

# The Income & Growth VCT plc

**A Venture Capital Trust**

Unaudited Half-Year Report  
for the six months ended 31 March 2023



**Gresham House**  
*Specialist asset management*

**The Income & Growth VCT plc** (“the Company”) is a Venture Capital Trust (“VCT”) listed on the London Stock Exchange. Its investment portfolio is advised by Gresham House Asset Management Limited (“Gresham House”, “Investment Adviser”).

## Company Objective

The objective of The Income & Growth VCT plc is to provide investors with an attractive return, by maximising the stream of tax-free dividend distributions from the income and capital gains generated by a diverse and carefully selected portfolio of investments, while continuing at all times to qualify as a VCT.

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## YOUR PRIVACY

We are committed to protecting and respecting your privacy. To understand how we collect, use and otherwise process personal data relating to you, or that you provide to us, please read our privacy notice, which can be found at [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk)

# Financial Highlights

Results for the Half-Year ended 31 March 2023

As at 31 March 2023:

Net assets: **£122.93 million**

Net asset value ("NAV") per share: **79.38 pence**

- Net asset value ("NAV") total return<sup>1</sup> per share was (0.4)%.
- Share price total return<sup>1</sup> per share was (3.1)%.
- The Board has declared an interim dividend in respect of the current year of 4.00 pence per share which was paid to Shareholders on 26 May 2023.
- The Company made two new investments of £1.01 million.
- Proceeds of £9.13 million were received from realisations, generating net realised gains of £0.41 million.

<sup>1</sup> Alternative Performance Measure ("APM"). See Glossary of terms on Page 29.

## Performance Summary

The table below shows the recent past performance of the Company's existing class of shares for each of the last five years, and the current year to date.

Reporting date	Net assets	NAV per share	Share price <sup>1</sup>	Cumulative dividends paid per share	Cumulative total return per share to Shareholders <sup>2</sup>		Dividends paid and proposed in respect of each year
As at	(£m)	(p)	(p)	(p)	(NAV basis) (p)	(Share price basis) (p)	(p)
31 March 2023	122.93	79.38	75.00	148.50	227.88	223.50	4.00 <sup>3</sup>
30 September 2022	108.42	83.73	81.50	144.50	228.23	226.00	8.00
30 September 2021	119.09	100.45	93.00	136.50	236.95	229.50	9.00
30 September 2020	83.13	70.06	59.50	131.50	201.56	191.00	14.00
30 September 2019	81.73	79.12	75.50	113.00	192.12	188.50	6.00
30 September 2018	82.58	78.32	69.50	108.00	186.32	177.50	6.00

<sup>1</sup> Source: Panmure Gordon & Co (mid-market price).

<sup>2</sup> Cumulative total return per share comprises the NAV per share (NAV basis) or the mid-market price per share (share price basis) plus cumulative dividends paid since launch of the current share class.

<sup>3</sup> An interim dividend of 4.00 pence per share, referred to in the Financial Highlights above, was paid to Shareholders on 26 May 2023. This dividend has subsequently reduced the NAV per share to 75.38 pence and increased cumulative dividends paid per share to 152.50 pence.

Detailed performance data, including a table of dividends paid to date for all share classes and fundraising rounds, is shown in the Performance Data appendix on pages 26 to 28. The tables, which give information by allotment date on NAVs and dividends paid per share, are also available on the Company's website at [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk) where they can be accessed by clicking on "table" under "Reviewing the performance of your investment" on the home page.

# Chair's Statement

I present the Company's Half-Year Report for the six months to 31 March 2023.

## Overview

The first six months of the Company's financial year occurred against a backdrop of challenging UK economic conditions. Increasing inflation and rising interest rates have both impacted consumer and business confidence which has pulled down market valuation benchmarks and caused a general softening of trading performance. In line with this, the Company's NAV total return fell marginally by 0.4%.

So far in 2023, despite the wider market concerns, stock market multiples appeared to stabilise following the material downward re-rating of growth stocks experienced over much of 2022. However, the collapse of Silicon Valley Bank and other similar failures mean that confidence remains fragile. The ongoing threat of a potential UK recession will likely result in additional challenges for your portfolio companies. However, the portfolio is well diversified and the Company is well prepared for most scenarios via its strong liquidity available to support the winners in the portfolio.

The Company continued to be an active investor and provided new investment finance to two new companies, Connect Earth and Cognassist. The Company also delivered two highly successful exits, Equip Outdoor Technologies (EOTH) and Tharstern Group.

On 5 October 2022, the Company launched an Offer for Subscription VCTs ("Offers") with the full amount being raised in a matter of weeks. The Board was very pleased with this support and extends a warm welcome to new and existing investors.

## Performance

The Company's NAV total return per share was (0.4)% for the six months to 31 March 2023 (2022: 2.3%), and the share price total return was (3.1)% pence (2022: 1.6%). The difference between the NAV total return and share price total return figures above arises principally due to the timing of NAV announcements which are usually made retrospectively. The fall in NAV total return for the period was principally the result of unrealised declines in the value of investments. Two successful portfolio exits generated realised gains for the

Company, however these were partially offset by impairments applied to the holdings of two other companies.

## Investment portfolio

In the current challenging environment, a number of investee companies experienced a decline in consumer confidence with a resultant impact on trading. The overall value decreased by a modest £(0.60) million (2022: £4.20 million), or (0.8)% (2022: 4.8%) on a like-for-like basis, compared to the opening portfolio value at 1 October 2022 of £73.08 million. This net decrease comprised net realised gains of £0.41 million and net unrealised declines in portfolio valuations of £(1.01) million, over the period.

At the period-end, the portfolio was valued at £64.36 million after taking account of investments purchased and sold in the period, together with the net realised gains and net unrealised losses referred to above.

As the portfolio continues its move from being comprised mainly of MBO investments made under the previous strategy, towards predominantly growth capital investments which have a more variable return profile, shareholders should note that the likelihood of investee company failures is higher. A further impact of the strategy change in 2015 is that at 31 March 2023, nearly 60% of the portfolio is comprised by the top five assets by value. The Investment adviser ensures that all necessary focus is on these higher value assets.

During the six months under review, the Company invested £1.01 million into two new investments:

**Connect Earth** **£0.34 million**  
Environmental data provider

**Cognassist** **£0.67 million**  
Education and neuro-inclusion solutions

The Company generated a total of £9.06 million in proceeds from realisations alongside loan repayments of £0.07 million. The Company therefore generated total proceeds of £9.13 million in the six months to 31 March 2023. More detail on these realisations is provided below.

In November 2022, it was pleasing to exit the equity investment held in EOTH (trading as Rab and Lowe Alpine), receiving £7.34 million including preference share dividends received upon completion. This exit generated a realised gain in the period of £0.42 million. Total proceeds received

over the life of this investment are £9.54 million to date, a 6.9x multiple of cost and an IRR of 23.2%. The Company has retained its interest yielding loan stock to continue to generate income for the VCT in the future.

In March 2023, the Company achieved a full exit of Tharstern Group Limited generating proceeds of £2.85 million and a realised gain of £0.86 million. Over the life of this investment, the Company has received £4.00 million which equates to a multiple on cost of 2.6x and an IRR of 15.0%.

After the period end, Spanish Restaurant Group Limited (trading as Tapas Revolution) went into administration. Tapas Revolution had experienced very challenging conditions since COVID-19 and under the HMRC Financial Health Test (more detail below), the Company was unable to invest further in this portfolio company. It was therefore necessary for an Administrator to be appointed. A total of £0.87 million has been recognised as a realised loss in the period across two companies (including Tapas Revolution) which are experiencing significant trading issues.

Shareholders should be aware that the Financial Health test is an effective tightening of the interpretation of HMRC policy and practice in a technical aspect of the VCT financing rules, now resulting in the restriction of potential follow-on investments to support certain companies. The Board continues to monitor developments in the interpretation of this area of legislation carefully and supports the lobbying of HMRC by the VCTA to change its stance.

After the period-end, the Company invested £0.63 million into Dayrize B.V. a sustainability impact assessment tool provider.

Further details of this investment activity and the performance of the portfolio are contained in the Investment Adviser's Review and the Investment Portfolio Summary on pages 6 to 10.

## Revenue account

The results for the period are set out in the Unaudited Condensed Income Statement and show a revenue return (after tax) of 0.60 pence per share (2022: 0.51 pence per share). The revenue return for the period of £0.87 million represents an increase from last year's comparable figure of £0.61 million. This is due primarily to higher dividend receipts and interest income.

## Dividends

The Board is pleased to have declared an Interim dividend of 4.00 pence per share for the year ending 30 September 2023.

This dividend was paid on 26 May 2023, to Shareholders on the Register on 21 April 2023, and combined with a 4.00 pence dividend paid in November 2022 in respect of the previous financial year has brought cumulative dividends paid per share to 152.50 pence per share.

The Company intends to maintain its target of paying a dividend of at least 6.00 pence per share in respect of each financial year and this has been achieved in each of the last eleven financial years. The Board continues to monitor the sustainability of its dividend target given the continued movement of the portfolio to a larger share of younger growth capital investments which have the potential for increased volatility, which may affect the return in a given year.

## Offer for Subscription and Dividend Investment Scheme

The Board approved a further fundraising for the 2022/23 tax year in October 2022 after considering the future cash requirements of the Company and the potential demand for the Company's shares following the successful fundraising in January 2022. Having provided a period of time between the launch of the prospectus and acceptance of applications, the Board was pleased that the initial amount of £14 million (as well as an over-allotment facility of a further £8 million), launched on 5 October 2022, was fully subscribed by 8 November 2022. Shares were allotted in November 2022 and February 2023.

The Company's Dividend Investment Scheme ("DIS") provides Shareholders with the opportunity to reinvest their cash dividends into new shares in the Company at the latest published NAV per share (adjusted for any subsequent dividends). New VCT shares attract the same tax reliefs as shares purchased through an Offer for Subscription. There were 1,197,652 shares allotted through the DIS during the period at a price of 79.73 pence.

Shareholders can opt-in to the DIS by completing a mandate form available on the Company's website at: [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk) or can opt-out by contacting Link Group, using the details provided in the Half Year

Report. Please note that instructions take 15 days to become effective.

## Cash Available for investment

The Board continues to monitor credit risk in respect of its cash balances and to prioritise the security and protection of the Company's capital. Cash and liquidity fund balances as at 31 March 2023 amounted to £58.52 million. This figure has been bolstered by the funds raised under the Offer and includes £52.58 million held in money market funds with AAA credit ratings and £5.94 million held in deposit accounts with two well-known financial institutions. The rises in the Bank of England base rate over recent months have significantly increased the yield on these balances which will help provide future returns to Shareholders.

## Share buybacks

During the six months ended 31 March 2023, the Company bought back and cancelled 2.41 million of its own shares, representing 1.9% (2022: 0.4%) of the shares in issue at the beginning of the period, at a total cost of £1.84 million (2022: £0.40 million), inclusive of expenses.

It is the Company's policy to cancel all shares bought back in this way. The Board regularly reviews its buyback policy, where its priority is to act prudently and in the interest of remaining Shareholders, whilst considering other factors, such as levels of liquidity and reserves, market conditions and applicable law and regulations. Under this policy, the Company seeks to maintain the discount at which the Company's shares trade at no more than 5% below the latest published NAV.

## Shareholder Event & Communications

May I remind you that the Company has its own website which is available at: [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk). The Investment Adviser last held a Shareholder Event on behalf of the Mobeus VCTs on the afternoon of 23 March 2023 with a live Q&A session which we hope you were able to join. Double the number of attendees joined the meeting compared to last year. A recording of the event is available via a link on the Company's website.

## Fraud Warning

Shareholders continue to be contacted in connection with sophisticated but

fraudulent financial scams which purport to come from the Company or to be authorised by it. This is often by a phone call or an email usually originating from outside of the UK, claiming or appearing to be from a corporate finance firm offering to buy your shares at an inflated price.

Further information and fraud advice plus details of who to contact, can be found in the Shareholder Information section in the Half-Year Report.

## Environmental, Social and Governance ("ESG")

The Board and the Investment Adviser believe that the consideration of environmental, social and corporate governance ("ESG") factors throughout the investment cycle will contribute towards enhanced shareholder value.

Gresham House has a team which is focused on sustainability and the Board views this as an opportunity to enhance the Company's existing protocols and procedures through the adoption of the highest industry standards. The future FCA reporting requirements consistent with the Task Force on Climate-related Financial Disclosures, which commenced on 1 January 2021, do not currently apply to the Company but will be kept under review, the Board being mindful of any recommended changes.

## Consumer Duty

The Financial Conduct Authority (FCA) has introduced the concept of Consumer Duty, the rules and principles of which come into effect in July 2023. Consumer Duty is an advance on the existing concept of 'treating customers fairly'. It sets higher and clearer standards of consumer protection across financial services and requires all firms to put their customers' needs first.

As the Company is not regulated by the FCA it does not directly fall into the scope of Consumer Duty. However, Gresham House as the Investment Adviser and any IFAs or financial platforms used to distribute future fundraising offers, are subject to Consumer Duty.

It is incumbent on all parties to uphold the principles behind Consumer Duty and to that end we are working with the Investment Adviser to review the information we should provide to assist consumers and their advisers to discharge their obligations under Consumer Duty.

# Chair's Statement

## Outlook

The geopolitical and economic context for the next year is liable to be challenging. However, this can also provide an opportunity for the Company to source and make high quality investments whilst building strategic stakes in existing portfolio businesses with great potential for the future. The prospects for new investment flow are good. Notwithstanding the successful exits of EOTH and Tharstern, the exit environment will likely be subdued in comparison to recent years. However, the Company has ample liquidity and is not time-limited. The combined impact of inflation, interest rates and restrictions in Government spending can be expected to impact both consumer and business confidence in the near term. We therefore anticipate that further stresses will become evident over the forthcoming year. We expect that all sectors will be vulnerable, although the Company has a large and well diversified portfolio, managed by a professional and capable investment team, which helps to mitigate the challenges that lie ahead.

I would like to take this opportunity once again to thank all Shareholders for your continued support and to extend a warm welcome to new Shareholders.

**Maurice Helfgott**  
Chair

13 June 2023

# Investment Policy

The Company's policy is to invest primarily in a diverse portfolio of UK unquoted companies.

## Asset Mix and Diversification

The Company will seek to make investments in UK unquoted companies in accordance with the requirements of prevailing VCT legislation.

Investments are made selectively across a wide variety of sectors, principally in established companies.

Investments are generally structured as part loan and part equity in order to receive regular income and to generate capital gain from realisations.

There are a number of conditions within the VCT legislation which need to be met by the Company and which may change from time to time.

No single investment may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment.

Save as set out above, the Company's other investments are held in cash and liquid funds.

## Liquidity

The Company's cash and liquid funds are held in a portfolio of readily realisable interest-bearing investments, deposit and current accounts, of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

## Borrowing

The Company's Articles of Association permit borrowing of up to 10% of the adjusted capital and reserves (as defined therein). However, the Company has never borrowed and the Board would only consider doing so in exceptional circumstances.

# Summary of VCT Regulation

To assist Shareholders, the following table contains a summary of the most important rules that determine VCT approval:

To maintain its status as a VCT, the Company must meet a number of conditions, the most important of which are that:

- the Company must hold at least 80%, by VCT tax value<sup>1</sup> of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;
- all qualifying investments made by VCTs after 5 April 2018, together with qualifying investments made by funds raised after 5 April 2011 are, in aggregate, required to comprise at least 70% by VCT tax value in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules);
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company's shares must be listed on the London Stock Exchange or a regulated European stock market;
- non-qualifying investments cannot be made, except for certain exemptions in managing the Company's short-term liquidity;
- VCTs are required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of that accounting period, and
- the period for reinvestment of the proceeds on disposal of qualifying investments is 12 months.

To be a VCT qualifying holding, new investments must be in companies:

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and no more than £16 million immediately following investment from VCTs;
- whose maximum age is generally up to seven years (ten years for knowledge intensive businesses);
- that receive no more than an annual limit of £5 million and a lifetime limit of £12 million (for knowledge intensive companies the lifetime limit is £20 million, and the annual limit is £10 million), from VCTs and similar sources of State Aid funding; and
- that use the funds received from VCTs for growth and development purposes.

In addition, VCTs may not:

- offer secured loans to investee companies, and any returns on loan capital above 10% must represent no more than a commercial return on the principal; and
- make investments that do not meet the 'risk to capital' condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is a genuine risk of loss of capital).

<sup>1</sup> VCT tax value means as valued in accordance with prevailing VCT legislation. The calculation of VCT tax value is arrived at using tax values, based on the cost of the most recent purchase of an investment instrument in a particular company, which may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 9 and 10.



# Investment Adviser's Review

## Portfolio review

The continuing harsh economic conditions continue to create challenging circumstances for portfolio companies. UK business has seen both demand and operating margins come under pressure in the face of marked increases in inflation and interest rates which have not been experienced by a generation of management teams.

In the latter months of 2022 and into 2023, market multiples began to stabilise. However, portfolio companies' trading performance has now begun to experience the impact of declining consumer confidence and business investment.

Whilst inflation is expected to moderate following the rises in base rates, it is still at a very high level and has impacted economic growth expectations. In contrast to this, there are early signs that supply chains are returning to normality, that labour shortages are easing and that

there are pockets of positive market sentiment. Furthermore, the direct impact of high interest rates on the Company's portfolio is negligible as most portfolio companies do not have any significant third-party debt. The outlook is therefore mixed, and the emphasis is thus on robust funding structures and being prepared for all eventualities.

The Gresham House non-executive directors who sit on each portfolio company board have responded by working with their management teams to ensure that appropriate scenario planning has been done to achieve the best results during these uncertain times. There is also now a greater focus on cash management and capital efficiency. With ample liquidity following the recent fund raise, the Company is also well placed to support portfolio companies with follow-on funding where it is appropriate and can be structured on attractive terms. Strong liquidity will also benefit the

attractive new investment environment for the Company which, in our view is strong and we are seeing a number of interesting investment propositions.

There are some specific highs in the portfolio such as Preservica which continues to see strong trading and is out-performing budget. The exits from EOTH and Tharstern were also excellent results after long running processes which had to negotiate numerous economic and geo-political hurdles. By contrast, there were also some significant falls, the largest were MyTutor and Connect Childcare with a further fall in the quoted share price of Virgin Wines UK plc. Disappointingly, after experiencing very difficult trading conditions since the onset of COVID-19, Tapas Revolution has entered administration since the period-end with no expected recovery for the VCTs.

The portfolio movements in the period are summarised as follows

	2023 £m	2022 £m
Opening portfolio value	73.08	88.15
New and follow-on investments	1.01	3.25
Disposal proceeds	(9.13)	(6.24)
Net realised gains	0.41	1.21
Unrealised valuation movements	(1.01)	2.99
<b>Portfolio value at 31 March</b>	<b>64.36</b>	<b>89.36</b>

## Valuation changes of portfolio investments still held

The portfolio generated net unrealised losses of £(1.01) million in the first half of its financial year.

The total valuation increases were £4.36 million. The main valuation increases were in:

- **Preservica** - £3.44 million
- **Aquasium** - £0.32 million
- **Orri** - £0.29 million

Preservica is performing well and increasing its recurring revenues whilst Aquasium has started to gain significant

traction with its products. Finally, Orri has benefitted from a first time valuation uplift due to the investment structuring.

The total valuation decreases were £(5.37) million. The main valuation decreases were:

- **MyTutor** - £(1.15) million
- **Connect Childcare** - £(1.07) million
- **Virgin Wines** - £(0.66) million

MyTutor has been impacted by declining sector multiples combined with slower than anticipated growth over the year. Connect Childcare has not grown revenues as quickly as hoped and is now prioritising capital efficiency. Virgin Wines

continues to suffer from negative sentiment across the consumer sector. Following announcements of operational issues over its key Christmas period, it has seen a further decline in its quoted share price, although underlying trading remains resilient and compares very favourably to its peers.

The Company's investment values have been insulated partially from market movements and lower revenue growth by the preferred investment structures employed in many of the portfolio companies. This acts to moderate valuation swings and the net result is a more modest decline in portfolio value.




The portfolio's valuation changes in the period are summarised as follows:


Investment Portfolio Capital Movement	2023 £m	2022 £m
Increase in the value of unrealised investments	4.36	11.98
Decrease in the value of unrealised investments	(5.37)	(8.99)
<b>Net (decrease)/increase in the value of unrealised investments</b>	<b>(1.01)</b>	<b>2.99</b>
Realised gains	1.28	1.21
Realised losses	(0.87)	-
<b>Net realised gains in the period</b>	<b>0.41</b>	<b>1.21</b>
<b>Net investment portfolio movement in the period</b>	<b>(0.60)</b>	<b>4.20</b>

### New investments during the period

The Company made two new investments totalling £1.01 million during the period, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Connect Earth	Environmental data provider	March 2023	0.34


Founded in 2021, Connect Earth ([connect.earth](https://connect.earth)) is a London-based environmental data company that seeks to facilitate easy access to sustainability data. With its carbon tracking API technology, Connect Earth supports financial institutions in offering their customers transparent insights into the climate impact of their daily spending and investment decisions. Connect Earth's defensible and scalable product platform suite has the potential to be a future market winner in the nascent but rapidly growing carbon emission data market, for example, by enabling banks to provide end retail and business customers with carbon footprint insights of their spending. This funding round is designed to facilitate the delivery of the technology and product roadmap to broaden the commercial reach of a proven product.

	Cognassist	Education and neuro-inclusion solutions	March 2023	0.67
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Cognassist ([cognassist.com](https://cognassist.com)) is an education and neuro-inclusion solutions company that provides a Software-as-a-Service (SaaS) platform focused on identifying and supporting individuals with hidden learning needs. The business is underpinned by extensive scientific research and an extensive cognitive dataset. Cognassist has scaled its underlying business within the education market. This investment will empower Cognassist to continue its growth within the education market and penetrate the enterprise market, where demand for neuro-inclusive solutions to adequately support employees is rapidly emerging.

### Realisations during the period

The Company completed two exits during the period, as detailed below:

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	EOTH	Branded clothing (Rab and Lowe Alpine)	October 2011 to November 2022	£9.54 million 6.9x cost

The Company realised its equity investment in EOTH for £7.34 million (realised gain in the period: £0.42 million) including preference dividends. Total proceeds received over the life of the investment were £9.54 million compared to an original investment cost of £1.38 million, representing a multiple on cost of 6.9x and an IRR of 23.2%. The Company has retained its interest yielding loan stock investment. Once repaid, this should increase the multiple on cost to 7.9x.

	Tharstern	Software based management information systems	July 2014 to March 2023	£4.00 million 2.6x cost
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The Company realised its investment in Tharstern Group for £2.85 million (realised gain in period: £0.86 million). Total proceeds received over the life of the investment were £4.00 million compared to an original cost of £1.54 million, representing a multiple on cost of 2.6x and an IRR of 15.0%.

# Investment Adviser's Review

## Loan repayments and other proceeds in the period

The Company received a loan repayment from Jablite Holdings Limited of £0.07 million.

## Investment portfolio yield


In the period under review, the Company received the following amounts in loan interest and dividend income:

Investment Portfolio Yield	2023 £m	2022 £m
Interest received in the period	0.31	0.84
Dividends received in the period	0.56	0.40
<b>Total portfolio income in the period<sup>1</sup></b>	<b>0.87</b>	<b>1.24</b>
<b>Portfolio Value at 31 March</b>	<b>64.36</b>	<b>89.36</b>
<b>Portfolio Income Yield (Income as a % of Portfolio value at 31 March)</b>	<b>1.4%</b>	<b>1.4%</b>

<sup>1</sup> Total portfolio income in the period is generated solely from investee companies within the portfolio

## New investments made after the period-end

The Company made one new investment of £0.63 million after the period-end, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Dayrize	Sustainability impact assessment tool provider	May 2023	0.63

Founded in 2020, Amsterdam-based [Dayrize](#) has developed a rapid sustainability impact assessment tool that delivers product-level insights for consumer goods brands and retailers, enabling them to be leaders in sustainability. Its proprietary software platform and methodology bring together an array of data sources to provide a single holistic product-level sustainability score that is comparable across product categories in under two seconds. This funding round is to drive product development and develop its market strategy to build on an opportunity to emerge as a market leader in the industry.

## Environmental, Social, Governance considerations

Gresham House is committed to sustainable investment as an integral part of its business strategy. During the year, the Investment Adviser has formalised its approach to sustainability and has put in place several processes to ensure environmental, social and governance factors and stewardship responsibilities are built into asset management across all funds and strategies, including venture capital trusts, for example, individual members of the investment team now have their own individual ESG objectives set which align with the wider ESG goals of Gresham House. For further details, Gresham House published its third Sustainable Investment Report in April 2023, which can be found on its website at: [www.greshamhouse.com](http://www.greshamhouse.com).

will place further strains on the portfolio. However, the portfolio is well diversified and Gresham House has an experienced team working closely with them to help them navigate the challenges that lie ahead. In terms of new investment, evidence shows that investing through the economic cycle has the potential to yield strong returns and Gresham House is seeing a number of opportunities, both new deals and further investment into the existing portfolio, which have the potential to drive shareholder value over the medium term.

**Gresham House Asset Management Limited**  
Investment Adviser

13 June 2023

## Outlook

Whilst the period under review has once again been marked with volatility and uncertainty as a result of a number of factors affecting both the global and UK economy, the portfolio has continued to trade well under the circumstances. Rising costs and recessionary pressures

# Investment Portfolio Summary

as at 31 March 2023

Growth focused portfolio

MBO focused portfolio

	Total cost at 31 March 2023 (unaudited) £	Valuation at 30 September 2022 (audited) £	Additional investments in the period £	Valuation at 31 March 2023 (unaudited) £
<b>Preservica Limited</b> Seller of proprietary digital archiving software	4,675,163	13,544,207	-	16,988,385
<b>MPB Group Limited</b> Online marketplace for used photographic and video equipment	1,510,992	7,335,235	-	7,428,543
<b>Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man &amp; Van)</b> A specialist logistics, storage and removals business	464,658	4,244,308	-	4,469,494
<b>My Tutorweb Limited (trading as MyTutor)</b> Digital marketplace connecting school pupils seeking one-to-one online tutoring	3,361,778	5,042,133	-	3,893,515
<b>Bella &amp; Duke Limited</b> A premium frozen raw dog food provider	1,323,745	3,688,457	-	3,633,445
<b>End Ordinary Group Limited (trading as Buster and Punch)</b> Industrial inspired lighting and interiors retailer	2,046,612	2,826,776	-	2,778,787
<b>I-Dox plc (AIM quoted)</b> Developer and supplier of knowledge management products	453,881	2,691,797	-	2,600,125
<b>Virgin Wines UK Plc (AIM quoted)</b> Online wine retailer	65,288	3,158,366	-	2,500,373
<b>Arkk Consulting Limited (trading as Arkk Solutions)</b> Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements	2,182,187	2,427,027	-	2,304,493
<b>Data Discovery Solutions Limited (trading as ActiveNav)</b> Provides the global market leading file analysis software for information governance, security and compliance	1,975,681	2,475,414	-	2,282,595
<b>Vivacity Labs Limited</b> Provider of artificial intelligence & urban traffic control systems	2,093,538	2,093,538	-	2,093,538
<b>EOTH Limited (trading as Equip Outdoor Technologies)</b> Branded outdoor equipment and clothing (Rab and Lowe Alpine)	1,381,759	1,353,782	-	1,353,782
<b>Aquasium Technology Limited</b> Manufacturing and marketing of bespoke electron beam welding and vacuum furnace equipment	166,667	817,351	-	1,133,448
<b>Manufacturing Services Investment Limited (trading as Wetsuit Outlet)</b> Online retailer in the water sports market	3,205,182	1,626,513	-	1,103,218
<b>IPV Limited</b> Provider of media asset software	954,674	954,674	-	954,674
<b>Legatics Holdings Limited</b> SaaS LegalTech software provider	909,330	909,330	-	909,330
<b>Orri Limited</b> An intensive day care provider for adults with eating disorders	581,700	581,700	-	867,963
<b>Pets' Kitchen Limited (trading as Vet's Klinik)</b> Veterinary clinics	844,200	844,200	-	844,200
<b>Rota Geek Limited</b> Workforce management software	1,563,500	1,229,242	-	812,431
<b>Proximity Insight Holdings Limited</b> Super-App used by customer-facing teams of brands and retailers to engage, inspire and transact with customers	807,000	807,000	-	807,000
<b>Caledonian Leisure Limited</b> Provider of UK leisure and experience breaks	748,749	767,351	-	749,452
<b>Cognassist Limited</b> Provider of neurodiversity assessments and support software	670,000	-	670,000	670,000
<b>FocalPoint Positioning Limited</b> A positioning technology company	664,921	664,921	-	664,921
<b>Bleach London Holdings Limited</b> Hair colourants brand	1,332,831	1,100,240	-	633,340
<b>Lads Store Limited (trading as Bidnamic)</b> SaaS platform for optimisation of search engine marketing spend	637,383	633,147	-	633,147
<b>CGI Creative Graphics International Limited</b> Vinyl graphics to global automotive, recreation vehicle and aerospace markets	1,943,948	495,475	-	486,526
<b>Connect Earth Limited</b> Environmental data provider	334,998	-	334,998	334,998
<b>Northern Bloc Ice Cream Limited</b> Supplier of premium vegan ice cream	662,340	654,951	-	220,778

# Investment Portfolio Summary

as at 31 March 2023

Growth focused portfolio

MBO focused portfolio

	Total cost at 31 March 2023 (unaudited) £	Valuation at 30 September 2022 (audited) £	Additional investments in the period £	Valuation at 31 March 2023 (unaudited) £
<b>Connect Childcare Group Limited</b> Nursery management software provider	1,157,214	1,214,027	-	144,650
<b>Parsley Box Group Limited (formerly Parsley Box Plc)<sup>1</sup></b> Supplier of home delivered, ambient ready meals targeting the over 60s	874,001	167,173	-	54,218
<b>Corero Network Security plc (AIM quoted)</b> Provider of e-business technologies	600,000	10,805	-	5,697
<b>Spanish Restaurant Group Limited (trading as Tapas Revolution) (in administration)</b> Spanish restaurant chain	1,630,233	669,502	-	-
<b>RDL Corporation Limited</b> Recruitment consultants within the pharmaceutical, business intelligence and IT industries	1,441,667	204,430	-	-
<b>Oxonica Limited</b> International nanomaterials group	2,524,527	-	-	-
<b>Veritek Global Holdings Limited<sup>2</sup></b> Maintenance of imaging equipment	1,256,359	-	-	-
<b>Muller EV Limited (trading as Andersen EV) (in administration)</b> Provider of premium electric vehicle (EV) chargers	950,997	-	-	-
<b>BookingTek Limited</b> Software for hotel groups	779,155	-	-	-
<b>Racoon International Group Limited</b> Supplier of hair extensions, hair care products and training	655,851	-	-	-
<b>NexxtDrive Limited/Nexxt E-drive Limited</b> Developer and exploiter of mechanical transmission technologies	487,014	-	-	-
<b>Kudos Innovations Limited</b> Online platform that provides and promotes academic research dissemination	472,500	-	-	-
<b>Biomer Technology Limited</b> Developer of biomaterials for medical devices	137,170	-	-	-
<b>Disposals in period</b>				
<b>Jablite Holdings Limited (in members' voluntary liquidation)</b> Manufacturer of expanded polystyrene products	451,201	65,779	-	-
<b>EOTH Limited (trading as Equip Outdoor Technologies)</b> Branded outdoor equipment and clothing (Rab and Lowe Alpine)	-	5,795,294	-	-
<b>Tharstern Group Limited</b> Software based management Information systems	-	1,985,858	-	-
<b>Total</b>	<b>50,980,594</b>	<b>73,080,003</b>	<b>1,004,998</b>	<b>64,357,066</b>
<b>Total Investment Portfolio split by type</b>				
<b>Growth focused portfolio<sup>3</sup></b>	40,797,021	63,650,142	1,004,998	57,630,897
<b>MBO focused portfolio<sup>3</sup></b>	10,183,573	9,429,861	-	6,726,169
<b>Total</b>	<b>50,980,594</b>	<b>73,080,003</b>	<b>1,004,998</b>	<b>64,357,066</b>

<sup>1</sup> Parsley Box Group plc was delisted in December 2022, the company changed its name to Parsley Box Group Limited on 11 January 2023.

<sup>2</sup> The Company's holding in Veritek Global Holdings Limited was restructured during the period resulting in a write-off of £1,033,800 of the loan stock cost held.

<sup>3</sup> The growth focused portfolio contains all investments made after the change in the VCT regulations in 2015 plus some investments that are growth in nature made before this date. The MBO focused portfolio contains investments made prior to 2015 as part of the previous MBO strategy.

# Statement of the Directors' Responsibilities

## Responsibility statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Maurice Helfgott (Chair), Justin Ward (Chair of the Investment and Nomination & Remuneration Committees) and Nemone Wynn-Evans (Chair of the Audit Committee), being the Directors of the Company, confirm that to the best of their knowledge:

- (a) The condensed set of financial statements, which has been prepared in accordance with Financial Reporting Standard 104 "Interim Financial Reporting" gives a true and fair view of the assets, liabilities, financial position and profit of the Company as required by DTR 4.2.10;
- (b) the Half Year Management Report, which comprises the Chair's Statement, Investment Policy, Investment Review and Investment Portfolio Summary, includes a fair review of the information required by DTR 4.2.7, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
- (c) a description of the principal risks and uncertainties facing the Company for the remaining six months is set out under the following heading, in accordance with DTR 4.2.7; and
- (d) there were no related party transactions in the first six months of the current financial year that are required to be disclosed, in accordance with DTR 4.2.8.

## Principal risks and uncertainties

In accordance with DTR 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed from those identified in the Annual Report and Financial Statements for the year ended 30 September 2022 ("the Annual Report"). The Board considers that the present processes for mitigating those risks remain appropriate.

The principal risks faced by the Company are:

- Investment and liquidity
- Loss of approval as a Venture Capital Trust;
- Economic, political and other external risks
- Financial and operating;
- Market liquidity.

A detailed explanation of the principal risks facing the Company can be found in the Annual Report on pages 31 and 32, as well as in Note 16 on Financial Instruments on pages 68 to 75 of that report. Copies can be viewed or downloaded from 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 earlier in the Half Year management report which comprises the Chair's Statement, Investment Policy, Investment Adviser's Review and Investment Portfolio Summary. The Directors have satisfied themselves that the Company continues to maintain a significant cash position. The majority of

companies in the portfolio are well funded and the portfolio taken as a whole remains resilient and well diversified, although the cost of living crisis and the challenging economic environment may impose further considerable demands upon the liquidity and trading prospects of some of these companies in the near-term. In keeping with the ongoing need to take advantage of opportunities for further investment within the portfolio, the company launched an Offer for Subscription in the 2022/23 tax year and reached full subscription. The major cash outflows of the Company (namely investments, share buybacks and dividends) are within the Company's control. The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Notes 16 and 17 of the Annual Report and Financial Statements on pages 68 to 76. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the Interim report and financial statements.

## Cautionary Statement

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

For and on behalf of the Board:

**Maurice Helfgott**  
Chair

13 June 2023

# Unaudited Condensed Income Statement

## for the six months ended 31 March 2023

	Notes	Six months ended 31 March 2023 (unaudited)		
		Revenue £	Capital £	Total £
Net investment portfolio (losses)/gains	9	-	(600,135)	(600,135)
Income	4	1,587,517	-	1,587,517
Investment Adviser's fees	5	(310,036)	(930,109)	(1,240,145)
Investment Adviser's performance fees	5	-	-	-
Other expenses		(334,541)	-	(334,541)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>942,940</b>	<b>(1,530,244)</b>	<b>(587,304)</b>
Tax on (loss)/profit on ordinary activities	6	(72,124)	72,124	-
<b>(Loss)/profit for the period and total comprehensive income</b>		<b>870,816</b>	<b>(1,458,120)</b>	<b>(587,304)</b>
<b>Basic and diluted earnings per share</b>	7	<b>0.60p</b>	<b>(1.01)p</b>	<b>(0.41)p</b>

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the net investment portfolio losses (unrealised losses and realised gains on investments) and the proportion of the Investment Adviser's fee and performance fee charged to capital.

The total column is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). In order to better reflect the activities of a VCT and in accordance with the 2014 Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC") and updated in July 2022, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The revenue column of profit attributable to equity shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

All the items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period/year.

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

Six months ended 31 March 2022 (unaudited)			Year ended 30 September 2022 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
-	4,197,868	4,197,868	-	(10,847,681)	(10,847,681)
1,266,322	-	1,266,322	2,818,938	-	2,818,938
(325,312)	(975,934)	(1,301,246)	(658,973)	(1,976,919)	(2,635,892)
-	(704,303)	(704,303)	-	-	-
(280,973)	-	(280,973)	(539,819)	-	(539,819)
660,037	2,517,631	3,177,668	1,620,146	(12,824,600)	(11,204,454)
(49,366)	49,366	-	(86,613)	86,613	-
<b>610,671</b>	<b>2,566,997</b>	<b>3,177,668</b>	<b>1,533,533</b>	<b>(12,737,987)</b>	<b>(11,204,454)</b>
<b>0.51p</b>	<b>2.13p</b>	<b>2.64p</b>	<b>1.23p</b>	<b>(10.21)p</b>	<b>(8.98)p</b>



# Unaudited Condensed Balance Sheet

as at 31 March 2023

	Notes	31 March 2023 (unaudited) £	31 March 2022 (unaudited) £	30 September 2022 (audited) £
<b>Fixed assets</b>				
Investments at fair value	9	64,357,066	89,363,060	73,080,003
<b>Current assets</b>				
Debtors and prepayments		427,789	622,615	869,192
Current asset investments	10	55,727,958	37,198,475	33,569,357
Cash at bank	10	2,791,491	1,424,968	1,209,273
		58,947,238	39,246,058	35,647,822
<b>Creditors: amounts falling due within one year</b>		(375,605)	(955,691)	(312,375)
<b>Net current assets</b>		58,571,633	38,290,367	35,335,447
<b>Net assets</b>		<b>122,928,699</b>	<b>127,653,427</b>	<b>108,415,450</b>
<b>Capital and reserves</b>				
Called up share capital		1,548,570	1,292,177	1,294,819
Capital redemption reserve		72,428	40,984	48,343
Share premium reserve		46,859,350	23,827,036	24,765,043
Revaluation reserve		22,797,232	42,700,452	28,034,730
Special distributable reserve		34,071,531	46,405,339	40,837,774
Profit and loss account		17,579,588	13,387,439	13,434,741
<b>Equity Shareholders' funds</b>		<b>122,928,699</b>	<b>127,653,427</b>	<b>108,415,450</b>
<b>Basic and diluted net asset value:</b>				
Basic and diluted net asset value per share	11	<b>79.38p</b>	<b>98.79p</b>	<b>83.73p</b>

The financial information for the six months ended 31 March 2023 and the six months ended 31 March 2022 has not been audited.

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

# Unaudited Condensed Statement of Changes in Equity

for the six months ended 31 March 2023

	Non-distributable reserves				Distributable reserves			Total
	Called up share capital	Capital redemption reserve	Share premium reserve	Revaluation reserve	Special distributable reserve (Note a)	Realised capital reserve (Note b)	Revenue reserve (Note b)	
	£	£	£	£	£	£	£	£
<b>At 1 October 2022</b>	1,294,819	48,343	24,765,043	28,034,730	40,837,774	10,606,675	2,828,066	108,415,450
<b>Comprehensive income for the period</b>								
(Loss)/profit for the period	-	-	-	(1,007,072)	-	(451,048)	870,816	(587,304)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(1,007,072)</b>	-	<b>(451,048)</b>	<b>870,816</b>	<b>(587,304)</b>
<b>Contributions by and distributions to owners</b>								
Shares issued via Offer for Subscription (Note c)	265,860	-	21,705,140	-	-	-	-	21,971,000
Issue costs and facilitation fees on Offer for Subscription (Note c)	-	-	(553,744)	-	(248,181)	-	-	(801,925)
Dividends re-invested into new shares	11,976	-	942,911	-	-	-	-	954,887
Shares bought back (Note d)	(24,085)	24,085	-	-	(1,839,389)	-	-	(1,839,389)
Dividends paid	-	-	-	-	(972,003)	(3,240,014)	(972,003)	(5,184,020)
<b>Total contributions by and distributions to owners</b>	<b>253,751</b>	<b>24,085</b>	<b>22,094,307</b>	<b>-</b>	<b>(3,059,573)</b>	<b>(3,240,014)</b>	<b>(972,003)</b>	<b>15,100,554</b>
<b>Other movements</b>								
Realised losses transferred to special reserve (Note a)	-	-	-	-	(3,706,670)	3,706,670	-	-
Realisation of previously unrealised gains	-	-	-	(4,230,426)	-	4,230,426	-	-
<b>Total other movements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,230,426)</b>	<b>(3,706,670)</b>	<b>7,937,096</b>	<b>-</b>	<b>-</b>
<b>At 31 March 2023</b>	<b>1,548,570</b>	<b>72,428</b>	<b>46,859,350</b>	<b>22,797,232</b>	<b>34,071,531</b>	<b>14,852,709</b>	<b>2,726,879</b>	<b>122,928,699</b>

## Notes

- a): The Company's special reserve is available to fund buybacks of shares as and when it is considered by the Board to be in the interests of Shareholders, and to absorb any existing and future realised losses and for other corporate purposes. At 31 March 2023, the Company has a special reserve of £34,071,531, all of which arises from shares issued more than three years after the end of the financial year in which they were issued. Reserves originating from share issues are not distributable under VCT rules if they are within three years of the end of an accounting period in which the shares were issued. The total transfer of £3,706,670 from the realised capital reserve to the special distributable reserve above is the total of realised losses incurred by the Company in the period.
- b): The realised capital reserve and the revenue reserve together comprise the Profit and Loss Account of the Company.
- c): Under the Company's Offer for subscription launched on 5 October 2022, 26,586,014 Ordinary Shares were allotted on 16 November 2022 and 6 February 2023, raising net funds of £21,169,075 for the Company. This figure is net of issue costs of £553,744 and facilitation fees of £248,181.
- d): During the period, the Company repurchased 2,408,534 of its own shares at the prevailing market price for a total cost (including stamp duty) of £1,839,389, which were subsequently cancelled. The difference between the figure shown above of £1,839,389 and that per the Unaudited Condensed Statement of Cash Flows of £1,866,194 is due to a share buyback creditor of £41,899 at the previous year-end, partially offset by a share buyback creditor of £15,094 at the period-end.

# Unaudited Condensed Statement of Changes in Equity

## for the six months ended 31 March 2022

	Called up share capital £	Non-distributable reserves Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Distributable reserves Special distributable reserve £	Realised capital reserve £	Revenue reserve £	Total £
<b>At 1 October 2021</b>	1,185,549	36,682	13,328,900	43,197,940	50,884,712	8,511,877	1,940,614	119,086,274
<b>Comprehensive income for the period</b>								
Profit/(loss) for the period	-	-	-	2,989,587	-	(422,590)	610,671	3,177,668
<b>Total comprehensive income for the period</b>	-	-	-	<b>2,989,587</b>	-	<b>(422,590)</b>	<b>610,671</b>	<b>3,177,668</b>
<b>Contributions by and distributions to owners</b>								
Shares issued via Offer for Subscription	101,920	-	9,898,080	-	-	-	-	10,000,000
Issue costs and facilitation fees on Offer for Subscription (Note c)	-	-	(250,968)	-	(81,278)	-	-	(332,246)
Dividends re-invested into new shares	9,010	-	851,024	-	-	-	-	860,034
Shares bought back	(4,302)	4,302	-	-	(396,145)	-	-	(396,145)
Dividends paid	-	-	-	-	(2,371,079)	(2,371,079)	-	(4,742,158)
<b>Total contributions by and distributions to owners</b>	<b>106,628</b>	<b>4,302</b>	<b>10,498,136</b>	-	<b>(2,848,502)</b>	<b>(2,371,079)</b>	-	<b>5,389,485</b>
<b>Other movements</b>								
Realised losses transferred to special reserve	-	-	-	-	(1,630,871)	1,630,871	-	-
Realisation of previously unrealised appreciation	-	-	-	(3,487,075)	-	3,487,075	-	-
<b>Total other movements</b>	-	-	-	<b>(3,487,075)</b>	<b>(1,630,871)</b>	<b>5,117,946</b>	-	-
<b>At 31 March 2022</b>	<b>1,292,177</b>	<b>40,984</b>	<b>23,827,036</b>	<b>42,700,452</b>	<b>46,405,339</b>	<b>10,836,154</b>	<b>2,551,285</b>	<b>127,653,427</b>

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

The composition of each of these reserves is explained below:

**Called up share capital** - The nominal value of shares originally issued, increased for subsequent share issues either via an Offer for Subscription or Dividend Investment Scheme or reduced due to shares bought back by the Company.

**Capital redemption reserve** - The nominal value of shares bought back and cancelled is held in this reserve, so that the Company's capital is maintained.

**Share premium reserve** - This reserve contains the excess of gross proceeds less issue costs over the nominal value of shares allotted under recent Offers for Subscription and the Company's Dividend Investment Scheme.

**Revaluation reserve** - Increases and decreases in the valuation of investments held at the period-end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

In accordance with stating all investments at fair value through profit and loss (as recorded in Note 9), all such movements through both revaluation and realised capital reserves are shown within the Income Statement for the period.

**Special distributable reserve** - This reserve is created from cancellations of the balances upon the Share premium reserve, which are transferred to this reserve from time to time. The cost of share buybacks and any realised losses on the sale or impairment of investments (excluding transaction costs) are charged to this reserve. 75% of the Investment Adviser fee expense, and the related tax effect, that are charged to the realised capital reserve are transferred to this reserve. This reserve will also be charged any facilitation fee payments to financial advisers, which arose as part of the Offer for Subscription.

**Realised capital reserve** - The following are accounted for in this reserve:

- Gains and losses on realisation of investments;
- Permanent diminution in value of investments;
- Transaction costs incurred in the acquisition and disposal of investments;
- 75% of the Investment Adviser fee expense and 100% of any performance fee payable, together with the related tax effect to this reserve in accordance with the policies; and
- Capital dividends paid.

**Revenue reserve** - Income and expenses that are revenue in nature are accounted for in this reserve, as well as 25% of the Investment Adviser fee together with the related tax effect, as well as income dividends paid that are classified as revenue in nature.

# Unaudited Condensed Statement of Cash Flows

for the six months ended 31 March 2023

	Notes	Six months ended 31 March 2023 (unaudited) £	Six months ended 31 March 2022 (unaudited) £	Year ended 30 September 2022 (audited) £
<b>Cash flows from operating activities</b>				
(Loss)/profit for the financial period		(587,303)	3,177,668	(11,204,454)
<b>Adjustments for:</b>				
Net investment portfolio losses/(gains)		600,135	(4,197,868)	10,847,681
Decrease/(increase) in debtors		441,929	(218,732)	(654,550)
Increase/(decrease) in creditors and accruals		87,735	(370,075)	(1,055,290)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>542,496</b>	<b>(1,609,007)</b>	<b>(2,066,613)</b>
<b>Cash flows from investing activities</b>				
Purchase of investments	9	(1,004,998)	(3,442,183)	(7,336,441)
Disposal of investments	9	9,129,574	8,478,630	13,799,637
<b>Net cash inflow from investing activities</b>		<b>8,124,576</b>	<b>5,036,447</b>	<b>6,463,196</b>
<b>Cash flows from financing activities</b>				
Shares issued as part of Offer for subscription		21,971,000	10,000,000	10,000,000
Issue costs and facilitation fees as part of Offer for subscription		(801,925)	(332,246)	(332,246)
Equity dividends paid	8	(4,229,134)	(3,882,124)	(8,102,766)
Purchase of own shares		(1,866,194)	(437,809)	(1,031,123)
<b>Net cash inflow from financing activities</b>		<b>15,073,747</b>	<b>5,347,821</b>	<b>533,865</b>
<b>Net increase in cash and cash equivalents</b>		<b>23,740,819</b>	<b>8,775,261</b>	<b>4,930,448</b>
Cash and cash equivalents at start of period		31,626,861	26,696,413	26,696,413
<b>Cash and cash equivalents at end of period</b>		<b>55,367,680</b>	<b>35,471,674</b>	<b>31,626,861</b>
<b>Cash and cash equivalents comprise:</b>				
Cash at bank and in hand	10	2,791,491	1,424,968	1,209,273
Cash equivalents	10	52,576,189	34,046,706	30,417,588

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 31 March 2023

### 1. Company information

The Income & Growth VCT plc is a public limited company incorporated in England, registration number 04069483. The registered office is 5 New Street Square, London, EC4A 3TW.

### 2. Basis of preparation of the Financial Statements

These Financial Statements prepared in accordance with accounting policies consistent with Financial Reporting Standard 102 ("FRS102"), Financial Reporting Standard 104 ("FRS104") - Interim Financial Reporting, with the Companies Act 2006 and the 2014 Statement of Recommended practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP') (updated in July 2022) issued by the Association of Investment Companies ("AIC").

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

### 3. Principal accounting policies

The accounting policies have been applied consistently throughout the period. Full details of principal accounting policies will be disclosed in the Annual Report, while the policy in respect of investments is included within an outlined box at the top of Note 9 on investments.

### 4. Income

	Six months ended 31 March 2023 (unaudited) £	Six months ended 31 March 2022 (unaudited) £	Year ended 30 September 2022 (audited) £
<b>Income</b>			
- Dividends	563,341	400,218	1,164,287
- Money market funds	680,253	15,113	203,099
- Loan stock interest	307,850	838,162	1,413,351
- Bank deposit interest	36,073	12,829	38,201
<b>Total Income</b>	<b>1,587,517</b>	<b>1,266,322</b>	<b>2,818,938</b>

## 5. Investment Adviser's fees and performance fees

	Six months ended 31 March 2023 (unaudited) £	Six months ended 31 March 2022 (unaudited) £	Year ended 30 September 2022 (audited) £
<b>Allocated to revenue return:</b> Investment Adviser's fees	310,036	325,312	658,973
<b>Allocated to capital return:</b> Investment Adviser's fees	930,109	975,934	1,976,919
Investment Adviser's performance fees	-	704,303	-
<b>Total</b>	<b>1,240,145</b>	<b>2,005,549</b>	<b>2,635,892</b>
<b>Investment Adviser's fee</b>	1,240,145	1,301,246	2,635,892
<b>Investment Adviser's performance fees</b>	-	704,303	-
<b>Total</b>	<b>1,240,145</b>	<b>2,005,549</b>	<b>2,635,892</b>

Under the terms of a revised investment management agreement dated 29 March 2010 (such agreement having been novated to Gresham House), Gresham House provides investment advisory, administrative and company secretarial services to the Company, for a fee of 2.4% per annum of closing net assets, calculated on a quarterly basis by reference to the net assets at the end of the preceding quarter. One sixth of this fee is subject to minimum and maximum limits of £150,000 (2022: £150,000) and £170,000 (2022: £170,000) per annum respectively.

Under the Incentive Agreement dated 30 September 2014 (such agreement having been novated to Gresham House), annual performance incentive fee payment is 15% of net realised gains for each year, payable in cash. It is payable only if Cumulative Net Asset Value (NAV) total return per share (being the closing NAV at a year end plus cumulative dividends paid to that year end, since 1 October 2013) equals or exceeds a "Target Return". The Target Return is the greater of two targets, being either:

- compound growth of 6% per annum (but 5% per annum for the year ended 30 September 2014 only), before deducting any incentive fee payable (for the year of calculation only) in Cumulative NAV total return per share; or
- the cumulative percentage change in the Consumer Prices Index since 1 October 2013 to the relevant financial year-end, the resultant figure then being multiplied by  $(100+A)/100$ , where A is the number of full 12 month periods (or part thereof) that have passed between 1 October 2013 and the relevant financial year end (the result being that the cumulative increase in inflation is further uplifted to include a 1% above inflation increase per annum in the Target Return).

Both measures of Target Return are applied to the same opening base, being NAV per share as at 30 September 2013 of 113.90 pence. The objective of this Target Return is to enable Shareholders to benefit from a cumulative NAV return of at least 6% per annum (5% in the financial year ended 30 September 2014), before any incentive fee is payable. Once a payment has been made, cumulative NAV total return is calculated after deducting past years' incentive fees paid and payable.

Under this agreement, any fee payments to Gresham House are subject to an annual cap of an amount equal to 2% of the net assets of the Company as at the immediately preceding year-end. Any excess over the 2% remains payable to Gresham House in the following year(s), subject to the 2% annual cap in such subsequent year(s) and after any payment in respect of such subsequent year(s).

For the year ending 30 September 2023, the Target Return based upon Cumulative NAV total return per share under i) above was a 6% uplift on the previous year's Target Return of 190.62 pence, being 202.06 pence and exceeds the target return compared to a Consumer Price basis under ii) above of 162.97 pence. As Cumulative Total NAV return is 187.38 pence per share at the period-end, and is less than the Target Return under i) above of 202.06 pence per share, no fee is therefore payable.

# Notes to the Unaudited Condensed Financial Statements for the six months ended 31 March 2023

## 6. Taxation

There is no tax charge for the period as the Company incurred tax allowable expenses in excess of taxable income.

## 7. Basic and diluted earnings and return per share

	Six months ended 31 March 2023 (unaudited) £	Six months ended 31 March 2022 (unaudited) £	Year ended 30 September 2022 (audited) £
i) Total earnings after taxation: <b>Basic and diluted earnings per share (Note a)</b>	(587,304) <b>(0.41)p</b>	3,177,668 <b>2.64p</b>	(11,204,454) <b>(8.98)p</b>
ii) Revenue earnings from ordinary activities after taxation <b>Basic and diluted revenue earnings per share (Note b)</b>	870,816 <b>0.60p</b>	610,671 <b>0.51p</b>	1,533,533 <b>1.23p</b>
Net investment portfolio (losses)/gains	(600,135)	4,197,868	(10,847,681)
Capitalised Investment Adviser fees and performance fees less taxation	(857,985)	(1,630,871)	(1,890,306)
iii) Total capital earnings <b>Basic and diluted capital earnings per share (Note c)</b>	(1,458,120) <b>(1.01)p</b>	2,566,997 <b>2.13 p</b>	(12,737,987) <b>(10.21)p</b>
iv) Weighted average number of shares in issue in the period (Note d)	144,581,850	119,992,964	124,696,827

### Notes:

- Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
- Basic revenue earnings per share is the revenue return after taxation divided by the weighted average number of shares in issue.
- Basic capital earnings per share is the total capital return after taxation divided by the weighted average number of shares in issue.
- There are no instruments that will increase the number of shares in issue in the future. Accordingly, the above figures currently represent both basic and diluted earnings per share.

## 8. Dividends

Dividend	Type	For the year ended 30 September	Pence per share	Date paid	Six months ended 31 March 2023 (unaudited) £	Six months ended 31 March 2022 (unaudited) £	Year ended 30 September 2022 (audited) £
Interim	Income	2021	1.00p	23 July 2021	-	-	-
Interim	Capital	2021	4.00p	23 July 2021	-	-	-
Interim	Capital*	2021	2.00p	7 January 2022	-	2,371,079	2,371,079
Interim	Capital	2021	2.00p	7 January 2022	-	2,371,079	2,371,079
Interim	Income	2022	0.50p	8 July 2022	-	-	646,081
Interim	Capital	2022	2.00p	8 July 2022	-	-	2,584,325
Interim	Capital*	2022	1.50p	8 July 2022	-	-	1,938,244
Interim	Income	2022	0.75p	7 November 2022	972,003	-	-
Interim	Capital	2022	2.50p	7 November 2022	3,240,014	-	-
Interim	Capital*	2022	0.75p	7 November 2022	972,003	-	-
<b>Total</b>					<b>5,184,020</b>	<b>4,742,158</b>	<b>9,910,809</b>

\* These dividends were paid out of the Company's special distributable reserve.

For the period ended 31 March 2023, £5,184,020 disclosed above differs to that shown in the Statement of Cash Flows of £4,229,134 due to £954,886 of new shares allotted subject to listing under the Company's Dividend Investment Scheme.



## 9. Summary of movement on investments during the period

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments at “fair value through profit and loss” (FVTPL). All investments held by the Company are classified as FVTPL and measured in accordance with the International Private Equity and Venture Capital Valuation (“IPEV”) guidelines, as updated in December 2022. This classification is followed as the Company’s business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional. For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Where the terms of a disposal state that consideration may be received at some future date and, subject to the conditionality and materiality of the amount of deferred consideration, an estimate of the fair value discounted for the time value of money may be recognised through the Income Statement. In other cases, the proceeds will only be recognised once the right to receive payment is established and there is no reasonable doubt that payment will be received.

Unquoted investments are stated at fair value by the Directors at each measurement date in accordance with appropriate valuation techniques, which are consistent with the IPEV guidelines:-

- (i) Each investment is considered as a whole on a ‘unit of account’ basis, i.e. that the value of each portfolio company is considered as a whole, alongside consideration of:-

The price of new or follow-on investments made, if deemed to be made as part of an orderly transaction, are considered to be at fair value at the date of the transaction. The inputs that derived the investment price are calibrated within individual valuation models and at every subsequent quarterly measurement date, are reconsidered for any changes in light of more recent events or changes in the market performance of the investee company. The valuation bases used are the following:

- a) a multiple basis. The enterprise value of the investment may be determined by applying a suitable price-earnings ratio, revenue or gross profit multiple to that company’s historic, current or forecast post-tax earnings before interest, depreciation and amortisation, or revenue, or gross profit (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Adviser compared to the sector including, inter alia, scale and liquidity).

or:-

- b) where a company’s underperformance against plan indicates a diminution in the value of the investment, provision against the price of a new investment is made, as appropriate.
- (ii) Premiums, to the extent that they are considered capital in nature, and that they will be received upon repayment of loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.
- (iii) Where a multiple or the price of recent investment less impairment basis is not appropriate and overriding factors apply, a discounted cash flow, net asset valuation, realisation proceeds, or a weighted average of these bases may be applied.

Capital gains and losses on investments, whether realised or unrealised, are dealt with in the profit and loss and revaluation reserves and movements in the period are shown in the Income Statement. All figures are shown net of any applicable transaction costs incurred by the Company.

All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

A key judgement made in applying the above accounting policy relates to investments that are permanently impaired. Where the value of an investment has fallen permanently below the price of recent investment, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Adviser, will agree the values that represent the extent to which an investment loss has become realised. This is based upon an assessment of objective evidence of that investment’s future prospects, to determine whether there is potential for the investment to recover in value

The methods of fair value measurement are classified into hierarchy based on the reliability of the information used to determine the valuation.

- Level 1 – Fair value is measured based on quoted prices in an active market.
- Level 2 – Fair value is measured based on directly observable current market prices or indirectly being derived from market prices.
- Level 3 – Fair value is measured using valuation techniques using inputs that are not based on observable market data.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 31 March 2023

	Traded on AIM  Level 1 £	Unquoted ordinary shares Level 3 £	Unquoted Preference shares Level 3 £	Unquoted Loan stock  Level 3 £	Total  £
Valuation at 1 October 2022	6,028,141	55,290,859	2,322,456	9,438,547	73,080,003
Purchases at cost	-	338,351	666,647	-	1,004,998
Sales - proceeds (Note a)	-	(1,412,017)	(6,217,992)	(1,497,791)	(9,127,800)
- net realised (losses)/gains	-	(4,930,786)	6,214,895	(877,172)	406,937
Reclassification at valuation (Note b)	(167,173)	167,173	-	-	-
Net unrealised (losses)/gains on investments in the period	(754,773)	749,663	78,037	(1,079,999)	(1,007,072)
<b>Valuation at 31 March 2023</b>	<b>5,106,195</b>	<b>50,203,243</b>	<b>3,064,043</b>	<b>5,983,585</b>	<b>64,357,066</b>
Book cost at 31 March 2023	1,119,169	35,859,578	2,683,296	11,318,551	50,980,594
Unrealised gains/(losses) at 31 March 2023	4,487,026	20,900,714	382,702	(2,973,210)	22,797,232
Permanent impairment of cost of investments (Note c)	(500,000)	(6,557,049)	(1,955)	(2,361,756)	(9,420,760)
<b>Valuation at 31 March 2023</b>	<b>5,106,195</b>	<b>50,203,243</b>	<b>3,064,043</b>	<b>5,983,585</b>	<b>64,357,066</b>
<b>Gains/(losses) on investments</b>					
Realised gains/(losses) based on historical cost	-	278,875	6,214,895	(1,856,407)	4,637,363
Less amounts recognised as unrealised (losses)/gains in previous years	-	(5,209,661)	-	979,235	(4,230,426)
Net realised (losses)/gains based on carrying value at 30 September 2022	-	(4,930,786)	6,214,895	(877,172)	406,937
Net movement in unrealised (losses)/gains in the period	(754,773)	749,663	78,037	(1,079,999)	(1,007,072)
<b>Net investment portfolio (losses)/gains for the period ended 31 March 2023</b>	<b>(754,773)</b>	<b>(4,181,123)</b>	<b>6,292,932</b>	<b>(1,957,171)</b>	<b>(600,135)</b>

Notes:

a): Sale proceeds shown above is £1,774 less than that shown on the Unaudited Condensed Statement of Cash Flows of £9,129,574 due to a transaction cost paid after the period-end.

b): The Company's equity investments in Parsley Box were delisted from AIM during the period. The amount transferred from Level 1 to Level 3 of £167,173 reflects the equity value held at the start of the period.

c): During the period, permanent impairments of the cost of investments have increased by £1,953,816 to £9,420,760. The increase is due to the impairments of instruments of three companies.

Level 3 unquoted equity and loan investments are valued in accordance with IPEV guidelines as follows:

	as at 31 March 2023 (unaudited) £	as at 31 March 2022 (unaudited) £	as at 30 September 2022 (audited) £
<b>Valuation methodology</b>			
Multiple of earnings, revenues or gross margin, as appropriate	55,218,624	76,729,700	65,739,462
Recent investment price	3,978,029	807,000	1,246,621
Others	54,218	-	-
Recent investment price (reviewed for impairment)	-	554,750	-
Estimated realisation proceeds	-	65,779	65,779
<b>Total</b>	<b>59,250,871</b>	<b>78,157,229</b>	<b>67,051,862</b>

#### 10. Current asset investments and Cash at bank

	as at 31 March 2023 (unaudited) £	as at 31 March 2022 (unaudited) £	as at 30 September 2022 (audited) £
OEIC Money market funds	52,576,189	34,046,706	30,417,588
Cash equivalents per Statement of Cash Flows	52,576,189	34,046,706	30,417,588
Bank deposits that mature after three months	3,151,769	3,151,769	3,151,769
<b>Current asset investments</b>	<b>55,727,958</b>	<b>37,198,475</b>	<b>33,569,357</b>
<b>Cash at bank</b>	<b>2,791,491</b>	<b>1,424,968</b>	<b>1,209,273</b>

#### 11. Net asset value per share

	as at 31 March 2023 (unaudited)	as at 31 March 2022 (unaudited)	as at 30 September 2022 (audited)
Net assets	£122,928,699	£127,653,427	£108,415,450
Number of shares in issue	154,857,033	129,217,701	129,481,901
<b>Net asset value per share - basic and diluted</b>	<b>79.38p</b>	<b>98.79p</b>	<b>83.73p</b>

#### 12. Post balance sheet events

On 13 April 2023, the Company declared an interim dividend of 4.00 pence per ordinary share, paid on 26 May 2023.

On 3 May 2023, the Company invested £0.63 million into Dayrize B.V.

#### 13. Statutory Information

The financial information for the six months ended 31 March 2023 and the six months ended 31 March 2022 has not been audited.

The financial information contained in this Half-Year report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial statements for the year ended 30 September 2022 have been filed with the Registrar of Companies. The auditor has reported on these Financial Statements and that report was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

#### 14. Half-Year Report

Copies of this statement are being sent to all Shareholders. Further copies are available free of charge from the Company's registered office, 5 New Street Square, London, EC4A 3TW, or can be downloaded via the Company's website at [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk).

# Shareholder Information

## Communication with Shareholders

We aim to communicate regularly with our Shareholders. The February Annual General Meetings provide a useful platform for the Board to meet Shareholders and exchange views. Your Board welcomes your attendance at all general meetings, to give you the opportunity to meet your Directors and representatives of the Investment Adviser. The Company releases Interim Management Statements in respect of those quarters when it does not publish Annual or Half-Year Financial Statements. The Investment Adviser also held a Virtual Shareholder Event in March 2023 which is available to view online via the Company's website.

Shareholders wishing to follow the Company's progress can visit its website at [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk). The website includes up-to-date information on company performance, including the most recent NAV, and dividends paid as well as publicly available information on the Company's portfolio of investments and copies of company reports. There is also a link to the London Stock Exchange's website at [www.londonstockexchange.com](http://www.londonstockexchange.com) which provides up to the minute details of the share price and latest NAV announcements, etc.

## Financial calendar

June 2023	Announcement and circulation of the Half-Year results for the six months to 31 March 2023
30 September 2023	Year-End
December 2023	Announcement of Annual Results and circulation to Shareholders of the Annual Report for the year ended 30 September 2023
Early 2024	Shareholder Event
February 2024	Annual General Meeting

## Dividends

Shareholders who wish to have their dividends paid directly into their bank account, rather than having them sent by cheque to their registered address, can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrar, Link Group, at the address given on page 31.

**Shareholders are encouraged to ensure that the Registrar maintain up-to-date details for their accounts and to check whether they have received and banked all dividends payable to them. This is particularly important if a Shareholder has recently changed address or bank details. We are aware that a number of dividends remain unclaimed by Shareholders and whilst we will endeavour to contact them if this is the case, we cannot guarantee that we will be able to do so if the Registrar does not have an up-to-date postal and/or email address.**

## Dividend Investment Scheme (the "Scheme")

Those Shareholders who wish to participate, or to amend their existing participation, in the Scheme, can do so by visiting [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk) and click the Dividends tab or by contacting the Registrar directly using the details below.

Those Shareholders who wish to opt-in or opt-out of the Scheme can do so at any time by completing a mandate form and posting it to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or to opt out, by emailing a scanned signed revocation instruction to [ycts@linkgroup.co.uk](mailto:ycts@linkgroup.co.uk) from your registered email address or by contacting Link Group using the details on the last page of this Report.

Alternatively, Shareholders can use the online portal to opt-in and opt-out of the Scheme via: [www.signalshares.com](http://www.signalshares.com). You will need your Investor Code which can be found on your share certificate. For further information and to download the Mandate Form required to opt-in to the Scheme, please visit [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk) and select the Dividends subheading on the left-hand side.

Please note that Shareholders' elections to opt-in or opt-out of the Scheme must be received by Link Group at least 15 days prior to a dividend payment date in order to become effective.

## Managing your shareholding online

For details on your individual shareholding and to manage your account online, Shareholders may log into or register with the Link Shareholder Portal: [www.signalshares.com](http://www.signalshares.com). You can use the Portal to change your address details, check your holding balance and transactions, view the dividends you have received and add and amend your bank details.

## Selling your shares

The Company's Shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. Shareholders are also advised to discuss their individual tax position with their financial advisor before deciding to sell their shares.

The Company is unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited ("Panmure Gordon"). Panmure Gordon is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought in shares.

Panmure can be contacted as follows:

Chris Lloyd: 0207 886 2716  
[chris.lloyd@panmure.com](mailto:chris.lloyd@panmure.com)

Paul Nolan: 0207 886 2717  
[paul.nolan@panmure.com](mailto:paul.nolan@panmure.com)

## Common Reporting Standard ("CRS") and Foreign Account Tax Compliance Act ("FATCA")

Tax legislation was introduced with effect from 1 January 2016 under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information. The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase their shares. As an affected entity, the Company has to provide information annually to HMRC relating to a number of non-UK based certificated Shareholders who are deemed to be resident for tax purposes in any of the 90 plus countries who have joined CRS. All new Shareholders, excluding those whose shares are held in CREST, entered onto the share register after 1 January 2016 will be asked to provide the relevant information. Additionally, HMRC's policy position on FATCA now means that, as a result of the restricted secondary market in VCT shares, the Company's shares are not considered to be "regularly traded". The Company is therefore also an affected entity for the purposes of this legislation and as such will have to provide information annually to HMRC relating to Shareholders who are resident for tax purposes in the United States.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders: <https://www.gov.uk/government/publications/exchange-of-information-account-holders>.

## Fraud Warning Boiler Room fraud and unsolicited communications to Shareholders

We have been made aware of a number of Shareholders being contacted in connection with sophisticated but fraudulent financial scams which purport to come from the Company or to be authorised by it. This is often by a phone call or an email usually originating from outside of the UK, claiming or appearing to be from a corporate finance firm offering to buy your shares at an inflated price.

Further information on boiler room scams and fraud advice, as well as who to contact, can be found first in the answer to a question "What should I do if I receive an unsolicited offer for my shares?" within the VCT Investor area of the Investment Adviser's website in the A Guide to VCTs section: [www.mobeusvcts.co.uk/investor-area](http://www.mobeusvcts.co.uk/investor-area) and secondly, in a link to the FCA's ScamSmart site: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

We strongly recommend that you seek financial advice before taking any action if you remain in any doubt. You can also contact the Investment Adviser on 0207 024 7600, or email [info@greshamhouse.com](mailto:info@greshamhouse.com) to check whether any claims made by a caller are genuine.

Shareholders are also encouraged to ensure their personal data is always held securely and that data held by the Registrar of the Company is up to date, to avoid cases of identity fraud.

## Shareholder enquiries:

For enquiries concerning the investment portfolio or the Company in general, please contact the Investment Adviser, Gresham House. To contact the Chair or any member of the Board, please contact the Company Secretary, also Gresham House, in the first instance.

The Registrar may be contacted via their shareholder portal, post or telephone for queries relating to your shareholding including dividend payments, dividend mandate forms, change of address, etc.

Full contact details for each of Gresham House and Link Group are included under Corporate Information on page 31.

# Performance Data at 31 March 2023 (unaudited)

Share price at 31 March 2023 **75.00p<sup>1</sup>**  
NAV per share as at 31 March 2023 **79.38p**

## Performance data for all fundraising rounds

The following table shows, for all investors in The Income & Growth VCT plc, how their investments have performed since they were originally allotted shares in each fundraising.

Shareholders from the original fundraising in 2000/01 should note that the funds were managed by three investment advisers, up until 10 March 2009. At that date, Mobeus Equity Partners LLP (now Gresham House) became the sole adviser, to this and all subsequent fundraisings.

Total return data, which includes cumulative dividends paid to date, is shown on both a share price and a NAV basis as at 31 March 2023. The NAV basis enables Shareholders to evaluate more clearly the performance of the Company, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector.

Allotment date(s)	Allotment price	Net allotment price <sup>2</sup>	Cumulative dividends paid per share	Total return per share to Shareholders since allotment		
				(Share price basis) (p)	(NAV basis) (p)	% change since 30 September 2022 (NAV basis)
	(p)	(p)	(p)			
Funds raised - O Fund <sup>3</sup> (launched 18 October 2000)						
Between 3 November 2000 and 11 May 2001	100.00	60.62	134.61	191.45	194.77	(0.1)%
Funds raised 2007/8 - S Share fund (launched 14 December 2007)						
Between 1 April 2008 and 6 June 2008	100.00	70.00	148.50	223.50	227.88	(0.2)%
Funds raised 2010/11 (launched 12 November 2010)						
21 January 2011	104.80	73.36	148.00	223.00	227.38	(0.2)%
28 February 2011	107.90	75.53	146.00	221.00	225.38	(0.2)%
22 March 2011	105.80	74.06	146.00	221.00	225.38	(0.2)%
1 April 2011	105.80	74.06	144.00	219.00	223.38	(0.2)%
5 April 2011	105.80	74.06	144.00	219.00	223.38	(0.2)%
10 May 2011	105.80	74.06	144.00	219.00	223.38	(0.2)%
6 July 2011	106.00	74.20	144.00	219.00	223.38	(0.2)%
Funds raised 2012 (launched 20 January 2012)						
8 March 2012	106.40	74.48	120.00	195.00	199.38	(0.2)%
4 April 2012	106.40	74.48	120.00	195.00	199.38	(0.2)%
5 April 2012	106.40	74.48	120.00	195.00	199.38	(0.2)%
10 May 2012	106.40	74.48	120.00	195.00	199.38	(0.2)%
10 July 2012	111.60	78.12	120.00	195.00	199.38	(0.2)%
Funds raised 2013 (launched 29 November 2012)						
14 January 2013	116.00	81.20	120.00	195.00	199.38	(0.2)%
28 March 2013	112.60	78.82	114.00	189.00	193.38	(0.2)%
4 April 2013	112.60	78.82	114.00	189.00	193.38	(0.2)%
5 April 2013	112.60	78.82	114.00	189.00	193.38	(0.2)%
10 April 2013 Pre RDR <sup>4</sup>	115.30	80.71	114.00	189.00	193.38	(0.2)%
10 April 2013 Post RDR <sup>4</sup>	112.60	78.82	114.00	189.00	193.38	(0.2)%
7 May 2013	112.60	78.82	114.00	189.00	193.38	(0.2)%

<sup>1</sup> - Source: Panmure Gordon & Co (mid-price basis).

<sup>2</sup> - Net allotment price is the allotment price less applicable income tax relief. Income tax relief was 20% up until 5 April 2004, 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

<sup>3</sup> - Shareholders who invested in 2000/01 received 0.7578 shares in the current share class for each share previously held on 29 March 2010, when the Company's two share classes merged. The net allotment price, NAV, cumulative dividend, total return, share price and percentage return data per share have been adjusted to reflect this conversion ratio.

<sup>4</sup> - RDR means the date of implementation of the Retail Distribution Review on 31 December 2012, which affected the level of charges in the allotment price for applications received before and after that date.

Allotment date(s)	Allotment price	Net allotment price <sup>1</sup>	Cumulative dividends paid per share	Total return per share to Shareholders since allotment		
				(Share price basis) (p)	(NAV basis) (p)	% change since 30 September 2022 (NAV basis)
	(p)	(p)	(p)			
Funds raised 2014 (launched 28 November 2013)						
9 January 2014	117.82 <sup>2</sup>	82.47	108.00	183.00	187.38	(0.2)%
11 February 2014	119.02 <sup>2</sup>	83.31	108.00	183.00	187.38	(0.2)%
31 March 2014	115.64 <sup>2</sup>	80.95	104.00	179.00	183.38	(0.2)%
3 April 2014	116.17 <sup>2</sup>	81.32	104.00	179.00	183.38	(0.2)%
4 April 2014	115.45 <sup>2</sup>	80.82	104.00	179.00	183.38	(0.2)%
6 June 2014	121.55 <sup>2</sup>	85.09	104.00	179.00	183.38	(0.2)%
Funds raised 2015 (launched 10 December 2014)						
14 January 2015	108.33 <sup>2</sup>	75.83	90.00	165.00	169.38	(0.2)%
17 February 2015	113.17 <sup>2</sup>	79.22	90.00	165.00	169.38	(0.2)%
10 March 2015	109.88 <sup>2</sup>	76.92	86.00	161.00	165.38	(0.2)%
Funds raised 2017/18 (launched 6 September 2017)						
28 September 2017	82.49 <sup>2</sup>	57.74	46.00	121.00	125.38	(0.3)%
20 October 2017	82.67 <sup>2</sup>	57.87	46.00	121.00	125.38	(0.3)%
9 November 2017	83.20 <sup>2</sup>	58.24	46.00	121.00	125.38	(0.3)%
20 November 2017	84.54 <sup>2</sup>	59.18	46.00	121.00	125.38	(0.3)%
21 November 2017	84.50 <sup>2</sup>	59.15	46.00	121.00	125.38	(0.3)%
24 January 2018	81.27 <sup>2</sup>	56.89	43.00	118.00	122.38	(0.3)%
13 March 2018	82.32 <sup>2</sup>	57.62	43.00	118.00	122.38	(0.3)%
Funds raised 2019/20 (launched 25 October 2019)						
8 January 2020	77.28 <sup>2</sup>	54.10	31.00	106.00	110.38	(0.3)%
Funds raised 2021/22 (launched 20 January 2022)						
9 March 2022	98.12 <sup>2</sup>	68.68	8.00	83.00	87.38	(0.4)%
Funds raised 2022/23 (launched 5 October 2022)						
16 November 2022	82.73 <sup>2</sup>	57.91	-	75.00	79.38	-
6 February 2023	82.49 <sup>2</sup>	57.74	-	75.00	79.38	-

<sup>1</sup> - Net allotment price is the allotment price less applicable income tax relief. Income tax relief was 20% up until 5 April 2004, 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

<sup>2</sup> - Average effective offer price. Shares were allotted pursuant to the 2014, 2015, 2017/18, 2019/20 and 2021/22 offers at individual prices for each investor in accordance with its pricing formula set out in each offer's respective securities note.



# Performance Data at 31 March 2023 (unaudited)

## Cumulative dividends paid

	Funds raised 2000/01 'O' Share Fund (p)	Funds raised 2007/08 'S' Share Fund (p)	Funds raised 2010/11 (p)	Funds raised 2012 (p)	Funds raised 2013 (p)	Funds raised 2014 (p)	Funds raised 2015 (p)	Funds raised 2017/18 (p)	Funds raised 2019/20 (p)	Funds raised 2021/22 (p)	Funds raised 2022/23 (p)
7 November 2022	3.03 <sup>1</sup>	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
7 July 2022	3.03 <sup>1</sup>	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
7 January 2022	3.03 <sup>1</sup>	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00		
23 July 2021	3.79 <sup>1</sup>	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00		
28 September 2020	8.34 <sup>1</sup>	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00		
7 October 2020	2.27 <sup>1</sup>	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00		
18 October 2019	3.41 <sup>1</sup>	4.50	4.50	4.50	4.50	4.50	4.50	4.50			
12 July 2019	1.14 <sup>1</sup>	1.50	1.50	1.50	1.50	1.50	1.50	1.50			
15 February 2019	2.65 <sup>1</sup>	3.50	3.50	3.50	3.50	3.50	3.50	3.50			
21 June 2018	1.89 <sup>1</sup>	2.50	2.50	2.50	2.50	2.50	2.50	2.50			
15 February 2018	2.27 <sup>1</sup>	3.00	3.00	3.00	3.00	3.00	3.00	3.00			
31 August 2017	11.37 <sup>1</sup>	15.00	15.00	15.00	15.00	15.00	15.00				
20 June 2017	2.27 <sup>1</sup>	3.00	3.00	3.00	3.00	3.00	3.00				
15 February 2017	3.03 <sup>1</sup>	4.00	4.00	4.00	4.00	4.00	4.00				
7 July 2016	4.55 <sup>1</sup>	6.00	6.00	6.00	6.00	6.00	6.00				
15 February 2016	4.55 <sup>1</sup>	6.00	6.00	6.00	6.00	6.00	6.00				
30 June 2015	4.55 <sup>1</sup>	6.00	6.00	6.00	6.00	6.00	6.00				
20 March 2015	3.03 <sup>1</sup>	4.00	4.00	4.00	4.00	4.00	4.00				
30 October 2014	6.06 <sup>1</sup>	8.00	8.00	8.00	8.00	8.00					
3 July 2014	4.55 <sup>1</sup>	6.00	6.00	6.00	6.00	6.00					
12 March 2014	3.03 <sup>1</sup>	4.00	4.00	4.00	4.00	4.00					
27 June 2013	4.55 <sup>1</sup>	6.00	6.00	6.00	6.00						
8 February 2013	4.55 <sup>1</sup>	6.00	6.00	6.00	6.00						
15 February 2012	3.02 <sup>1</sup>	4.00	4.00								
27 January 2012	15.16 <sup>1</sup>	20.00	20.00								
28 March 2011	1.52 <sup>1</sup>	2.00	2.00								
22 February 2011	1.52 <sup>1</sup>	2.00	2.00								
<b>29 March 2010 Merger of the 'O' and 'S' Share Funds</b>											
7 March 2010	2.00	0.50									
16 February 2009	4.00										
15 February 2008	2.00										
24 October 2007	2.00										
15 February 2007	3.75										
14 February 2006	3.25										
4 February 2005	1.25										
11 February 2004	1.25										
12 February 2003	1.75										
18 February 2002	1.20										
<b>Total dividends paid</b>	<b>134.61</b>	<b>148.50</b>	<b>148.00</b>	<b>120.00</b>	<b>120.00</b>	<b>108.00</b>	<b>90.00</b>	<b>46.00</b>	<b>31.00</b>	<b>8.00</b>	<b>0.00</b>

<sup>1</sup> - The dividends paid after the merger, on the former 'O' Share Fund shareholdings, have been restated to take account of the merger conversion ratio.

The above data relates to an investor in the first allotment of each fundraising. The precise amount of dividends paid to Shareholders by date of allotment is shown in the tables on pages 26 and 27.

# Glossary of Terms

## Alternative performance measure (“APM”)

A financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the VCT’s financial reporting framework. These APMs tend to be industry specific terms which help Shareholders to understand and assess the Company’s progress. A number of terms contained within this Glossary have been identified as APMs.

## Cumulative dividends paid (APM)

The total amount of dividend distributions by the Company over the time period specified. A list of all dividends paid since the launch of the Company is shown on the Company’s website [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk). Dividends paid in the year and dividends paid in respect of the year are shown in the Performance Summary on page X.

## Cumulative total return (APM)

Cumulative total return per share comprises the NAV per share (NAV basis) or the mid-market price per share (Share price basis), plus cumulative dividends paid since launch of the current share class in 2008.

## Internal Rate of Return (“IRR”)

The internal rate of return is the annual discount rate that equates the original investment cost with the value of subsequent cash flows (such as receipts/dividends or further investment) and the latest valuation/exit proceeds or net asset value. Generally speaking, the higher an investment’s IRR, the more successful it is.

## Net asset value or NAV

The value of the Company’s total assets less its total liabilities. It is equal to the total equity Shareholders’ funds.

## Net asset value per share or NAV per share

The net asset value per share is calculated as total equity Shareholders’ funds divided by the number of Ordinary shares in issue at the year-end/period-end.

## NAV Total Return (APM)

This measure combines two types of returns received by Shareholders. Firstly, as income in the form of dividends and secondly, as capital movements (net asset value) of the value of the company.

A performance measure that adjusts for dividends that have been paid in a period or year. This allows Shareholders to assess the returns they have received both in terms of the performance of the Company but also including dividends they have received from the Company which no longer form part of the Company’s assets.

It is calculated as the percentage return achieved after taking the closing NAV per share and adding dividends paid in the year and dividing the total by the opening NAV per share. The Directors feel that this is the most meaningful method for Shareholders to assess the performance of the Company.

To aid comparison with the wider Investment Trust market, the Annual Report also contains a Total Return performance measure which assumes dividends are reinvested. This assumes that dividends paid are reinvested at the date of payment at a price equivalent to the latest announced NAV at the ex-div date. Where this is referred to it will be specified in the notes.

## Ongoing charges ratio (APM)

This figure, calculated using the AIC recommended methodology, shows Shareholders the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded. Although the Ongoing Charges figure primarily is based upon historic information, it provides Shareholders with an indication of the likely level of costs that will be incurred in managing the Company in the future.

## Realised gains/(losses) in the period/year

This is the profit or loss that arises following the full or partial disposal of a holding in a portfolio company. It is calculated by deducting the value of the holding as at the previous year-end from the proceeds received in respect of such disposal.

## Share price Total Return (APM)

As NAV Total Return, but the Company’s mid-market share price is used in place of NAV. This measure more reflects the actual return a Shareholder will have earned, were they to sell their shares at the period end date. It includes the impact of any discounts or premiums at which the share price trades compared to the underlying net asset values of the Company. If the shares trade at a discount, the returns could be less than the NAV Total Return, but if trading at a premium, returns could be higher than the NAV Total Return.

# Timeline of the Company

## October 2000

The Company is launched as TriVest VCT plc advised by three managers, Foresight Group, GLE Development Capital and LICA Development Capital.

## April 2001

The Company's first fundraising of its "O Share Fund" is completed.

## October 2007

The Company changes its name to The Income & Growth VCT plc.

## December 2007

The 'S' Share Fund is launched.

## March 2009

The Company becomes a VCT solely advised by Matrix Private Equity Partners. The Company changes its Investment Policy to focus on more mature businesses.

## March 2010

The 'O' Share Fund (launched in 2000) merges with the 'S' Share Fund (launched in 2007) to create the current class of shares.

## November 2011

The Company sells its stake in App-DNA for 32 times cost and pays a special interim capital dividend of 20p per one share in the following January.

## June 2012

Matrix Private Equity Partners LLP becomes a fully independent firm owned by its partners and renames itself Mobeus Equity Partners LLP.

## 2010-2014

The Company participates in four linked fundraisings with other Mobeus advised VCTs.

## March 2015

The Company closes a successful fundraising with the other Mobeus advised VCTs in which £10 million was raised for the Company.

## February 2016

The Company changes its Investment Policy to focus on younger, smaller development capital transactions.

## September 2017 – March 2018

The Company launched and closed an Offer for Subscription raising £25 million.

## October 2019- January 2020

The Company launched and closed an Offer for Subscription raising £10 million.

## October 2021

Gresham House Asset Management Limited acquires the VCT fund and investment management business from Mobeus Equity Partners LLP. The Mobeus-advised VCTs' investment advisory arrangements are novated from Mobeus Equity Partners LLP to Gresham House.

## January 2022

The Company launched and closed a fundraising having successfully raised £10 million.

## October 2022 – February 2023

The Company launched and closed a fundraising having successfully raised £22 million.

# Corporate Information

## Directors

Maurice Helfgott  
Justin Ward  
Nemone Wynn-Evans

## Company's Registered Office

5 New Street Square  
London  
EC4A 3TW

## Company Registration Number

4069483

## Legal Entity Identifier

213800FPC15FNM74YD92

## Email

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## Website

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

## Investment Adviser, Company Secretary and Administrator

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

## Registrar

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29 Wellington Street  
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LS1 4DL

Tel: 0371 664 0324

Shareholder portal:  
[www.signalshares.com](http://www.signalshares.com)

## Independent Auditor

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## Solicitors

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## VCT Status Adviser

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**Gresham House**

*Specialist asset management*

**The Income & Growth VCT plc**