NOTICE IS HEREBY GIVEN that the tenth Annual General Meeting of The Income & Growth VCT plc (“the Company”) will be held at 11.00 am on Wednesday, 16 February 2011 at Matrix Group Limited, One Vine Street, London, W1J 0AH for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 9 will be proposed as ordinary resolutions and resolutions 10 to 11 will be proposed as special resolutions:-**

1. To receive and adopt the Annual Report and Accounts of the Company for the year ended 30 September 2010, together with the auditors' report thereon.
2. To approve the Directors' Remuneration Report for the year ended 30 September 2010 which is set out in the Annual Report and Accounts of the Company for the year ended 30 September 2010.
3. To appoint PKF (UK) LLP of Farringdon Place, 20 Farringdon Road, London EC1M 3AP as auditors to the Company until the conclusion of the next annual general meeting of the Company.
4. To authorise the Directors to determine the remuneration of the auditors.
5. To elect Jonathan Cartwright as a director of the Company.
6. To re-elect Colin Hook as a director of the Company.
7. To re-elect Helen Sinclair as a director of the Company.
8. To approve the payment of a final dividend in respect of the year ended 30 September 2010 of 2 pence per ordinary share of 1 penny each.
9. That, in substitution for any existing authorities, the directors be and hereby are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (“the Act”) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £393,000 provided that this authority shall expire on the fifth anniversary of the date of the passing of this resolution unless renewed, revoked or varied by the Company in general meeting (except that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and notwithstanding such expiry the directors may allot shares or grant rights in pursuance of such offers or agreements).
10. That, in substitution for any existing authorities, the Directors be and are hereby empowered in accordance with section 570(1) and section 573 of the Act to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash, pursuant to the authority given in accordance with section 551 of the Act by Resolution 9 set out in this notice of Annual General Meeting, or by way of sale of treasury shares, as if section 561(1) of the Act did not apply to the allotment or sale provided that this power shall expire on the conclusion of the Annual General Meeting to be held in 2012, and provided further that this power shall be limited to:-
  - (i) the allotment of equity securities with an aggregate nominal value of £300,000 in connection with offer(s) for subscription;
  - (ii) the allotment of equity securities with an aggregate nominal value of up to but not exceeding 10 per cent. of the issued share capital of the Company from time to time pursuant to any dividend investment scheme operated by the Company;
  - (iii) the allotment, otherwise than pursuant to sub-paragraphs (i) and (ii) above, of equity securities with an aggregate nominal value of up to but not exceeding 10 per cent. of the issued share capital of the Company from time to time; and
  - (iv) the allotment, otherwise than pursuant to sub-paragraphs (i), (ii) and (iii) above, of equity securities from time to time with an aggregate nominal value of up to but not exceeding 5 per cent. of the issued share capital of the Company from time to time

where the proceeds of the allotment may be used in whole or in part to purchase the Company's shares in the market

11. That, in substitution for any existing authorities, the Company be and is hereby generally authorised pursuant to section 701 of the Act, to make market purchases (as defined in section 693(4) of the Act) of its own ordinary shares of 1 penny each (“Ordinary Shares”) provided that:-
  - (i) the aggregate number of Ordinary Shares hereby authorised to be purchased shall not exceed 5,541,937;
  - (ii) the minimum price which may be paid for such Ordinary Shares is 1 penny per share, the nominal amount thereof;
  - (iii) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the higher of (i) five per cent. above the average of the middle market price for such share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase

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is made; and (ii) the amount stipulated by article 5(1) of the Buyback Regulations 2003.

(v) the authority hereby conferred shall (unless previously renewed or revoked) expire on the conclusion of the annual general meeting of the Company to be held in 2012; and

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

## **BY ORDER OF THE BOARD**

### **Matrix Private Equity Partners LLP**

#### **Secretary**

Registered Office  
One Vine Street  
London W1J 0AH

16 December 2010

#### **Notes:**

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Matrix Private Equity Partners LLP, the Company Secretary at One Vine Street, London W1J 0AH or by email to: [iandg@matrixgroup.co.uk](mailto:iandg@matrixgroup.co.uk) or telephone on 020 3206 7000.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received not later than 11.00 am on Monday, 14 February 2011 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 8 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 11.00 am on Monday, 14 February 2011 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RO55) by 11.00 am on 14 February 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question

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relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

13. (i) Members representing at least 5% of the total voting rights of all the Members or (ii) at least 100 members who have a relevant right to vote and hold shares in the company on which there has been paid up an average sum, per member, of at least £100 (in accordance with section 525 of the Companies Act 2006) can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last annual general meeting, that the Members propose to raise at the meeting. The Company cannot require the Members requesting the publication to pay its expenses. Any statement required to be placed on the Company's website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required to publish on its website. By attending the Meeting, Members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the shares of the Company made at the Meeting.
14. As at 16 December 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital consisted of 36,970,891 Ordinary Shares, each carrying one vote. Therefore, the total voting rights in the Company as at 16 December 2010 were 36,970,891.
15. The Register of Directors' Interests and Directors' appointment letters shall be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting. The Directors do not have any service contracts with the Company.
- 16 A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk).

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# Corporate Information

## **Directors**

Colin Hook  
Jonathan Cartwright  
Helen Sinclair

## **Company's Registered Office**

One Vine Street  
London  
W1J 0AH

## **Company Secretary**

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

## **Investment Manager**

Matrix Private Equity Partners LLP  
One Vine Street  
London  
W1J 0AH  
[www.matrixpep.co.uk](http://www.matrixpep.co.uk)

Company Registration Number: 4069483  
[www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk)

## **Independent Auditor**

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

## **Registrar**

Capita Registrars  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
West Yorkshire HD8 0LA

## **Bankers**

National Westminster Bank plc  
Mayfair Commercial Banking Centre  
(First Floor)  
65 Piccadilly  
London  
W1A 2PP

## **Promoter and Administrator**

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

## **Solicitors**

Martineau  
No 1 Colmore Square  
Birmingham  
B4 6AA

## **Stockbroker**

Matrix Corporate Capital LLP  
One Vine Street  
London  
W1J 0AH

## **Sponsor**

Charles Stanley Securities  
131 Finsbury Pavement  
London  
EC2A 1NT

## **VCT Status Advisers**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

## **Receiving Agent**

The City Partnership (UK) Limited  
Thistle House  
Thistle Street  
Edinburgh EH2 1DF

