The Income & Growth VCT plc

A Venture Capital Trust

Annual Report & Financial Statements
for the year ended 30 September 2023

Since 1857
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", or "Investment Adviser").

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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

Financial Highlights

For the financial year ended 30 September 2023

As at 30 September 2023:
Net assets: **£122.78 million**
Net asset value per share: **79.33 pence**

- There was a positive Net asset value ("NAV") total return (including dividends)[1] per share of 4.3%.
- Dividends paid/payable in respect of the year total 11.00 pence per share. This brings cumulative dividends paid[1] to Shareholders in respect of the past five years to 48.00 pence per share.
- The Company realised investments totalling £9.13 million of cash proceeds and generated net realised gains in the year of £0.41 million.
- £3.34 million was invested into five new companies and two follow-on investments.

[1] - Definitions of key terms and alternative performance measures shown above and throughout this report are provided in the Glossary of terms on page 84.

[2] - Further details on the share price total return are shown in the Performance section of the Strategic Report on page 8.

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.

Reporting date As at 30 September	Net assets (£m)	NAV per share (p)	Share price[1] (p)	Cumulative dividends paid per share (p)	Cumulative total return per share to Shareholders[2] (NAV basis) (p)	Cumulative total return per share to Shareholders[2] (Share price basis) (p)	Dividends paid and proposed per share in respect of each year (p)
2023	122.78	79.33	73.50	152.50	231.83	226.00	11.00[3]
2022	108.42	83.73	81.50	144.50	228.23	226.00	8.00
2021	119.09	100.45	93.00	136.50	236.95	229.50	9.00
2020	83.13	70.06	59.50	131.50	201.56	191.00	14.00
2019	81.73	79.12	75.50	113.00	192.12	188.50	6.00

[1] - Source: Panmure Gordon & Co (mid-price basis).

[2] - 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 the launch of the current share class (former 'S' shares) 2006/7.

[3] - Dividends paid and proposed per share in respect of 2023 include the second interim dividend of 7.00 pence per share referred to below.

Dividends payable after the 30 September 2023 year-end

A second interim dividend of 7.00 pence per share was paid on 8 November 2023, to Shareholders on the Register on 6 October 2023.

Detailed performance data for each of the Mobeus VCT's fundraisings is provided in the Performance Data Appendix on pages 81 to 83. The tables, which give cumulative total return per share information for each allotment date on both a NAV and share price basis, are also available on the Company's website at www.incomeandgrowthvct.co.uk where they can be downloaded by clicking on "table" under "Reviewing the performance of your investment".

Chairman's Statement

I am pleased to present the annual results of The Income & Growth VCT plc for the year ended 30 September 2023.

Overview

The Company has seen continuing challenging UK economic conditions during this financial year. Rising inflation and high interest rates have both impacted consumer and business confidence which caused a general softening of trading performance. Worldwide, central banks have been assessing the impact of their rising rates and there are early signs that inflation is continuing, perhaps more stubbornly than anticipated. Despite this, stock market multiples appear to have stabilised somewhat following the material downward re-rating of growth stocks experienced over much of 2022 and a number of portfolio companies have experienced good growth in the year. Positive NAV performance was generated over the last six months of the year, reversing a small fall in the first six months, from strong performance by a number of key assets and a degree of resilience within the remainder of the portfolio. The result is that the Company's NAV total return (including dividends paid in the year) increased by 4.3% (2022: (8.7)%).

The Company has continued to be an active investor and provided investment finance to five new companies during the year: Connect Earth; Cognassist; Dayrize; Mable Therapy and Branchspace. Follow-on investment activity continued with further investments made during the year into Legatics and Orri. It also delivered highly successful exits in both Equip Outdoor Technologies (trading as Rab and Lowe Alpine) ("EOTH") and Tharstern Group.

Overall, the portfolio remains well funded and diversified, however there are three key assets which represent 46.5% of portfolio value. As is the nature of growth assets, the risk of company failures is ever present. The Company has strong liquidity to support the Investment Adviser's team who are actively seeking opportunities within the existing portfolio.

Following the year-end, new investments were made into Ozone Financial Technology, Azarc and CitySwift. Additionally, further follow-on investments were made into RotaGeek, FocalPoint and MyTutor.

The Board and Investment Adviser were pleased with the Chancellor's confirmation in the Autumn Budget held on 22 November 2023, of the intention to extend the sunset clause to 6 April 2035 meaning that future investors will still benefit from the tax reliefs available from VCTs, subject to EU approval.

Company Objective and Strategy

A Venture Capital Trust ("VCT") is a company listed on the London Stock Exchange that raises money from private investors and uses it to invest in small, young, innovative companies with high potential for growth.

These companies are usually unquoted and often less established. As a consequence they may be considered higher risk and some will not be successful. However, because small company formation is an important source of growth for the UK economy, the government has policies to help those companies grow. The VCT scheme provides investors with generous tax reliefs to help encourage investors for the risk they take with their investment, and there are strict guidelines on the type of company that can receive VCT investment. Since incorporation, your Company has helped to create jobs, reward innovation and bolster the UK economy in line with the UK Government's VCT scheme policy.

The Company's objective 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. The investment strategy and policy of the Company as set out on page 6 is to invest primarily in a diverse portfolio of UK unquoted companies to support this objective.

Performance

The Company's NAV total return per share increased by 4.3% (2022: a fall of (8.7)%) after adding back a total of 8.00 pence per share in dividends paid during the year. The increase was principally the result of positive valuation movements across three of the five largest investments by value, in particular, Preservica, as well as higher interest income generated on cash held awaiting investment. In addition, the successful portfolio exits of EOTH and Tharstern Group generated a positive net realised gain for the Company, although this was partially offset by impairments applied to the holdings of two other companies.

At the year-end, the Company was ranked 5th out of 37 Generalist VCTs over three years, 2nd out of 36 Generalist VCTs over five years and 9th out of 31 over ten years in the Association of Investment Companies' ("AIC") analysis of NAV Cumulative Total Return. Shareholders should note that, due to the lag in the disclosed performance figures available each quarter, the AIC ranking figures do not fully reflect the final NAV uplift to 30 September 2023, or those of our peers.

Dividends

To meet the Company's objective, the Investment Adviser is tasked to provide an attractive dividend stream to Shareholders. The Board was therefore pleased to be able to declare two interim dividends of 4.00 and 7.00 pence per share, totalling 11.00 pence per share in respect of the year ended 30 September 2023 to reflect gains and income generated and ensure compliance with the VCT regulations. This surpassed the Company's annual target of 6.00 pence per share which has been achieved, and often exceeded, in each of the last twelve financial years.

The first interim dividend was paid on 26 May 2023, to Shareholders on the Register on 21 April 2023 and the second interim dividend was paid after the year-end on 8 November 2023 to those Shareholders on the Register on 6 October 2023. These dividend payments have brought cumulative dividends paid per share since inception to 159.50 pence, including the second interim dividend paid after the year-end.

It should continue to be noted that the majority of the portfolio are now younger growth capital investments. By their nature this results in greater risk than the historic MBO portfolio and can result in increased volatility in performance, which may affect the return Shareholders receive in any given year. Shareholders should also note that there may continue to be circumstances where the Company is required to pay dividends in order to maintain its regulatory status as a VCT, for example, to stay above the minimum percentage of assets required to be held in qualifying investments.

On 20 June 2023, the Board obtained Court approval to cancel the Company's share premium reserve and capital redemption reserve. Subject to HMRC's Return of Capital rules, this will enable additional distributable reserves to be available for dividends and will help the Company to meet its dividend target in future years.

Dividend Investment Scheme

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. New VCT shares attract the same tax reliefs as shares purchased through an Offer for Subscription. A total of 2,674,764 (2022: 1,901,145) Ordinary shares were allotted as a result of dividends paid during the year resulting in £2.07 million (2022: £1.81 million) of cash being retained by the Company.

Shareholders wishing to take advantage of the scheme for any future dividends can join the DIS by completing a mandate form available on the Company's website, under the 'Dividends' heading, at: www.incomeandgrowthvct.co.uk, or alternatively, Shareholders can opt-out by contacting City Partnership, using their details provided under Corporate Information on page 88.

Investment Portfolio

The portfolio movements across the year were as follows:

		£m
Portfolio value at 30 September 2022		73.08
New and follow-on investments		3.34
Disposal proceeds		(9.13)
Net unrealised gains	5.02	
Net realised gains	0.41	
Net investment portfolio gains		5.43
Portfolio value at 30 September 2023		***72.72***

Notwithstanding the current challenging environment, a number of investee companies have shown positive revenue growth over the year (e.g. Preservica, MPB and Bella & Duke). Alongside the improvements in market multiples used as the basis of the Company's valuations, this has driven the portfolio value increase compared to last year. The overall value of the portfolio increased by £5.43 million, or 7.4%, on a like for like basis (adjusting new investments in the year) compared to the opening value of the portfolio at 1 October 2022 of £73.08 million (2022: £(10.84) million, or (12.3)%).

At the year-end, the portfolio was valued at £72.72 million (30 September 2022: £73.08 million). The portfolio's value is now substantially comprised of growth capital investments. Over 55% of the portfolio's value is comprised of the Company's largest five assets by value, with Preservica accounting for c.27%. The Investment Adviser closely monitors these higher value assets as part of its risk mitigation measures. The VCT's portfolio valuation methodology has continued to be applied consistently and in line with IPEV guidelines. During the year, this was triangulated with an independent valuation, which was commissioned for Preservica and Bella & Duke. The intention is that the valuation of four of the largest investee companies will be externally reviewed over the course of the next year.

During the year under review, the Company invested £2.72 million (2022: £2.69 million) into five new investments:

Connect Earth	**£0.33 million** An environmental data provider
Cognassist	**£0.67 million** An education and neuro-inclusion solutions business
Dayrize	**£0.63 million** A provider of a rapid sustainability impact assessment tool
Mable Therapy	**£0.55 million** Therapy & counselling for children and young adults
Branchspace	**£0.54 million** A digital retailing consultancy and software provider to the aviation and travel industry

The Company also invested a total of £0.62 million (2022: £4.64 million) into two existing portfolio companies during the year:

Legatics	**£0.45 million** A SaaS LegalTech software provider
Orri	**£0.17 million** An intensive day care provider for adults with eating disorders

In November 2022 it was pleasing to exit the equity investment held in EOTH receiving £7.34 million including preference share dividends on completion which generated a realised a capital gain in the year of £0.42 million, a 6.9x multiple of cost and an IRR of 23.2%. The Company retains its interest yielding loan stock in EOTH which will increase returns further. The Company also received £2.85 million in proceeds from the realisation of Tharstern Group, generating a realised gain of £0.86 million. Over the life of this investment, the Company has received total proceeds of £4.00 million which equates to a multiple on cost of 2.6x and an IRR of 15.0%.

During the year, Spanish Restaurant Group Limited (trading as Tapas Revolution) went into administration. The company had experienced extremely challenging conditions since COVID-19 and under the HMRC Financial Health Test (more detail below), your Company was unable to invest further. Including Tapas Revolution and a restructuring of RDL Corporation, a total of £0.87 million has been recognised as a realised loss.

I reported previously on HMRC's recent stricter interpretation of the Financial Health Test. Additional guidance has since been published on this matter which outlines that each potential new VCT investment will be assessed independently based on the specific financial circumstances of the investee company. Although it will take time to see these assessments in action, this updated guidance and expected increased flexibility is a welcome development. The Board, AIC and Venture Capital Trust Association will continue to monitor this.

Revenue Account

The results for the year are set out in the Income Statement on page 52 and show a revenue return (after tax) of 1.11 pence per share (2022: 1.23 pence per share). The revenue return for the year of £1.66 million has increased from last year's figure of £1.53 million which was, primarily, due to higher income received from the liquid balances of the immediately realisable OEIC money market funds.

Fundraising

Following the success of the two fundraises launched in 2022, the Company has sufficient levels of liquidity to continue to take advantage of new investment opportunities and fund further expansion of the businesses in its investment portfolio, helping to further diversify the portfolio and create opportunities for future growth. The current level of funds also allows the Company to seek to deliver attractive returns for its Shareholders, by way of the payment of dividends over the medium term, and buy back its shares from those Shareholders who may wish to sell theirs. Therefore, it is not the intention of the Board to conduct another fundraise in the 2023/2024 tax year.

Liquidity

Cash and liquidity fund balances as at 30 September 2023 amounted to £50.09 million representing 40.8% of net assets. After the year-end, following a 7.00 pence dividend payment of £8.89 million and investments totalling £3.84 million, the level of liquidity at 11 January 2024 is £37.36 million, or 32.8% of net assets. The majority of cash resources are held in liquidity funds with AAA credit ratings, the returns on which have benefitted from the increases in interest rates over the past year which will help support future returns to Shareholders. The Board however continues to monitor credit risk in respect of all its cash and near cash resources and still prioritises the security and protection of the Company's capital.

Share buy-backs

During the year to 30 September 2023, the Company bought back and cancelled 3,975,746 of its own shares (2022: 1,166,089), representing 3.1% (2022: 1.1%) of the shares in issue at the beginning of the year, at a total cost of £2.98 million (2022: £1.03 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 approximately 5% below the latest published NAV.

Shareholder Communications & Annual General Meeting

May I remind you that the Company has its own website which is available at: www.incomeandgrowthvct.co.uk.

The Investment Adviser last held a virtual Shareholder Event on behalf of all four Mobeus VCTs in March 2023. The event was well received and the Investment Adviser plans to hold another event on 1 March 2024. Further details were circulated to Shareholders in December 2023 and will be shown on the Company's website in due course. You are encouraged to register for attendance.

Your Board is pleased to hold the next Annual General Meeting ("AGM") of the Company at 11.00 am on Thursday, 29 February 2024 at the offices of Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London EC3V 0HR. A webcast will also be available at the same time for those Shareholders who cannot attend in person however, please note that you will not be able to vote via this method and so are encouraged to return your proxy form before the deadline of 27 February 2024. Information setting out how to join the meeting by virtual means will be shown on the Company's website. For further details, please see the Notice of the Meeting which can be found at the end of this Annual Report & Financial Statements, on pages 85 to 87.

Change of Registrar

On 4 December 2023, the Company, along with the three other Mobeus VCTs, changed its Registrar to City Partnership LLP ("City") bringing all four VCTs under one Registrar for the first time. The Board believes the move will bring additional benefits to Shareholders including the ability to access multiple Mobeus VCT shareholdings in one place using City's online portal, the Hub.

Shareholders are encouraged to register their email address with City via the Hub portal or by calling them to reduce the printing/posting costs of the Company. Further details can be found in the Shareholder Information section on page 78.

Co-investment Scheme

The Board is keen to ensure that the Investment Adviser retains a motivated and incentivised investment team which can generate attractive future returns for the Company. To improve the alignment of interests with shareholders, on 26 July 2023, the Boards of the four Mobeus VCTs released a joint announcement detailing the adoption of a Co-investment incentive scheme ("the Scheme") under which members of the Investment Adviser's VCT investment and administration team will invest their own money into a proportion of the ordinary shares of each investment made by the Mobeus VCTs (the co-investment under the Scheme will represent 8% of the four VCTs' overall ordinary share investment in an investee company).

The Scheme will apply to investments made on or after 26 July 2023, such co-investment to be at the same time and on substantially the same terms as the investment by the Mobeus VCTs. The Board will keep the Scheme arrangements under regular review.

Acquisition of Investment Adviser, Gresham House

Further to the announcement on 17 July 2023 on the acquisition of the Investment Adviser by Searchlight Capital Partners L.P., the acquisition has now completed, and Gresham House plc delisted from the London Stock Exchange on 20 December 2023, to become a privately owned company. The acquisition is expected to have minimal impact on the Company and business is continuing as usual.

For further information please visit the website link: https://greshamhouse.com/about/.

Consumer Duty

The Financial Conduct Authority's (FCA) new Consumer Duty regulation came into effect on 31 July 2023. The Consumer Duty is an advance on the previous concept of 'treating customers fairly', which sets higher and clearer standards of consumer protection across financial services and requires all firms to put their customers' needs first.

As previously notified, the Company is not regulated by the FCA and therefore 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.

The Board will ensure that the principles behind Consumer Duty are upheld and have worked closely with the Investment Adviser on the information now available to assist consumers and their advisers to be able to discharge their obligations under Consumer Duty.

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 Asset Management Limited has a team which is focused on sustainability, 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 FCA reporting requirements consistent with the Task Force on Climate-related Financial Disclosures ("TCFD"), which commenced on 1 January 2021 do not currently apply to the Company but are kept under review, the Board being mindful of any recommended changes. The Board is aware of the FCA's new Sustainability Disclosure Requirements and investment labels (together the "rules") to be phased-in across the next three years. As the Company is classified as a Collective Investment Undertaking, the scope of the rules capture such UK-domiciled unauthorised funds, however given that the shares in the Company (the "product") do not have a sustainable investment objective, the rules only apply on a very limited basis (through the Investment Adviser) in relation to the Company. The Gresham House first TCFD Report can be found on its website at: TCFD report - Gresham House.

Fraud Warning

We are aware of cases where Shareholders are being fraudulently contacted or are being subjected to attempts of identity fraud. Shareholders should remain vigilant of all potential financial scams or requests for them to disclose personal data. The Board strongly recommends Shareholders take time to read the Company's Fraud warning section, including details of who to contact, contained within the Information for Shareholders section on pages 78 to 79.

Outlook

The geopolitical and economic outlook for the next twelve months is likely to remain challenging. However, the Board and Investment Adviser are confident that this can also provide a good opportunity to make high quality investments and build strategic stakes in businesses with good potential for the future. Despite the successful exits of EOTH and Tharstern during the year the exit environment is likely to be more subdued when compared to recent years, although this is not foreseen to be a significant issue given that the Company is not time limited. We anticipate that further stresses will become apparent across the UK business population over the coming year with no sectors immune from the impact. Nevertheless, the Company's portfolio is managed by a professional and capable Investment team, to respond to the challenges which lie ahead.

Maurice Helfgott
Chairman

12 January 2024

Strategic Report

Company objective and business model

Objective

The objective of the Company 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.

Summary of Investment Policy

The Company's Investment Policy is to invest primarily in a diverse portfolio of UK unquoted companies. Investments are generally structured as part loan and part equity in order to receive regular income, to generate capital gain upon sale and to reduce the risk of high exposure to equities. To further spread risk, investments are made in a number of different businesses across different industry sectors.

The Company's cash and liquid resources are held in a range of instruments which can be of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

The Company seeks to make investments in accordance with the requirements of VCT regulation. A summary of this is set out below.

The full text of the Company's Investment Policy is set out on page 26 of this Strategic Report.

Summary of VCT regulation

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

- The Company is required to hold at least 80%, by VCT tax value[1] 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).

[1] 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 22 to 25.

The Company and its business model

The Company is a Venture Capital Trust and its objective and Investment Policy are therefore designed to ensure that it continues to qualify and is approved as a VCT by HM Revenue & Customs ("HMRC") whilst maximising returns to Shareholders from both income and capital. A summary of the most important rules that determine VCT approval is set out on page 6.

It is a fully listed company on the London Stock Exchange and is therefore also required to comply with the Listing Rules governing such companies.

The Company is an externally advised fund and has a Board comprising Non-Executive Directors. The Board has overall responsibility for the Company's affairs, including the determination of its Investment Policy, subject to Shareholder approval. Investment advisory and operational support are outsourced to external service providers including the Investment Adviser, Company Secretary and Administrator and the Registrar, with the strategic and operational framework and key policies set and monitored by the Board.

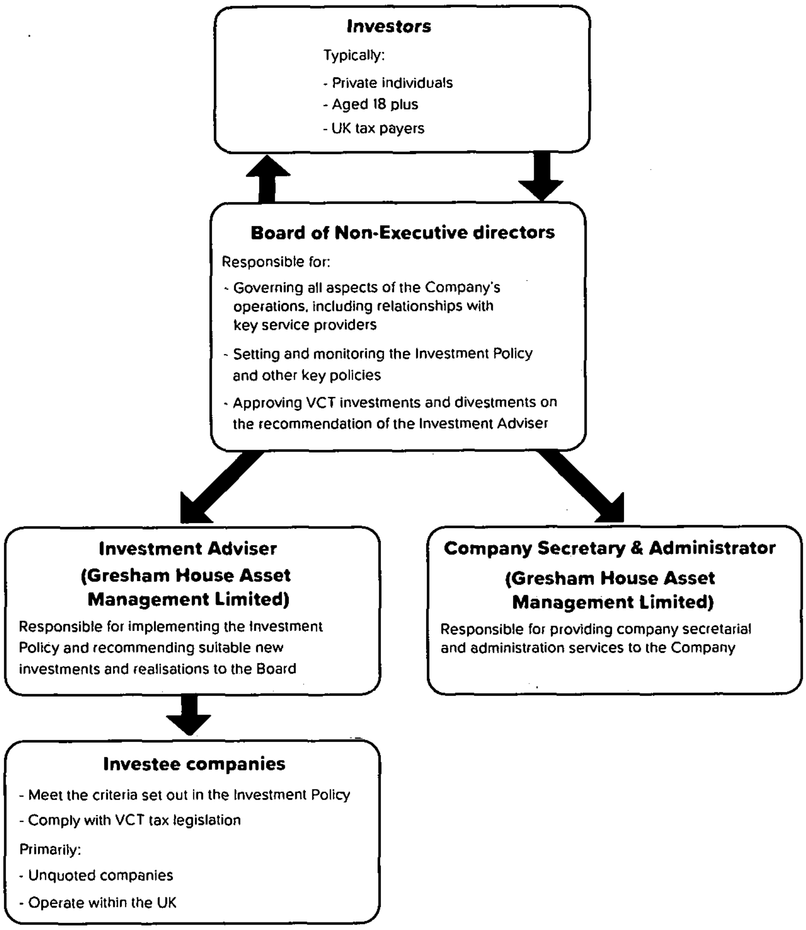
Investment and divestment proposals are originated, negotiated and recommended by the Investment Adviser and are then subject to comment and approval by the Directors.

The Company invests alongside five other VCTs advised or managed by Gresham House in proportion to the relative net assets of each VCT (excluding direct AIM investments) at the date the investment proposal is submitted to each Board.

The total percentage of equity held in each investment by all funds advised by Gresham House is shown in Note 10 on page 67.

Private individuals invest in the Company to benefit from both income and capital returns generated by investment performance. By investing in a VCT they are eligible for up-front income tax relief (currently 30% of the amount subscribed for new shares by an investor), as well as tax-free dividends received from the Company. Investors are also not liable for any capital gains tax upon the eventual sale of the shares. Shares have to be held for a minimum of five years to retain the initial income tax relief received.

The Company's business model is set out in the diagram below.



Strategic Report

Performance

The Board has identified six key performance indicators that it uses in its own assessment of the Company's progress and which are typical for VCTs. These are:

1. **Annual and cumulative returns per share for the year;**
2. **The Company's performance compared with its peer group;**
3. **Dividends paid compared with dividend target;**
4. **Compliance with VCT legislation;**
5. **Share price and discount to NAV; and**
6. **Costs.**

Some of these are classified as alternative performance measures ("APMs") in line with Financial Reporting Council ("FRC") guidance. See Glossary of terms for details on page 84. APMs are measures of performance that are in addition to the data reported in the Financial Statements. It is intended that these will provide Shareholders with sufficient information to assess how the Company has performed against its Objective in the year to 30 September 2023, and over the longer-term, through the application of its investment and other principal policies.

1. Annual and cumulative returns per share for the year

The Company's objective is to generate long-term growth returns from capital and income. To assess this, the Board monitors the growth in total returns per share, both on a NAV basis and a share price basis, adjusted for dividends paid in the year.

Total Shareholder returns per share for the year

The NAV and Share Price total returns per share for the year ended 30 September 2023 were 4.3% (2022: (8.7)%) and 0.0% (2022: (3.8)%) respectively, as shown below:

Total return (p)

	NAV basis (p)		Share price basis (p)
Closing NAV per share	79.33	Closing share price	73.50
Plus: dividends paid in year (Note 1)	8.00	Plus: dividends paid in year (Note 1)	8.00
Total for year	**87.33**	**Share price Total return for year**	**81.50**
Less: opening NAV per share	83.73	Less: opening share price	81.50
Increase in NAV total return for year per share (Note 2)	**3.60**	**No Change in Share price total return for year per share**	-
% NAV Total return for year	**4.3%***	% Share price total return for year	**0.0%***

* The Share Price return differs from the NAV total return because the share price at 30 September 2023 is by reference to the latest announced NAV per share at that date, being 77.34 pence which represents the NAV per share as at 30 June 2023 as announced on 21 September 2023.

Note 1: The dividends paid in the year were a 4.00 pence per share dividend in respect of the year ended 30 September 2022 paid on 7 November 2022 to shareholders on the register on 23 September 2022 and a 4.00 pence per share dividend in respect of the year ended 30 September 2023, paid on 26 May 2023, to Shareholders on the register on 21 April 2023.

For similar performance data to that shown above for each allotment in each fundraising since the inception of the Company (including the former 'O' Share Fund raised in 2000/01), please see the Performance Data Appendix on pages 81 to 83 of this Annual Report.

Note 2: NAV return per share for the year is comprised of:

Year ended 30 September	2023 pence per share	2022 pence per share
Gross portfolio capital returns	3.51	(8.38)
Gross income returns	2.07	2.18
Costs	(2.03)	(2.45)
Other movements	0.05	(0.07)
NAV return for the year	**3.60**	**(8.72)**

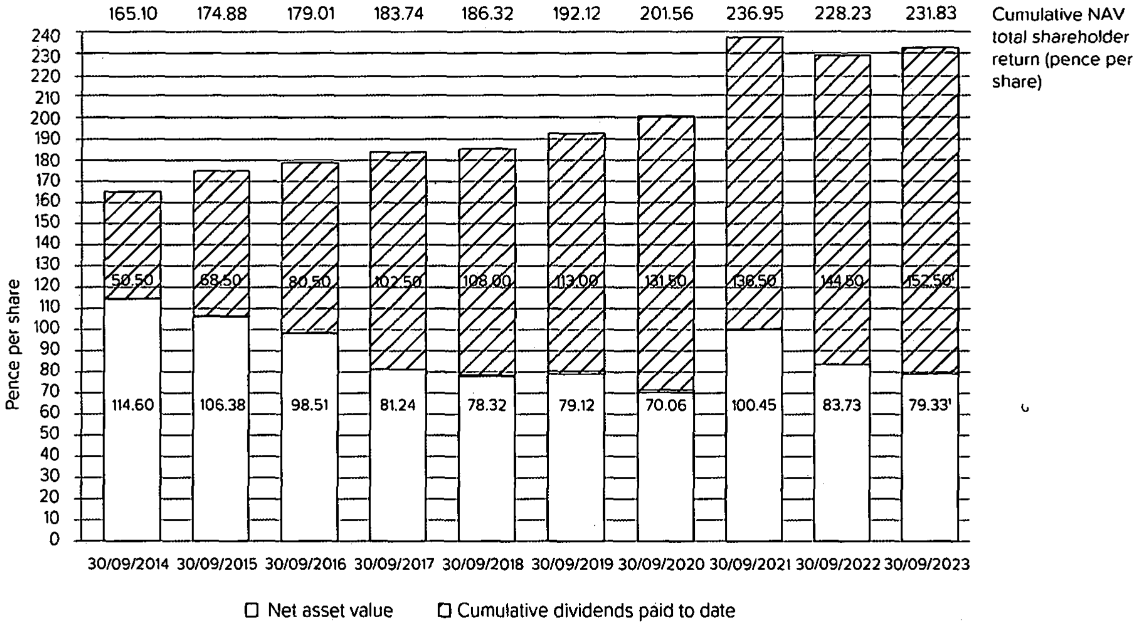
The contributions from the portfolio returns and income are shown before deducting attributable costs. They are explained below under the Review of Financial Results for the year. Costs are referred to in Section 6 on page 11.

The Company does not consider it appropriate to set a specific annual cumulative return per share target for the year. However, Shareholders should note that the Board assesses these returns against the Company's ability to meet its current annual dividend target of six pence per share (explained in Section 3 Dividends paid compared with dividend target).

Before any performance fee is payable, Shareholders must benefit from cumulative NAV total return since 30 September 2013 of at least 6% per annum (5% for the year ended 30 September 2014) before deducting any performance fee for the year of calculation only. For details, see Note 4 to the Financial Statements.

Cumulative total shareholder returns per share (NAV basis)

The longer-term trend of performance on this measure is shown in the chart below:



[1] On 8 November 2023, the Company paid a second interim dividend of 7.00 pence per share in respect of the year ended 30 September 2023. Following this dividend, the NAV per share then prevailing will reduce by a corresponding 7.00 pence as well as cumulative dividends paid increasing by the same.

Internal rate of return ("IRR")

For the year ended 30 September	2023	2022
Internal rate of return (NAV basis) (with tax relief)	12.9%	13.0%
Internal rate of return (NAV basis) (without tax relief)	8.5%	8.6%

These figures include initial income tax relief since the launch of the current share class in February 2008. The IRR is a measure of an investment's rate of return. It is calculated as the annual discount rate that equates the net investment cost (70.00 pence per share with income tax relief, 100 pence per share without tax relief), at the date of the original investment, with the value of subsequent dividends received and the latest NAV per share. This percentage return figure can be compared to percentage returns Shareholders have achieved elsewhere.

Review of financial results for the year

For the year	2023 £m	2022 £m
Capital return	3.82	(12.73)
Revenue return	1.67	1.53
Total return	**5.49**	**(11.20)**

The capital gain for the year of £3.82 million (2.47 pence of NAV return for the year per share held at the year-end, net of costs charged to capital) is due primarily to a net increase in unrealised valuations of the portfolio companies, and the full exits of EOTH and Tharstern Group.

The revenue profit for the year of £1.67 million (1.08 pence of NAV return for the year per share held at the year-end, net of costs charged to revenue) has increased over the previous year. The revenue profit is derived from income, primarily from liquidity fund interest, outweighing revenue expenses. This has increased mainly due to a higher level of interest received from liquidity funds. This increase was partially offset by higher revenue expenses, due to higher IFA trail commission arising from an increase in eligible shares, higher registrar fees and audit fees.

2. The VCT's performance compared with its peer group

The Board places emphasis on benchmarking the Company's performance against its peer group of generalist VCTs and aims to maintain the Company's performance within the top quartile of this peer group. This compares the percentage increase in NAV total return of the Company (assuming dividends are reinvested) to an index of generalist VCTs, which are members of the AIC over the last one, three, five and ten years based on figures published by Morningstar.

Period	I&G VCT NAV Total Return % (Rank)	Weighted average Generalist VCT NAV Total Return % (No. of VCTs)
One year	5.7%[1] (5th)	(3.3)% (37)
Three years	44.2% (5th)	20.4% (37)
Five years	77.9% (2nd)	25.2% (36)
Ten years	141.6% (3rd)	64.8% (31)

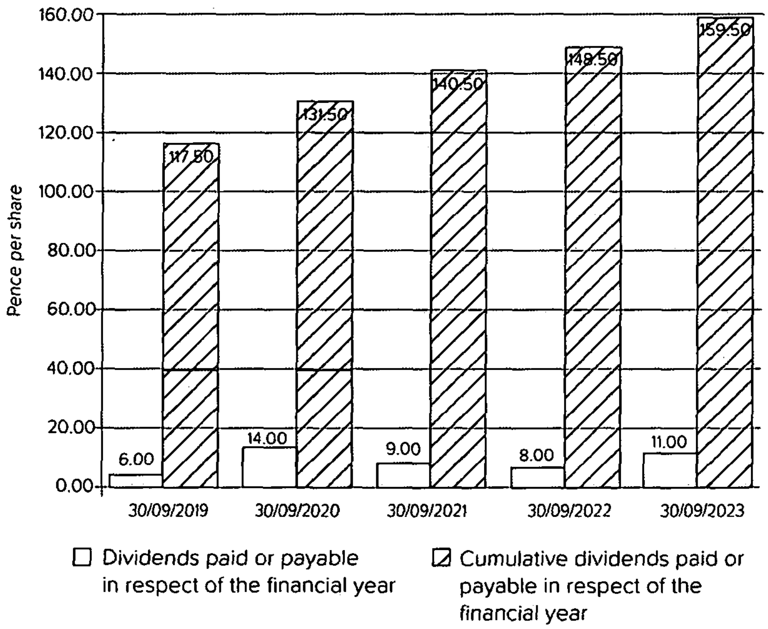
[1] This figure of 5.70% differs from that shown in section 1 of 4.3%, due to the timing of NAV announcements as well as assuming dividends are reinvested at each payment date.

On a NAV cumulative Total Return basis (which, compared to the figures above assumes dividends are not reinvested), the VCT was ranked 17th over one year (out of 37 VCTs), 5th over three years (out of 37 VCTs), 2nd over five years (out of 36 VCTs) and 9th over ten years (out of 31 VCTs) among generalist (including planned exit) VCTs at 30 September 2023. These statistics are produced by the AIC (based on information prepared by Morningstar).

The Board is pleased with the performance of the Company in respect of its peer group over the medium and longer term, but is working to reverse the relative fall in recent short-term comparable performance.

3. Dividends paid compared with dividend target

The Company's objective is to provide Shareholders with an attractive stream of tax-free dividends. The Company's annual dividend target is six pence per share. However, the Board continues to review the sustainability of this target and the ability of the Company to pay dividends in the future cannot be guaranteed and will be subject to performance and availability of cash and reserves.



Dividends paid or payable per share in respect of the financial year ended 30 September 2023 were 11.00 pence comprising of an interim dividend of 4.00 pence per share, paid to Shareholders on 23 May 2023 and a 7.00 pence dividend paid after the year-end on 8 November 2023, respectively. Cumulative dividends paid/payable to date since the inception of the current share fund are now 159.50 pence per share.[1]

[1] The first allotment of the former 'S' Share class, now the current share class took place on 6 February 2008.

4. Compliance with VCT legislation

In making their investment in a VCT, Shareholders become eligible for a number of tax benefits under VCT tax legislation, as long as the Company also complies with VCT tax legislation. To achieve this, the Company must meet a number of tests set by the VCT legislation, a summary of which is given in the table headed 'Summary of VCT regulation' on page 6. Throughout the year ended 30 September 2023, the Company continued to meet these tests.

5. Share price and discount to NAV

The Board recognises that Shareholders may wish to sell their shares from time to time and that the secondary market for VCT shares can be limited. The impact of this secondary market is that the Company's share price will typically trade at a level which is less than the Company's NAV per share. Subject to the Company having sufficient available funds and distributable reserves, it is the Board's intention to pursue a buyback policy with the objective of maintaining the discount to NAV at which the Company's shares may trade in the market at approximately 5% or less.

This buyback policy provides a mechanism for the Company to enhance the liquidity of its shares and seek to manage the level and volatility of the discount to NAV at which its shares may trade as market liquidity in VCTs is normally very restricted. Continuing Shareholders benefit from the difference between the NAV and the price at which the shares are bought back and cancelled.

The discount for the Company's shares at 30 September 2023 was 5.0% (2022: 6.1%) based on the share price shown in the table on page 1 and the NAV per share at 30 June 2023 of 77.34 pence.

During the year ended 30 September 2023, Shareholders holding 3,975,746 shares expressed their desire to sell their investments. The Company instructed its brokers, Panmure Gordon (UK) Limited, to purchase these shares at prices reflecting the Company's share buyback discount policy. The Company subsequently purchased these shares at prices of between 71.97 and 79.73 pence per share and cancelled them. During the year, the Company bought back 3.1% of the issued share capital of the Company at 1 October 2022.

6. Costs

Shareholders will be aware there are a number of costs involved in operating a VCT. Although Shareholders do not bear costs in excess of the expense cap of 3.25%, the Board aims to maintain the ratio before any performance fees at not more than 3%.

The Board monitors costs using the Ongoing Charges Ratio which is as set out in the table below:

	2023	2022
Ongoing charges plus performance fee (if applicable)	2.5%	2.5%

There were no performance fees payable during the year (2022: £nil).

The Ongoing Charges Ratio has been calculated using the AIC recommended methodology. This figure 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 is based upon historical information, it provides Shareholders with an indication of the likely level of costs that will be incurred in managing the Company in the future.

The Total Expense Ratio (which differs from the Ongoing charges ratio and forms the basis of any expense cap upon Investment Adviser fees, see Note 4 for further explanation) for the year was 2.5% (2022: 2.8%) of closing net assets. As a result, no breach has occurred of the expense cap of 3.25% of the closing net assets for the year ended 30 September 2023 (2022: £nil).

Investment Adviser fees and other expenses

Investment Adviser fees charged to both revenue and capital have decreased from £2.64 million to £2.53 million. This decrease reflects principally a lower level of net assets over the majority of the year.

Other expenses have increased from £0.54 million to £0.61 million, mainly due to increase in Directors' fees, registrar fees, audit fees and IFA Trail commission payable.

Further details of these fees and expenses are contained in Notes 4 and 5 to the Financial Statements on pages 58 to 60.

Investment Adviser's Review

Portfolio Review

The current exacting economic conditions are creating challenging circumstances for portfolio companies although some stability has been seen in market multiples compared to the previous year. UK business has seen both demand and operating margins come under pressure due to marked increases in inflation and interest rates. Such macro-economic conditions have not been faced by management teams in a generation, however Gresham House's experienced non-executive directors and consultants continue to support the portfolio's companies during these turbulent times.

There is now a greater focus on cash management and capital efficiency. With ample liquidity following the fundraises in 2022, the Company is very well placed to support portfolio companies with follow-on funding where it is appropriate and can be structured on attractive terms. Strong liquidity also benefits the new investment environment for the Company which, in our view, is strong as we are seeing a number of interesting investment propositions.

The decline in consumer confidence and business investment has been impacting portfolio companies' trading. Inflation has remained at an elevated level and has impacted economic growth expectations. In contrast, there are indications that supply chains are returning to normal, that labour shortages are easing and this is producing an element of positive market sentiment. The direct impact of high interest rates on the Company's portfolio is appropriately limited because most portfolio companies do not have any significant third-party debt. The outlook is therefore mixed, with the emphasis on robust funding structures and preparation for all circumstances.

The portfolio movements in the year are summarised as follows:

	2023 £m	2022 £m
Opening portfolio value	73.08	88.15
New and follow-on investments	3.34	7.33
Disposal proceeds	(9.13)	(11.56)
Net unrealised gains/(losses)	5.02	(13.16)
Realised valuation gains	0.41	2.32
Portfolio value at 30 September	**72.72**	**73.08**

Despite concerns about the wider trading environment, the portfolio's largest investments have experienced some strong revenue growth, which has underpinned a positive return over the last two quarters of the Company's financial year. Preservica continues to see strong trading and is out-performing its budget giving a material uplift in its valuation. A strengthening has also been seen in the quoted share price of Virgin Wines UK plc following the release of its trading update in July 2023. There has also been some recovery in value across other portfolio companies, such as Veritek Global.

The profitable exit of EOTH provided a 6.9x multiple of cost and an IRR of 23.2% over the life of the investment and the Tharstern exit gave a return of 2.6x and an IRR of 15.0%. Unless there is a change in market dynamics, it is likely that there will be few exit prospects in the next year and portfolio companies will be held for longer periods. By contrast however, there were also some larger portfolio value falls such as MyTutor, Bleach and Wetsuit Outlet which continue to experience challenging trading conditions. The portfolio companies are now more focussed on establishing a path to profitability. Disappointingly, after experiencing very difficult trading conditions as a result of the effects of COVID-19, Tapas Revolution entered administration during the year with no expected recovery for the Company.

The Company made five new growth capital investments during the year totalling £2.72 million and two follow-on investments totalling £0.62 million, further details of these investments are on the next pages.

After the year-end, new investments were made into Ozone Financial Technology, Azarc and CitySwift and further follow-on investments were made into RotaGeek, FocalPoint and MyTutor.

The investment and divestment activity during the year has further increased the proportion of the portfolio comprised of investments made since the 2015 VCT rule change to 80.2% by value at the year-end (30 September 2022: 71.5%).

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

Investment Portfolio Capital Movement	**2023 £m**	**2022 £m**
Increase in the value of unrealised investments	11.49	7.32
Decrease in the value of unrealised investments	(6.47)	(20.48)
Net increase/(decrease) in the value of unrealised investments	**5.02**	**(13.16)**
Realised gains	1.28	3.03
Realised losses	(0.87)	(0.71)
Net realised gains in the year	**0.41**	**2.32**
Net investment portfolio movement in the year	**5.43**	**(10.84)**

Valuation changes of portfolio investments still held

The total valuation increases were £11.49 million with the main increases being:

- **Preservica** £6.34 million
- **MPB Group** £2.07 million
- **Aquasium** £0.94 million

Preservica continues to perform well and is improving recurring revenues. MPB's revenue growth continues with its latest valuation validated by a significant third party investor round made after the year-end. Aquasium is gaining strong pipeline demand for its products.

The main reductions within total valuation decreases of £(6.47) million, were:

- **MyTutor** £(2.39) million
- **Bleach** £(0.94) million
- **Connect Childcare** £(0.92) million

MyTutor has been impacted by declining sector multiples combined with slower than anticipated growth over the year. Bleach is trading behind budget, but has recently received third party funding to support its cash position. Connect Childcare struggled to deliver product cost effectively but has now raised additional third party investment as part of its restructuring.

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

Realised gains/losses

The Company realised its investments in EOTH and Tharstern during the year under review, generating gains in the period of £0.42 million and £0.86 million, respectively. These contributed to a multiple of cost of 6.9x and 2.6x over the life of the investments. Realised losses through impairments of companies still held totalling £0.87 million were applied to two investee companies. Net realised gains for the year as a whole were £0.41 million.

Strategic Report

Investment portfolio and income yield

In the year under review, the Company received the following amounts of income:

	2023 £m	2022 £m
Interest received in the year	0.58	1.41
Dividends received in the year	0.64	1.16
OEIC and bank interest received in the year	1.97	0.24
Total income in the year	3.19	2.81
Net asset value at 30 September	122.78	108.42
Income Yield (Income as a % of Net asset value at 30 September)	**2.6%**	**2.6%**

New Investments during the year

The Company made five new investments totalling £2.72 million, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Connect Earth	Environmental data provider	March 2023	0.33

Founded in 2021, 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.

	Company	Business	Date of investment	Amount of new investment (£m)
	Cognassist	Education and neuro-inclusion solutions	March 2023	0.67

Cognassist (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 education and penetrate the enterprise market, where demand for neuro-inclusive employee support solutions is rapidly emerging.

	Company	Business	Date of investment	Amount of new investment (£m)
	Dayrize	A provider of a rapid sustainability impact assessment tool	May 2023	0.63

Founded in 2020, Amsterdam-based Dayrize (https://dayrize.io/) 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.

Company	Business	Date of investment	Amount of new investment (£m)
Mable Therapy	Digital health platform for speech therapy and counselling for children and young adults	July 2023	0.55

Based in Leeds, Mable (https://www.mabletherapy.com/) is the UK's leading digital health platform for speech therapy and counselling for children and young adults. All sessions are undertaken live with qualified paediatric therapists, and Mable uses gamification (games, activities and other interactive resources) to provide improved therapeutic outcomes in a child-friendly environment. This is a significant and growing area of need, with 1.4 million children in the UK with long-term speech, language or communication needs - Mable has the potential to transform the lives of children in their crucial early stages of development. The funding will be used to accelerate growth in existing B2C and B2B customer groups as well as capitalising on new, potentially significant, routes to market.

Company	Business	Date of investment	Amount of new investment (£m)
Branchspace	Digital retail software provider to aviation and travel industry	August 2023	0.54

Branchspace (https://www.branchspace.com/) is a well-established specialist digital retailing consultancy and software provider to the aviation and travel industry. Branchspace's offering helps customers to transform their technology architecture to unlock best-in-class digital retailing capabilities, driving distribution efficiencies and an improved customer experience. Across two complementary service offerings Branchspace can effectively cover the entire airline tech stack and has carved a defensible position as sector experts, serving clients including IAG, Lufthansa and Etihad. This funding round will seek to accelerate product development increasing the customer reach of their SaaS offering to establish itself as the leading choice for airline digital retailing solutions.

Further investments during the year

The Company made two further investments into existing portfolio companies, totalling £0.62 million, as detailed below:

Company	Business	Date of investment	Amount of further investment (£m)
Legatics	SaaS LegalTech software	July 2023	0.45

Legatics (https://www.legatics.com/) transforms legal transactions by enabling deal teams to collaborate and close deals in an interactive online environment. Designed by lawyers to improve legacy working methods and solve practical transactional issues, the legal transaction management platform increases collaboration, efficiency and transparency. As a result, Legatics has been used by around 1,500 companies, and has been procured by more than half of the top global banking and finance law firms, with collaborations having been hosted in over 60 countries. This funding round will provide headroom to further accelerate growth in sales via marketing as well as increasing product development.

Company	Business	Date of investment	Amount of further investment (£m)
Orri	Specialists in eating disorder support	August 2023	0.17

Orri Limited (https://www.orri-uk.com/) is an intensive daycare provider for adults with eating disorders. Orri provides an alternative to expensive residential in-patient treatment and lighter-touch outpatient services by providing highly structured day and half day sessions either online or in-person at its clinic on Hallam Street, London. Orri opened its current clinic on Hallam Street, London in February 2019 which provides a homely environment in a converted 4-storey manor house which is operating at capacity. The plan sees a larger site being leased nearby with Hallam Street being used to provide a step-down outpatient service. This follow-on loan stock is to provide additional cash headroom to help drive growth.

Portfolio Realisations during the year

The Company realised two investments, 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.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	Tharstern	Software based management information systems	July 2014 to March 2023	£4.00 million 2.6x cost

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%.

Investments made after the year-end

The Company made three follow-on and three new investments totalling £3.84 million after the year-end, as detailed below:

Existing:

	Company	Business	Date of investment	Amount of further investment (£m)
	RotaGeek	Provider of cloud-based enterprise software	November 2023	0.23

RotaGeek (https://www.rotageek.com/) is a provider of cloud-based enterprise software to help larger retail, leisure and healthcare organisations to schedule staff effectively. RotaGeek has proven its ability to solve the scheduling issue for large retail clients effectively competing due to the strength of its technologically advanced proposition. Since investment it has also diversified and started to prove its applicability in other verticals such as healthcare and hospitality. This investment will help the company focus on operational delivery and continue sales and client contract win momentum.

	Company	Business	Date of investment	Amount of further investment (£m)
	Focal Point Positioning	GPS enhancement software provider	December 2023	0.17

Focal Point Positioning Limited (https://focalpointpositioning.com/) is a deeptech business with a growing IP and software portfolio. Its proprietary technology applies advanced physics and machine learning to dramatically improve the satellite-based location sensitivity, accuracy, and security of devices such as smartphones, wearables, and vehicles and reduce costs. The further investment was agreed at the time of the original funding in September 2022.

	Company	Business	Date of investment	Amount of further investment (£m)
	MyTutor	Digital marketplace for online tutoring	January 2024	0.64

MyTutorweb (trading as MyTutor) (https://www.mytutor.co.uk/) is a digital marketplace that connects school age pupils who are seeking private online tutoring with university students. The business is satisfying a growing demand from both schools and parents to improve pupils' exam results. This further investment, alongside other existing shareholders and Australian strategic co-investor, SEEK, aims to build and reinforce its position as a UK category leader in the online education market. This additional funding will give the business extra headroom to support its more focused product and growth strategy.

Strategic Report

New:

	Company	Business	Date of investment	Amount of new investment (£m)
	Ozone Financial Technology Limited	Open banking software developer	December 2023	1.50

Ozone API (https://ozoneapi.com) is a software developer providing banks and financial institutions with a low cost, out of the box solution enabling them to deliver open APIs which comply with open banking and finance standards globally. The software goes beyond compliance and enables customers to monetise open banking and finance opportunities which are growing significantly following regulatory & market development. This funding is the first equity investment into Ozone and enables the team to invest into their product and go to market teams as they look to capitalise on the large and fast-growing global market.

	Company	Business	Date of investment	Amount of new investment (£m)
	Azarc	Cross-border customs automation software provider	December 2023	0.53

Azarc.io (https://azarc.io) specialises in business process automation using distributed ledger technology. Its Verathread® product has been applied to automating cross-border customs clearances, albeit it has wider supply chain applications. Founded in 2021, Azarc successfully secured British Telecom as a customer and a long-term strategic partner in the UK and aims to improve inefficiencies over traditional paper based customs clearances for import and export trade. This investment will support the company's growth trajectory with BT and expedite its expansion into international import/export hubs through new partnerships.

	Company	Business	Date of investment	Amount of new investment (£m)
	CitySwift	Passenger transport data and scheduling software provider	December 2023	0.77

Huddl Mobility Limited (trading as CitySwift) (https://cityswift.com) is a software business that works with bus operators and local authorities to aggregate, cleanse and access insight from complex data sources from across their networks, enabling them to optimise schedules and unlock revenue generating or cost reduction opportunities. This investment will be used to accelerate new customer acquisition and unlock significant opportunities within the existing customer base - CitySwift already works with major bus operators and local transport authorities including National Express, Stagecoach and Transport for Wales.

Environmental, Social, Governance considerations

Gresham House is committed to sustainable investment as an integral part of its business strategy. 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.

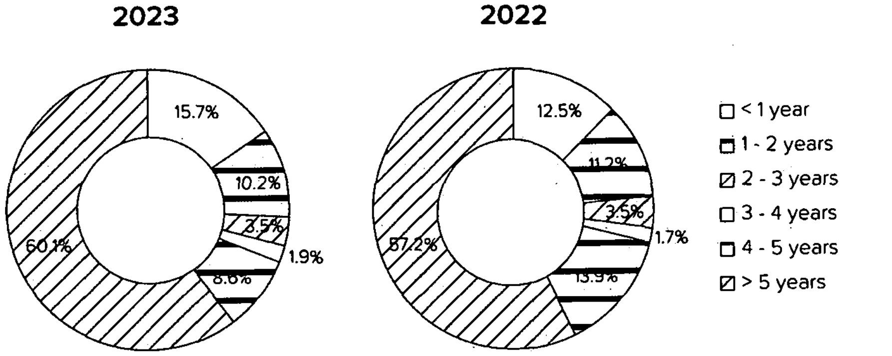
Outlook

Whilst the year under review was marked with volatility and uncertainty as a result of a number of factors affecting the global economy, the portfolio has continued to trade well. The UK outlook remains challenging but the portfolio is well diversified and Gresham House has an experienced team working closely with the portfolio companies to help them navigate the challenges that lie ahead. The exit environment is likely to remain subdued, resulting in longer average investment hold times, but also providing further portfolio follow-on investment opportunities. Previous evidence has shown that investing throughout 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.

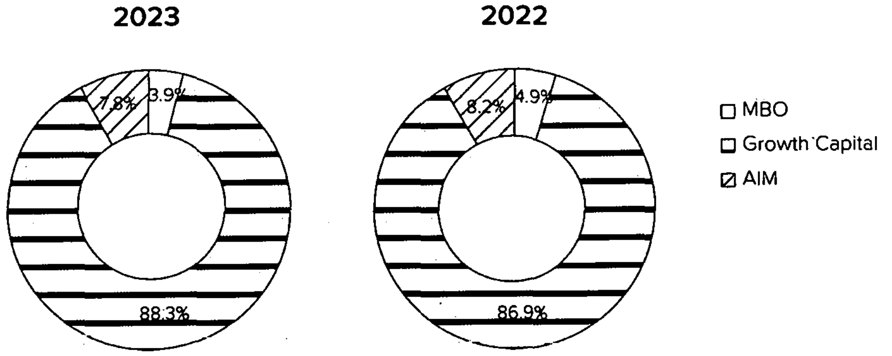
Gresham House Asset Management Limited
Investment Adviser

12 January 2024

Age of the portfolio at valuation

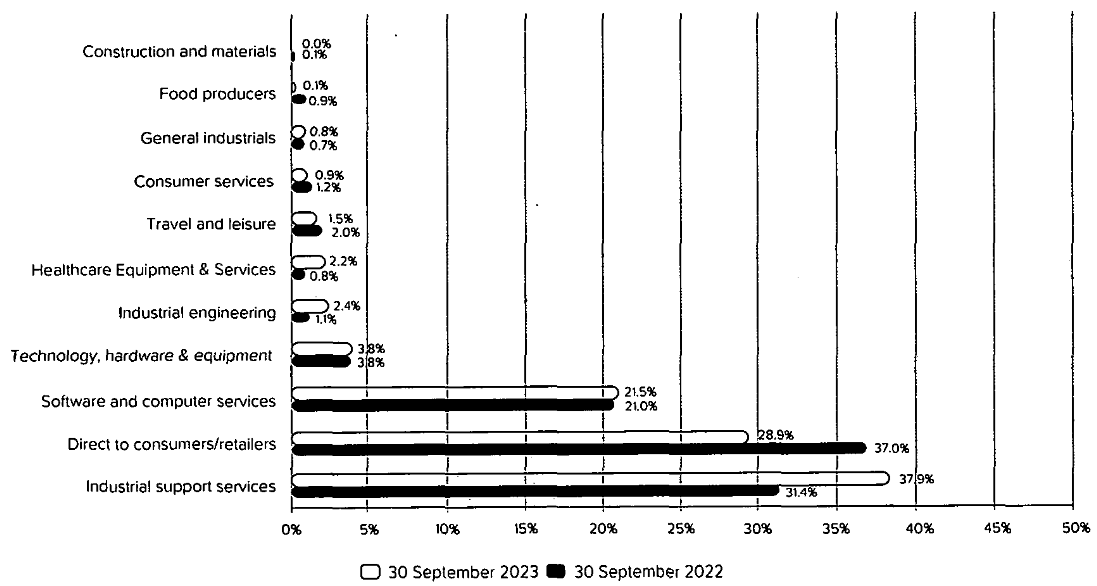


Type of investment transaction at valuation



Investments by market sector at valuation

Investments by value remain diversified across a number of sectors, primarily in direct-to-consumer/retailers, industrial support services and software and computer services.



Principal investments in the Portfolio at 30 September 2023

Preservica Limited

www.preservica.com

Cost	£4,675,000
Valuation	£19,889,000

Basis of valuation
Revenue multiple

Equity % held
18.1%

Income receivable in year
£114,931

Business
Seller of proprietary digital archiving software

Location
Abingdon, Oxfordshire

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2023
Turnover	£11,542,000
Operating loss	£(4,343,000)
Loss before taxation	£(4,731,000)
Net liabilities	£(4,197,000)
Year ended	31 March 2022
Turnover	£8,501,000
Operating loss	£(2,061,000)
Loss before taxation	£(2,094,000)
Net liabilities	£(1,001,000)

Additions/disposals in the year

None.

MPB Group Limited

www.mpb.com

Cost	£1,511,000
Valuation	£9,404,000

Basis of valuation
Revenue multiple

Equity % held
4.2%

Income receivable in year
Nil

Business
Online marketplace for photographic and video equipment

Location
Brighton

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2023
Turnover	£136,763,000
Operating loss	£(4,057,000)
Loss before taxation	£(8,987,000)
Net assets	£19,949,000
Year ended	31 March 2022
Turnover	£97,793,000
Operating loss	£(4,959,000)
Loss before taxation	£(7,703,000)
Net assets	£25,624,000

Additions/disposals in the year

None.

Master Removers Group 2019 Limited

www.masterremovers.co.uk

Cost	£465,000
Valuation	£4,510,000

Basis of valuation
Earnings multiple

Equity % held
8.5%

Income receivable in year
£153,381

Business
A specialist logistics, storage and removals business

Location
London

Original transaction
Growth capital

Audited financial information

Year ended	30 September 2022
Turnover	£41,617,000
Operating profit	£8,530,000
Profit before taxation	£3,903,000
Net assets	£17,688,000
Year ended	30 September 2021
Turnover	£38,530,000
Operating profit	£8,694,000
Profit before taxation	£4,163,000
Net assets	£16,378,000

Additions/disposals in the year

None.

Strategic Report

Bella & Duke Limited

www.bellaandduke.com

Cost	£1,324,000

Valuation	£3,478,000

Basis of valuation
Revenue multiple

Equity % held
6.6%

Income receivable in year
Nil

Business
A premium frozen raw dog food provider

Location
Edinburgh

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2023
Turnover	£22,945,000
Operating profit	£458,000
Loss before taxation	£(622,000)
Net assets	£2,431,000

Year ended	31 March 2022
Turnover	£19,271,000
Operating loss	£(2,024,000)
Loss before taxation	£(2,763,000)
Net assets	£2,998,000

Additions/disposals in the year

None.

Virgin Wines UK plc

www.virginwines.co.uk

Cost	£65,000

Valuation	£3,027,000

Basis of valuation
Bid price (AIM quoted)

Equity % held
11.8%

Income receivable in year
Nil

Business
Online wine retailer

Location
Norwich

Original transaction
Management buyout

Audited financial information

Year ended	30 June 2023
Turnover	£58,998,000
Operating profit	£473,000
Loss before taxation	£(737,000)
Net assets	£21,822,000

Year ended	30 June 2022
Turnover	£69,152,000
Operating profit	£6,164,000
Profit before taxation	£5,098,000
Net assets	£22,073,000

Additions/disposals in the year

None.

Data Discovery Solutions Limited (trading as Active Navigation)

www.activenavigation.com

Cost	£1,976,000

Valuation	£2,839,000

Basis of valuation
Revenue multiple

Equity % held
10.0%

Income receivable in year
Nil

Business
Provider of a global market leading file analysis software for information governance, security and compliance

Location
Winchester

Original transaction
Growth capital

Audited financial information

Year ended	29 June 2022
Turnover	£6,345,000
Operating loss	£(59,000)
Loss before taxation	£(1,769,000)
Net assets	£4,305,000

Year ended	29 June 2021
Turnover	£5,521,000
Operating loss	£(203,000)
Loss before taxation	£(1,581,000)
Net assets	£3,940,000

Additions/disposals in the year

None.

Financial information above and opposite is derived from publicly available Report and accounts. The valuation of each investee company is derived in line with the valuation methodology detailed in Note 9 and is typically based upon each investee company's latest management accounts information not yet disclosed to public sources.

Further details of the investments in the portfolio may be found on the Mobeus VCTs' website: www.mobeusvcts.co.uk.

Operating profit is stated before charging depreciation and amortisation, where appropriate, for all investee companies.

Principal investments in the Portfolio at 30 September 2023

End Ordinary Group Limited (trading as Buster and Punch)

www.busterandpunch.com

Cost	£2,047,000
Valuation	£2,744,000

Basis of valuation
Earnings multiple

Equity % held
10.6%

Income receivable in year
Nil

Business
Industrial inspired lighting and interiors retailer

Location
Stamford

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2023
Turnover	£23,832,000
Operating profit	£2,153,000
Profit before taxation	£1,468,000
Net assets	£12,984,000

Year ended	31 March 2022
Turnover	£21,678,000
Operating profit	£2,899,000
Profit before taxation	£2,474,000
Net assets	£11,684,000

Additions/disposals in the year

None.

My Tutorweb Limited (trading as MyTutor)

www.mytutor.co.uk

Cost	£3,362,000
Valuation	£2,657,000

Basis of valuation
Revenue multiple

Equity % held
7.2%

Income receivable in year
Nil

Business
Digital marketplace connecting school pupils seeking one-to-one tutoring with tutors

Location
London

Original transaction
Growth capital

Audited financial information

Year ended	31 December 2022
Turnover	£26,984,000
Operating loss	£(7,518,000)
Loss before taxation	£(7,586,000)
Net liabilities	£5,912,000

Year ended	31 December 2021
Turnover	£17,152,000
Operating loss	£(7,482,000)
Loss before taxation	£(7,520,000)
Net assets	£11,247,000

Additions/disposals in the year

None.

IDOX plc

www.idoxgroup.com

Cost	£454,000
Valuation	£2,642,000

Basis of valuation
Bid price (AIM quoted)

Equity % held
0.9%

Income receivable in year
£21,501

Business
Developer and supplier of knowledge management products

Location
London

Original transaction
ex-Nova investment

Audited financial information

Year ended	31 October 2022
Turnover	£66,184,000
Operating profit	£22,509,000
Profit before taxation	£6,602,000
Net assets	£67,416,000

Year ended	31 October 2021
Turnover	£62,185,000
Operating profit	£19,519,000
Profit before taxation	£7,268,000
Net assets	£60,810,000

Additions/disposals in the year

None.

Arkk Consulting Limited (trading as Arkk Solutions)

www.arkksolutions.com

Cost	£2,182,000
Valuation	**£2,488,000**

Basis of valuation
Revenue multiple

Equity % held
9.2%

Income receivable in year
£50,329

Business
Provides financial automation platforms for businesses

Location
London

Original transaction
Growth capital

Audited Financial information

Year ended	31 December 2022
Turnover	£6,360,000
Operating profit	£1,229,000
Loss before taxation	£(521,000)
Net liabilities	£(1,202,000)

Year ended	31 December 2021
Turnover	£5,431,000
Operating profit	£812,000
Loss before taxation	£(754,000)
Net liabilities	£(1,056,000)

Additions/disposals in the year

None.

Vivacity Labs Limited

www.vivacitylabs.com

Cost	£2,094,000
Valuation	**£2,094,000**

Basis of valuation
Revenue multiple

Equity % held
7.1%

Income receivable in year
Nil

Business
Provider of AI solutions to the Transport sector

Location
London

Original transaction
Growth capital

Audited Financial information

Year ended	31 December 2022
Turnover	£5,937,000
Operating loss	£(6,148,000)
Loss before taxation	£(6,351,000)
Net assets	£3,591,000

Year ended	31 December 2021[1]
Turnover	£5,936,000
Operating loss	£(6,957,000)
Loss before taxation	£(2,332,000)
Net assets	£3,954,000

[1]The financial information quoted is from unaudited financial information.

Additions/disposals in the year

None.

Aquasium Technology Ltd

www.aquasium.com

Cost	£167,000
Valuation	**£1,759,000**

Basis of valuation
Earnings multiple

Equity % held
16.7%

Income receivable in year
Nil

Business
Manufacturer of bespoke electron welding equipment

Location
London

Original transaction
ex-Foresight investment

Audited Financial information

Year ended	31 December 2022
Turnover	£9,565,000
Operating profit	£940,000
Profit before taxation	£156,000
Net assets	£7,112,000

Year ended	31 December 2021
Turnover	£8,537,000
Operating profit	£954,000
Profit before taxation	£141,000
Net assets	£6,817,000

Additions/disposals in the year

None.

Financial information above and opposite is derived from publicly available Report and accounts. The valuation of each investee company is derived in line with the valuation methodology detailed in Note 9 and is typically based upon each investee company's latest management accounts information not yet disclosed to public sources.

Further details of the investments in the portfolio may be found on the Mobeus VCTs' website: www.mobeusvcts.co.uk.

Operating profit is stated before charging depreciation and amortisation, where appropriate, for all investee companies.

Investment Portfolio Summary

for the year ended 30 September 2023

	Ordinary shares Cost at 30 September 2023 £	Ordinary shares Valuation at 30 September 2023 £	Other investments[1] Cost at 30 September 2023 £	Other investments[1] Valuation at 30 September 2023 £	Total Cost at 30 September 2023 £	Total Valuation at 30 September 2022 £
Preservica Limited Seller of proprietary digital archiving software	1,870,014	16,843,451	2,805,149	3,045,598	4,675,163	13,544,207
MPB Group Limited Online marketplace for used photographic equipment	1,510,992	9,403,839	-	-	1,510,992	7,335,235
Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van) A specialist logistics, storage and removals business	464,658	4,510,495	-	-	464,658	4,244,308
Bella & Duke Limited A premium frozen raw dog food provider	1,323,745	3,478,126	-	-	1,323,745	3,688,457
Virgin Wines UK plc Online wine retailer	65,288	3,026,768	-	-	65,288	3,158,366
Data Discovery Solutions Limited (trading as Active Navigation) Provider of global market leading file analysis software for information governance, security and compliance	1,975,681	2,839,164	-	-	1,975,681	2,475,414
End Ordinary Group Limited (trading as Buster and Punch) Industrial inspired lighting and interiors retailer	2,046,612	2,744,111	-	-	2,046,612	2,826,776
My TutorWeb Limited (trading as MyTutor) Digital marketplace connecting school pupils seeking one-to-one online tutoring	3,361,778	2,656,989	-	-	3,361,778	5,042,133
IDox plc Developer and supplier of knowledge management products	453,881	2,641,793	-	-	453,881	2,691,797
Arkk Consulting Limited (trading as Arkk Solutions) Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements	915,607	1,005,370	1,266,580	1,482,255	2,182,187	2,427,027
Vivacity Labs Limited Provider of artificial intelligence & urban traffic control systems	2,093,538	2,093,538	-	-	2,093,538	2,093,538
Aquasium Technology Limited Manufacturing and marketing of bespoke electron beam welding and vacuum furnace equipment	166,667	1,759,161	-	-	166,667	817,351
Rota Geek Limited Provider of cloud based enterprise software that uses data-driven technologies to help retail and leisure organisations schedule staff	1,250,800	1,133,118	312,700	312,700	1,563,500	1,229,242
Legatics Holdings Limited SaaS LegalTech software provider	1,363,959	1,363,959	-	-	1,363,959	909,330
EOTH Limited (trading as Equip Outdoor Technologies)[4] Distributor of branded outdoor equipment and clothing including the Rab and Lowe Alpine brands	138,331	-	1,243,428	1,353,782	1,381,759	7,149,076
Caledonian Leisure Limited Provider of UK leisure and experience breaks	449,251	740,228	299,498	323,458	748,749	767,351
Orri Limited An intensive day care provider for adults with eating disorders	581,700	867,963	166,200	166,200	747,900	581,700
IPV Limited Provider of media asset software	954,674	954,674	-	-	954,674	954,674

Notes

[1] 'Other investments' comprise principally loan stock instruments, and/or relatively small amounts of preference shares.

[2] The percentage of equity held, and the amounts co-invested, in these companies by funds managed by Gresham House Asset Management Ltd are disclosed in Note 10 of the financial statements.

[3] The percentage of equity held for these companies is the fully diluted figure, in the event that for example, management of the investee company exercises share options where available.

[4] In November 2022, the equity value of the Company's holding in EOTH Limited was realised. The Company returns an interest yielding loan stock as well as deferred shares held at nominal value.

Additional investments £	Total Valuation at 30 September 2023 £	Interest receivable in year £	Dividends receivable in year £	Unrealised gains/(losses) in year £	Realised gains/(losses) in year £	Net proceeds £	% of equity held[2,3]	% of portfolio by value
-	19,889,049	114,931	-	6,344,842	-	-	18.0%	27.3%
-	9,403,839	-	-	2,068,604	-	-	4.2%	12.9%
-	4,510,495	-	153,381	266,187	-	-	8.5%	6.2%
-	3,478,126	-	-	(210,331)	-	-	6.6%	4.8%
-	3,026,768	-	-	(131,598)	-	-	11.8%	4.2%
-	2,839,164	-	-	363,750	-	-	10.0%	3.9%
-	2,744,111	-	-	(82,665)	-	-	10.6%	3.8%
-	2,656,989	-	-	(2,385,144)	-	-	7.2%	3.7%
-	2,641,793	-	21,501	(50,004)	-	-	0.9%	3.6%
-	2,487,625	50,329	-	60,598	-	-	9.2%	3.4%
-	2,093,538	-	-	-	-	-	7.1%	2.9%
-	1,759,161	-	-	941,810	-	-	16.7%	2.4%
-	1,445,818	31,270	-	216,576	-	-	5.9%	2.0%
454,629	1,363,959	-	-	-	-	-	8.6%	1.9%
-	1,353,782	132,425	464,573	-	417,915	6,213,209	2.5%	1.9%
-	1,063,686	23,960	-	296,335	-	-	9.0%	1.5%
166,200	1,034,163	2,277	-	286,263	-	-	4.7%	1.4%
-	954,674	-	-	-	-	-	8.4%	1.3%

Investment Portfolio Summary

for the year ended 30 September 2023

	Ordinary shares Cost at 30 September 2023 £	Ordinary shares Valuation at 30 September 2023 £	Other investments[1] Cost at 30 September 2023 £	Other investments[1] Valuation at 30 September 2023 £	Total Cost at 30 September 2023 £	Total Valuation at 30 September 2022 £
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	1,602,591	-	1,602,591	830,441	3,205,182	1,626,513
Proximity Insight Holdings Limited Super-App used by customer-facing teams of brands and retailers to engage, inspire and transact with customers	807,000	807,000	-	-	807,000	807,000
Other Growth focused portfolio outside top 20[4]	10,029,144	4,107,429	2,693,797	1,114,054	12,722,941	5,948,161
Other MBO focused portfolio outside top 20[5]	5,721,075	6,680	2,587,189	1,110,041	8,308,264	776,489
Disposed in year						
Tharstern Group Limited Software based management Information systems for the printing industry	-	-	-	-	-	1,985,858
Total	**39,146,986**	**62,983,856**	**12,977,132**	**9,738,529**	**52,124,118**	**73,080,003**
Portfolio split by type						
Growth focused portfolio[6]	32,740,075	55,549,454	10,389,943	8,628,488	43,130,018	63,650,142
MBO focused portfolio[6]	6,406,911	7,434,402	2,587,189	1,110,041	8,994,100	9,429,861
Total	**39,146,986**	**62,983,856**	**12,977,132**	**9,738,529**	**52,124,118**	**73,080,003**

Notes

[1] 'Other investments' comprise principally loan stock instruments, and/or relatively small amounts of preference shares.

[2] The percentage of equity held, and the amounts co-invested, in these companies by funds managed by Gresham House Asset Management Ltd are disclosed in Note 10 of the financial statements.

[3] The percentage of equity held for these companies is the fully diluted figure, in the event that for example, management of the investee company exercises share options where available.

[4] Other Growth focused portfolio at 30 September 2023 comprise: Cognassist UK Limited, FocalPoint Positioning Limited, Pets' Kitchen Limited (trading as Vet's Klinic), Lads Store Limited (trading as Bidnamic), Dayrize B.V., Mable Therapy Ltd, Branchspace Limited, Connect Earth Limited, Connect Childcare Group Limited, Bleach London Holdings Limited, Northern Bloc Ice Cream Limited, Parsley Box Limited (formerly Parsley Box Group plc), Spanish Restaurant Group Limited (trading as *Tapas Revolution*) (*in administration*), *Muller EV Limited (trading as Andersen EV)* (*in administration*), BookingTek Limited, and Kudos Innovations Limited.

[5] Other MBO focused portfolio at 30 September 2023 comprise: CGI Creative Graphics International Limited, Veritek Global Holdings Limited , Corero Network Security plc, Oxonica Limited, Racoon International Group Limited, NexxtDrive Limited/Nexxt E-drive Limited, Jablite Holdings Limited (in members' voluntary liquidation), SEC Group Limited (formerly RDL Corporation Limited) and Biomer Technology Limited.

[6] 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.

Additional investments £	Total Valuation at 30 September 2023 £	Interest receivable in year £	Dividends receivable in year £	Unrealised gains/(losses) in year £	Realised gains/(losses) in year £	Net proceeds £	% of equity held[2,3]	% of portfolio by value
-	830,441	-	-	(796,072)	-	-	8.8%	1.1%
-	807,000	-	-	-	-	-	3.3%	1.1%
2,717,166	5,221,483	28,114	-	(2,774,342)	(669,502)	-		7.2%
-	1,116,721	144,806	-	610,441	(204,430)	65,779		1.5%
-	-	56,006	-	-	862,859	2,848,717	0.0%	0.0%
3,337,995	**72,722,385**	**584,118**	**639,455**	**5,025,250**	**406,842**	**9,127,705**		**100.0%**
3,337,995	64,177,942	383,306	617,954	3,654,601	(251,587)	6,213,209		88.3%
-	8,544,443	200,812	21,501	1,370,649	658,429	2,914,496		11.7%
3,337,995	**72,722,385**	**584,118**	**639,455**	**5,025,250**	**406,842**	**9,127,705**		**100.0%**

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.

Diversity Policy

The Directors have considered diversity in relation to the composition of the Board and its Committees and have concluded that its membership is diverse in relation to gender and its breadth of experience. The Board and its Committees comprise of two male and one female directors. The Company does not have any senior managers or employees. The Board has made a commitment to always consider diversity in making future appointments. The Directors had taken the Board's diversity into consideration in the recruitment and appointment of the Audit Chair and took this opportunity to re-emphasise the commitment it made to continue to consider diversity when making all future appointments.

Other Key Policies

The Board has put in place the following policies to be applied to meet the Company's overall Objective and to cover specific areas of the Company's business.

Cash available for investment and liquidity

The Company's cash and liquid resources are held in a range of instruments of varying maturities including liquid, low risk Money Market Funds and bank deposits, subject to the overriding criterion that the risk of loss of capital be minimised. The Company has participated in the Mobeus VCTs' fundraisings, when launched, to maintain sufficient funds to meet the day-to-day expenses of the Company, dividend distributions and purchases of the Company's own shares whilst maintaining the ability to invest in attractive opportunities.

Further policies

In addition to the Investment and Diversity policies above and the policies on payment of dividends and share buybacks, which are discussed earlier in this Strategic Report, the Company has adopted a number of additional policies relating to:

- Environmental and social responsibility
- Global greenhouse gas emissions
- Human rights
- Anti-bribery
- Anti-tax evasion
- Whistleblowing
- Financial risk management

Further details of these policies are set out in the Directors' Report on pages 34 to 37.

Stakeholder Engagement and Directors' Duties

The Board has discussed the discharge of their Director's duties under Section 172 of the Companies Act 2006 having regard to the factors set out under Provision 5 of the Association of Investment Companies (AIC) Code and in line with the UK Corporate Governance Code. The views of and the impact of the Company's activities on the key stakeholders are an important consideration for the Board when making relevant decisions. The Board, in normal circumstances, engages directly with stakeholder groups through either regular or annual meetings and investor presentations to assist the directors in understanding the issues to which they must have regard.

The table below sets out the interests of key stakeholders that have been considered throughout the year during the Board's discussions and in decision making.

Stakeholders	Engagement Type	Outcome
Shareholders	The key mechanisms of Shareholder engagement is: • Annual General Meeting • Annual, Interim Reports and Interim Management Statements • Annual Investor Events • RNS Announcements • Website • Offer for subscription	The Company's AGM will be held on Thursday, 29 February 2024. There will also be a live stream providing access to view the meeting remotely, though only Shareholders physically attending will be able to formally take part in the meeting and vote on resolutions by a show of hands. Shareholders unable to attend are therefore encouraged to submit their votes on the resolutions via proxy forms ahead of the meeting. Shareholders are provided with Annual and Interim Half-Yearly Reports in hard or soft copy according to their choice, which are also available on the Company's website. Voluntary Interim Management Statements are released in the quarters between reports to ensure that Shareholders are kept up to date with events. The website is an important source of information for Shareholders and announcements are also regularly made through the London Stock Exchange. The Share buyback programme has continued to be offered throughout the year. This provides Shareholders with liquidity if they wish to sell their shares, at a price close to the latest announced NAV per share, the Board having considered the interests of remaining Shareholders. Further details are contained in the Chairman's Statement on page 2 and in the Director's Report on page 34. Shareholders are welcome to contact the Chairman or the Investment Adviser by email as advised on page 88 of this Report. The Annual Shareholder Event was successfully held in March 2023 as a virtual event with a live Q&A session to encourage more interaction between the Shareholders and the Board. A similar event is planned for 1 March 2024. The Company seeks to create value for Shareholders by generating good returns which are eventually distributed to Shareholders as dividends. The importance of tax-free dividends to Shareholders is recognised by the Board and considered at each Board meeting. Following realisations and two successful fundraisings, the liquidity level of the Company has remained strong and is managed with the primary aim of preserving capital, as discussed at each Board meeting. Liquidity levels are managed after considering, inter alia, applicable annual dividend commitments as well as the provision of the buyback facility.

Stakeholders	Engagement Type	Outcome
		In maintaining the dividend policy, the Board considered the payment of dividends and the liquidity of the Company at each quarterly meeting and between meetings when necessary; and during the year the Board agreed to maintain the dividend policy by the payment of two interim dividends totalling 11.00 pence per share. The Company's Dividend Investment Scheme offers Shareholders the ability to continue to invest to receive income tax relief and tax free dividends on the new shares issued. Following Shareholder approval at a General Meeting in October 2022, the Company cancelled the balance of its Share premium reserve and Capital redemption reserve which was transferred to the Special Distributable reserve, giving the Company greater flexibility to continue to pay regular dividends to Shareholders and to provide its periodic offer to buy back shares from Shareholders. As set out on page 54, this will become available for distribution on filing of the Annual Report at Companies House. In considering an Offer for Subscription for the 2023/2024 tax years, the Board reviewed and considered: the current liquidity of the Company; the impact of dilution of Shareholder's holdings; the ability to adhere to the dividend policy of the Company; the effect on the Net Asset Value and the ability of the Company and its liquidity levels to be able to meet HMRC's VCT investment rules and timeline; the costs involved in issuing a prospectus and charges to Shareholders; the risk to performance and the equal treatment of investors across the four Mobeus VCTs and those investors that the Company co-invests with. As a result of those considerations, the Board agreed not to conduct a fundraise in the current tax year. Early in the financial year, a recruitment process commenced following the retirement of Helen Sinclair and the Board having consisted of only two directors until a new Non-Executive Director was appointed on 7 November 2022. The Board considered, as part of the process: diversity and inclusion; the additional skills and perspective a new director could bring to the Board; the costs of recruitment and charges to Shareholders and the improved governance of an independent director which it considered would benefit all stakeholders.
Suppliers	Including: Registrar, Broker, Auditor, Lawyer, Sponsor, Banker and the VCT Status Adviser	The Investment Adviser regularly communicates with each of the professional advisers and secures an annual confirmation of the policies they have in place. The Board reviews the performance of each provider on an annual basis.
Government & Regulators	The Board is committed to conducting business in line with the appropriate laws and regulation. The Income & Growth VCT plc does not provide financial contributions to political parties or lobby groups	As a UK listed company the Board and Investment Adviser comply with the Companies Act, the UKLA, HMRC, UK Accounting Standards and FCA regulatory requirements in addition to the Alternative Investment Fund Managers Directive, to ensure the Company can continue to trade. Non-compliance with the VCT regulations in particular is viewed as a principal risk for the Company. The Company continued to comply with these regulations throughout the year and to the date of this Report.

Stakeholders	Engagement Type	Outcome
Investee Companies	The Investment Adviser, on behalf of the Company, provides support to the portfolio companies through continued communications, providing assistance such as the Gresham House Talent Team.	The Board has delegated authority for the day-to-day management of the Company to the Investment Adviser and engages with the Investment Adviser in setting, approving and overseeing the execution of the business strategy and related policies. The Board aims to have a diverse mix of companies across a range of different sectors and regularly reviews the composition of the portfolio. The Investment Adviser reports at the Company's quarterly Board meetings on each of the portfolio companies. Members of the Investment Adviser also sit on the majority of the portfolio companies' boards. This is to provide input on key matters such as advancing the shareholder value agenda, ensuring class leading corporate governance and encouraging best practice in areas such as ESG. Gresham House organises seminars and events that involve portfolio companies to benefit from the Gresham House network.
Investment Adviser	The Investment Adviser's performance is vital for the Company to deliver its investment strategy, meeting its objectives and generating investment returns for Shareholders, and is a crucial relationship for the Board.	The Investment Adviser meets with the Board at each quarterly meeting and is in frequent contact throughout the periods in between meetings e.g. to approve investment transactions. All key strategic and operational topics are discussed in detail and a close dialogue is maintained with the Board. The Board take an active interest in the challenges faced by the portfolio companies. The Board considers each potential disposal based on the company's performance, market conditions and the offer(s) in its decision to sell the Company's holding. The Investment Adviser's performance is evaluated annually and its reappointment is dependent on the outcome of that evaluation. As set out on page 4, the Company is not itself directly in-scope of the FCA's new Consumer Duty regulations effective from 1 July 2023 as it is not authorised and regulated by the FCA. The Company is however indirectly impacted as a result of the regulated activities conducted through other regulated businesses on behalf of retail customers, the Shareholders of the Company, including through the Investment Adviser, IFAs and financial platforms, which do themselves have an obligation. Fair value assessments were carried out for the shares in the Company (the "product") and the Board worked closely with the Investment Adviser to understand and get comfortable that the Consumer Duty obligations had been met and complied with by the effective date.

Principal and emerging risks

The Directors acknowledge the Board's responsibilities for the Company's internal control systems and have instigated systems and procedures for identifying, evaluating and managing the significant risks faced by the Company. This includes a key risk management review which takes place at each quarterly Board meeting. The principal and emerging risks identified by the Board, a description of the possible consequences of each risk and how the Board manages the risk are set out below.

The risk profile of the Company changed as a consequence of the VCT regulations introduced in 2015. As the Company is required to focus its investment on growth capital investments in younger companies it is anticipated that investment returns will may be more volatile and will have a higher risk profile. The Board remains confident that the Company and the Investment Adviser will continue to adapt to changes in investment requirements and put in place appropriate resource to identify and make suitable investments as has been experienced in the year under review.

The Board regularly sets and reviews policies for financial risk management and full details of these can be found in Note 16 to the Financial Statements on pages 69 to 77. There have been no changes to the principal or emerging risks of the Company during the year as listed below:

Risk	Possible consequence	How the Board manages risk
Investment and liquidity	Investment in VCT qualifying earlier stage unquoted small companies involves a higher degree of risk than investment in fully listed companies. Smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. External events or factors may have more impact as are outside of their control. As the securities of such smaller companies held by the Company are unquoted, they are less liquid, which may cause difficulties in valuing and realising these securities. HMRC's stricter interpretation of VCT rules, such as the Financial Health Test, may lead to the inability of the Company to further invest in a portfolio company which may result in company failure or dilution if other non-VCT shareholders invest.	• The Board regularly reviews the Company's Strategy including its Investment Policy. • Careful selection, appropriate due diligence and review of the diverse portfolio takes place on a regular basis. • The Board seeks to ensure the Company has an adequate level of liquidity at all times through review at each board meeting. • A member of the Investment Adviser is usually appointed to the board of an investee company and regular monitoring reports are assessed by the Investment Adviser. • Support provided to the portfolio companies is ongoing.
Loss of approval as a Venture Capital Trust	A breach of the VCT Tax Rules may lead to the Company losing its approval as a VCT, which would result in qualifying Shareholders who have not held their shares for the designated period having to repay the income tax relief they obtained plus future dividends paid by the Company would be subject to taxation. The Company would also lose its exemption from corporation tax on capital gains.	• The Company's VCT qualifying status is continually reviewed by the Board and the Investment Adviser and is reported to each Board meeting. • The Board receives regular reports from its VCT Status Adviser, Philip Hare & Associates LLP who have been retained by the Board to monitor the Company's compliance with the VCT Rules.

Risk	Possible consequence	How the Board manages risk
Economic, political and other external risks	Events such as the wars in the Middle East and Ukraine, pandemics, an economic recession, the forthcoming election; supply shortages or a movement in sterling and increasing inflation and interest rates could affect trading conditions for smaller companies and consequently the value of the Company's qualifying investments. A downturn in the UK economy may impact the ability for the Company to exit portfolio companies. There may also be less opportunity to invest in qualifying companies which could make it more difficult to meet the VCT 30% investment test. Movements in UK Stock Market indices may affect the valuation of the Company's investments, as well as affecting the Company's own share price and its discount to net asset value. A failure to respond to latest industry practices, eg in respect of Consumer Duty, may lead to a decline in demand for the Company's shares.	• The Board monitors: (1) the portfolio as a whole to ensure that the Company invests in a diversified portfolio of companies as protection from large impacts; (2) developments in the macro-economic environment such as movements in interest rates or general fluctuations in stock markets; and (3) the Investment Adviser continues to hold ongoing discussions with all the portfolio companies to ascertain where support is required as well as monitoring which investee companies are able to receive further VCT funding within the guidelines set out by HMRC. The interpretation of such guidelines by HMRC can change over time, which the Company's VCT status adviser monitors as well as making representations, as needed, to policy makers on behalf of the Company and the VCT Industry as a whole. Cash comprises a significant proportion of net assets of the Company, further to the successful exits and the fund raise in the year giving the Company a strong liquidity position. The portfolio has assets across a range of sectors limiting the exposure to one area of the economy.
Financial and operating	Failure of the systems (including breaches of cyber security) at any of the third party service providers that the Company has contracted with could lead to inaccurate reporting or monitoring. Inadequate controls could lead to the misappropriation or insecurity of assets. Outsourcing and the increase in remote working could give rise to cyber and data security risk and internal control risk.	• The Board carries out a bi-annual review of the financial and non-financial internal controls in place, reviews the risks facing the Company at Board meetings and receives reports by exception. • The performance of the service providers is reviewed annually and assurances that each provider has controls in place to reduce the risk of breaches of their cyber security are obtained.
Market liquidity	Shareholders may find it difficult to sell their shares at a price which is close to the net asset value.	• The Board has a share buyback policy which seeks to mitigate market liquidity risk for Shareholders. This policy is reviewed at each quarterly Board meeting.
Environmental, Social and Governance (ESG) Emerging Risk	Non-compliance with current and future reporting requirements could lead to a fall in demand from investors. That may affect the level of capital the Company has available to meet its investment objectives.	• ESG and climate change impacts are also taken into account when considering new investment proposals. The Investment Adviser monitors the potential impact on investee companies of any proposed new legislation regarding environmental, social and governance matters and advises and adapts accordingly. • The Board recognises that climate change is an important emerging risk that the Company is taking into account in their strategic planning although the Company itself has little direct impact on environmental issues. Measures were introduced to decrease the amount of travel undertaken by holding more virtual meetings, a move to sustainable travel methods, increased working from home and to reduce the cost and environmental impact of providing paper copies of Shareholder correspondence.

Going concern and Viability of the Company

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 this Strategic Report. The Directors have satisfied themselves that the Company continues to maintain a sufficient cash position to meet its liabilities as they fall due. The majority of companies in the portfolio are well funded and the portfolio taken as a whole remains resilient and well diversified, although the impact of 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 light of this, and in keeping with the ongoing need to take advantage of opportunities for further investment within the portfolio, the Company announced its intention to raise further funds in the 2022/23 tax year, reaching 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 to the Financial Statements. Furthermore, the Directors have considered whether there are any material uncertainties that the Company may face during the twelve months from the date of approval of the financial statements that may impact on its ability to operate as a going concern. No further material uncertainties have been identified by the Board.

Viability Statement

The UK Corporate Governance Code includes a requirement for companies to include a "Viability Statement" in the Annual Report addressed to Shareholders with the intention of providing an improved and broader assessment of long term solvency and liquidity. The Code does not define "long term" but expects the period to be longer than twelve months with individual companies choosing a period appropriate to the nature of their own businesses. The Directors have chosen a period of three years, as explained further below.

The Directors have carried out a robust assessment of the Company's emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated. Subsequent to this review, they have a reasonable expectation that the Company will continue to operate and meet its liabilities as they fall due, for the next three years. The Directors believe a three-year period is appropriate given the frequency with which it is necessary to review and assess the impact of past, current and proposed regulatory changes. The Directors' assessment has been made with reference to the Company's current position and prospects, the Company's present strategy, the Board's risk appetite and the Company's principal risks and how these are managed, as described on pages 30 to 31. The Board is mindful of the risks contained therein, but considers that its actions to manage those risks provide reasonable assurance that the Company's affairs are safeguarded for the stated period.

The Directors have reached this conclusion after giving careful consideration to the Company's strategy. They believe the Company's current strategy of "maximising the stream of tax-free dividend distributions from the income and capital gains from a diverse and carefully selected portfolio of investments" remains valid. The Board has focused upon the range of future investments that the Company will be permitted to fund under current VCT legislation.

The Board expects that positive returns should continue to be achievable from future investments and from the existing portfolio. The Company has made 39 new investments in compliance with the VCT rules introduced in 2015 and its revised Investment Policy, and the Investment Adviser continues to build a healthy pipeline of such investment opportunities. The Board will continue to monitor this assumption on a regular basis and is encouraged, in the current circumstances, by the returns generated from some of these investments to date.

Shareholders should be aware that, under the Company's Articles of Association, it is required to hold a continuation vote at the next AGM falling after the fifth anniversary of last allotting shares. As shares were last allotted in February 2023, this factor has not affected the Board's assumptions for the next three years.

Future Prospects

For a discussion of the Company's future prospects, please see the Chairman's Statement on pages 2 to 5.

By Order of the Board

Maurice Helfgott
Chairman

12 January 2024

Board of Directors

Maurice Helfgott

Chairman and independent, Non-Executive Chairman

Date of appointment: 12 February 2020.

Qualifications: BA Econ (Hons) MBA Harvard

Experience: Maurice has extensive experience as a Chairman and Independent Non-Executive Director with a proven track record in entrepreneurial, growth and established businesses across a wide range of companies. After a successful 16-year corporate career at Marks and Spencer plc, he left his role as Executive Director on the Main Board to found Amery Capital with a principal focus on investment and advisory work in digital, retail and consumer businesses. He has an MBA from Harvard Business School with High Distinction. His current appointments include Chairman of ME+EM and Oliver Sweeney, Independent Director at Hakim Group and Executive Chairman at Amery Capital Limited.

Justin Ward

Independent, Non-Executive Director

Date of appointment: 12 November 2019.

Qualifications: BSc, ACA

Experience: Justin is a qualified Chartered Accountant with extensive financial, investing and private equity experience across a number of sectors. Between 1995 and 2010 he worked for CVC Capital Partners, Hermes Private Equity and Bridgepoint Development Capital leading growth equity and private equity buyout transactions and has subsequently made a number of angel investments in technology businesses. Justin has served on the board of a number of private companies as Non-Executive director and is currently Non-Executive Director at School Explained Limited. He is also a Non-Executive Director on the board of Hargreave Hale AIM VCT plc and Chairman of the Audit Committee. Justin is the Chairman of the Nomination and Remuneration Committee and Investment Committee of the Company.

Nemone Wynn-Evans

Independent, Non-Executive Director

Date of appointment: 7 November 2022.

Qualifications: MA, MBA, Fellow of the Chartered Institute for Securities and Investment

Experience: Nemone's background is in the equity capital markets sector of the City of London, including as Finance Director on the main board of a stock exchange. She has an MA from the University of Oxford and an MBA from Cranfield School of Management. Having begun her career in corporate finance at KPMG and HSBC, Nemone is currently Chair of Shepherds Friendly Society, Chair of Audit and Risk at Good Energy Group plc, and Non-Executive Director of Hinckley & Rugby Building Society, where she also chairs the Nominations Committee. Nemone is the Chair of the Audit Committee.

Directors' Report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 30 September 2023.

The Corporate Governance Statement on pages 38 to 39, including the Report of the Audit Committee on pages 41 to 42, form part of this Directors' Report.

The Board believes that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.

The principal activity of the Company is to operate as a Venture Capital Trust, making investments in the equity and loan stock of primarily unquoted companies, in compliance with VCT legislation.

The Company is registered in England and Wales as a Public Limited Company (registration number 4069483).

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

To enable capital profits to be distributed by way of dividends, the Company revoked its status as an investment company as defined in section 833 of the Companies Act 2006 ("the Companies Act") on 30 November 2005. The Company does not intend to re-apply for such status.

Share capital

The Company's ordinary shares of 1.00 penny each, formerly 'S' Shares, are listed on the London Stock Exchange ("LSE"). The shares were first admitted to the Official List of the UK Listing Authority ("UKLA") and to trading on the LSE on 8 February 2008. Following the merger of the former classes of 'O' Shares (first admitted to the Official List of the UKLA and to trading on 15 November 2000) and 'S' Shares on 29 March 2010 ("the Merger"), the listing of the 'S' Shares was amended to ordinary shares of 1p in the capital of the Company on 30 March 2010 and the 'O' Share listing was cancelled.

The issued share capital of the Company as at 30 September 2023 was £1,547,669 (2022: £1,294,819) and the number of shares in issue at this date was 154,766,933 (2022: 129,481,901).

Buyback of shares

The following disclosure is made in accordance with Part 6 of Schedule 7 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013).

The reason the Company makes market purchases of its own shares is to enhance the liquidity of the Company's shares and to seek to manage the level and volatility of the discount of Net Asset Value at which the Company's shares may trade.

At the Annual General meeting of the Company held on 22 February 2023, Shareholders granted the Company authority, pursuant to section 701 of the Companies Act 2006, to make market purchases of up to 22,083,241 of its own shares, representing 14.99% of the issued share capital of the Company at the date of the publication of the notice of the Company's 2023 Annual General Meeting. Such authority has been in place throughout the year under review and a resolution to renew this authority will be proposed to Shareholders at the forthcoming Annual General Meeting to be held on 29 February 2024.

During the year under review, the Company bought back 3,975,746 (2022: 1,166,089) of its own shares at an average price of 75.02 pence (2022: 88.45 pence) per share and a total cost of £2,982,413 including expenses (2022: £1,031,358). All shares bought back by the Company were subsequently cancelled.

Substantial interests

As at the date of this Report, the Company had not been notified of any beneficial interest exceeding 3% of the issued share capital.

Dividend

On 26 May 2023, the Company paid an interim dividend in respect of the year under review of 4.00 pence per share to Shareholders. The Company declared a second interim dividend of 7.00 pence per share which was paid on 8 November 2023.

Shareholders received two interim dividends in respect of the year ended 30 September 2023 totalling 11.00 pence per share. The Company has met its annual divided target of paying not less than 6.00 pence per share. The Directors are not proposing to pay a final dividend in respect of the year ended 30 September 2023.

Directors

From the start of the year to 6 November 2022, the Board consisted of two Non-Executive Directors. As of 7 November 2022, Nemone Wynn-Evans joined the Board and for the remainer of the year, the Board consisted of three Non-Executive Directors. Maurice Helfgott remains the Chairman of the Board, Nemone became Chair of the Audit Committee on 1 January 2023. Justin held the Audit Chair position until 31 December 2022 and remains Chairman of the Nomination & Remuneration Committee and the Investment Committee.

The names of and brief biographical details on each of the Directors as at the date of this Report are given on page 33.

Disclosure of information to the Auditor

So far as the Directors in office at the date of publication of this Report are aware, there is no relevant audit information of which the Auditor is unaware. They have individually taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Directors' indemnity

The Directors have individually entered into Deeds of Indemnity with the Company which indemnifies each Director, subject to the provisions of the Companies Act 2006 and the limitations set out in each deed, against any liability arising out of any claim made against him or her in relation to the performance of their duties as Directors of the Company. Copies of each Deed of Indemnity entered into by the Company for the Directors are available from the Company Secretary at 5th Floor, 80 Cheapside, London, EC2V 6EE.

Directors' and Officers' Liability Insurance

The Company maintains a Directors' and Officers' liability insurance policy. The policy does not provide cover for fraudulent or dishonest actions by the Directors.

Articles of Association ("Articles")

The Company may amend its Articles by special resolution in accordance with section 21 of the Companies Act 2006. The Articles were last amended at the February 2021 AGM.

Post balance sheet events

For a full list of post balance sheet events that have occurred since 30 September 2023, please see Note 19 to the Financial Statements on page 77.

Social and environmental policies

The Board recognises its obligations under Section 414c of the Companies Act to provide information in this respect about environmental matters (including the impact of the Company's business on the environment), human rights and social and community issues, including information about any policies the Company has in relation to these matters and the effectiveness of these policies.

Environmental, social and governance

When seeking new investment opportunities, the Investment Adviser operates with a list of exclusions which preclude it from investing in any businesses operating in areas perceived to be unsustainable or detrimental to wider society, or any businesses that have committed purposeful breaches of regulation or have engaged in unlawful activity. Each potential new investment was subject to a comprehensive due diligence process encompassing commercial, financial and ESG principles. This process helped in the formulation and agreement of strategic objectives at the stage of business planning and investment.

The Investment Adviser has continued to work closely with each portfolio company board to support them in addressing their particular ESG challenges and opportunities, which are diverse across the entire portfolio. Gresham House is a market leader with knowledge and expertise in sustainability.

The Company does not have any employees or offices and the Board therefore believes that there is limited scope for developing environmental, social or community policies. The Company has however, adopted electronic communications for Shareholders as a means of reducing the volume of paper that the Company uses to produce its reports and in its interactions with Shareholders. Shareholders are encouraged to register their email address with the Registrar, details on page 88, to receive electronic communications. The Company uses mixed sources paper from well-managed forests as endorsed by the Forest Stewardship Council for the printing of its circulars, and Annual and Half-Year reports. The Investment Adviser is conscious of the need to reduce its impact on the environment and has taken a number of initiatives in its offices including recycling, by removing paper towels which contribute to hundreds of kilos of waste per annum and the reduction of its energy consumption.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, (including those within the Company's underlying investment portfolio).

Human rights

The Board seeks to conduct the Company's affairs responsibly and gives full consideration to the human rights implications of its decisions, particularly with regard to investment decisions.

Anti-bribery

The Company has adopted a zero tolerance approach to bribery. The following is a summary of the Company's policy:

- It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company is committed to acting professionally, fairly and with integrity in all its business dealings and relationships where it operates.
- Directors and service providers must not promise, offer, give, request, agree to receive or accept a financial or other advantage in return for favourable treatment, to influence a business outcome or to gain any other business advantage on behalf of themselves or of the Company or encourage others to do so.
- The Company has communicated its Anti-Bribery Policy to each of its service providers. It requires each of its service providers to have policies in place which reflect the key principles of this policy and procedures and which demonstrate that they have adopted procedures of an equivalent standard to those instituted by the Company. This is checked annually.

Anti-tax evasion

The Company has adopted a zero tolerance approach to tax evasion in compliance with the Criminal Finance Act 2017 and the corporate criminal offence of failing to take reasonable steps to prevent the facilitation of tax evasion. The Company has applied due diligence procedures, taking an appropriate risk based approach, in respect of persons who perform or will perform services on behalf of the Company, in order to mitigate identified risks.

Whistleblowing

The Board has considered the recommendation made in the UK Corporate Governance Code with regard to a policy on whistleblowing and has reviewed the arrangements at the Investment Adviser under which its staff may, in confidence, raise concerns. It has concluded that adequate arrangements are in place at the Investment Adviser for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken by the Investment Adviser. The Board has also asked each of its service providers to confirm that they have a suitable whistleblowing policy in place.

Financial risk management

The main risks arising from the Company's financial instruments are due to fluctuations in the market price, investment risk, liquidity risk, interest rates and credit risk. The Board regularly reviews and agrees policies for managing these risks and full details can be found in Note 16 to the Financial Statements on pages 69 to 77 of this Annual Report.

Annual General Meeting

The Notice of the Annual General Meeting of the Company, to be held at the offices of Shakespeare Martineau LLP at 11.00 am on Thursday, 29 February 2024 at 6th Floor, 60 Gracechurch Street, London EC3V 0HR, is set out on pages 85 to 87 of this Annual Report.

A webcast of the Annual General Meeting will also be available and details of how to join the webcast will be shown on the Company's website. If possible, Shareholders intending to join the Meeting by means of the webcast (which would be as an attendee only)

Directors' Report

are requested to join at least ten minutes prior to the commencement of the Annual General Meeting at 11.00 am on Thursday, 29 February 2024. Where a member intends to join the Annual General Meeting by means of the webcast, they shall be permitted to ask questions at the Annual General Meeting but shall not be entitled to vote on resolutions at the Annual General Meeting (and are, therefore, encouraged to lodge their proxy vote and appoint the Chairman of the Annual General Meeting as their proxy).

A proxy form for the meeting is enclosed separately with Shareholders' copies of this Annual Report. Proxy votes may be submitted electronically via the City Hub Shareholder Portal at: https://proxy-iaq.cpip.io. Shareholders may also request a hard copy proxy form by contacting the Company's Registrar, City Partnership, using their details as stated on page 88.

Resolutions 1 to 7 are being proposed as ordinary resolutions requiring more than 50% of the votes cast at the meeting to be in favour, whilst resolutions 8 and 9 will be proposed as special resolutions requiring the approval of at least 75% of the votes cast at the meeting.

The following is an explanation of the main business to be proposed at the meeting:

Resolution 1 - To receive the Annual Report and Financial Statements

The Directors are required to present the Financial Statements, Directors' Report and Auditor's Report for the financial year ended 30 September 2023 to the meeting.

Resolution 2 – To approve the Directors' Remuneration Report

Under section 420 of the Companies Act 2006 ("the Act"), the Directors must prepare an annual report detailing the remuneration of the Directors and a statement by the Chairman of the Nomination & Remuneration Committee (together the "Directors' Remuneration Report). The Act also requires that a resolution be put to Shareholders each year for their approval of that report. The Directors' Remuneration Report can be found on pages 43 to 45 of this Annual Report. Resolution 2 is an advisory vote only.

Resolution 3 to 5 – To re-elect the Directors

The Company's Articles of Association require that each Director appointed to the Board shall retire and seek election at their first AGM following appointment and every three years thereafter. In terms of overall length of tenure, the AIC Code does not explicitly make recommendations on tenure for directors. The Board does not believe that a Director should be appointed for a specified term.

The Board had previously agreed that each Director would retire and offer themselves for re-election annually after serving on the Board for more than nine years. However, following the publication of the new AIC Code in February 2019, the Board agreed to follow the recommendation of Provision 23, namely that all Directors be subject to annual re-election.

Maurice Helfgott

Independent Non-Executive Chairman

Maurice was appointed to the Board in February 2020, and under the Articles is seeking re-election at this Annual General Meeting. The remaining Directors believe that Maurice is well positioned to make a substantial contribution to the Company's long-term sustainable success in his capacity as Chairman of the Board during the year under review and have no hesitation in recommending his re-election to Shareholders.

Justin Ward

Independent Non-Executive director

Justin was appointed to the Board on 12 November 2019 and under the Articles is seeking re-election at this Annual General Meeting. Following an evaluation of Justin's performance over the year, the remaining Board Directors agree that he has made a very positive contribution to the Company and they have no hesitation in recommending his re-election to Shareholders.

Nemone Wynn-Evans

Independent Non-Executive director

Nemone was appointed to the Board on 7 November 2022 and under the Articles is seeking re-election. Following an evaluation of Nemone's performance over the year, the remaining Board Directors agree that she has made a very positive contribution to the Company and they have no hesitation in recommending her re-election to Shareholders.

Full biographies of the Directors seeking re-election are set out on page 33 of this Annual Report.

Resolution 6 – To reappoint BDO LLP as auditor of the Company, to hold office until the conclusion of the next annual general meeting at which accounts are laid before the Company and to authorise the Directors to determine the remuneration of the auditor

At each meeting at which the Company's accounts are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. The Board, on the recommendation of the Audit Committee, recommends the re-appointment of BDO LLP. This resolution also gives authority to the Directors to determine the remuneration of the auditor. For further information, please see the report of the Audit Committee on pages 41 to 42 of the Annual Report.

Resolution 7 – Authority for the Directors to allot shares in the Company; and

Resolution 8 – Authority for the Directors to disapply the pre-emption rights of members

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

Resolution 7 will enable the Directors to allot new shares up to an aggregate nominal value of £525,105 representing approximately one-third of the existing issued share capital of the Company as at the date of the notice convening the Annual General Meeting.

Under section 561(1) of the Act, if the Directors wish to allot new shares or sell or transfer treasury shares for cash they must first offer such shares to existing Shareholders in proportion to their current holdings (pre-emption rights). It is proposed by **Resolution 8** to sanction the disapplication of such pre-emption rights in respect of the allotment of equity securities:

(i) with an aggregate nominal value of up to £236,297 (representing approximately 15% of the existing issued share capital as at the date of the notice convening the Annual General Meeting) in connection with offer(s) for subscription;

Reports of the Directors

(ii) with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital from time to time pursuant to any dividend investment scheme operated by the Company, at a subscription price per Share which may be less than the net asset value per Share, as may be prescribed by the scheme terms; and

(iii) otherwise than pursuant to (i) or (ii) above, with an aggregate nominal value of up to, but not exceeding, 15% of the issued share capital from time to time,

in each case where the proceeds may be used in whole or part to purchase the Company's shares in the market.

The Company normally allots shares at prices based on prevailing net asset value per share of the existing shares on the date of allotment (plus costs, save in relation to the dividend investment scheme). The Directors thus seek to manage any potential dilution of existing Shareholders as a result of the disapplication of Shareholders' pre-emption rights proposed in Resolution 8.

The Company does not currently hold any shares as treasury shares.

Both of these authorities, unless previously renewed, varied or revoked, will expire on the date falling fifteen months after the passing of the relevant resolution or, if earlier, on the conclusion of the Annual General Meeting of the Company to be held in 2025. However, the Directors may allot securities after the expiry dates specified above in pursuance of offers or agreements made prior to the expiration of these authorities. Both resolutions renew previous general authorities approved at the Annual General Meeting of the Company held on 22 February 2023.

Resolution 9 – Authority to purchase the Company's own shares

This resolution authorises the Company to purchase its own shares pursuant to section 701 of the Act. The authority is limited to the purchase of an aggregate of 23,613,983 shares representing approximately 14.99% of the issued share capital of the Company as at the date of the notice convening the Annual General Meeting or, if lower, such number of shares (rounded down to the nearest whole share) as shall equal 14.99% of the issued share capital at the date the resolution is passed. The maximum price that may be paid for a share will be the higher of (i) an amount that is not more than 5% above the average of the middle market quotations of the shares as derived from the Daily Official List of the London Stock Exchange for the five business days preceding the date such shares are contracted to be purchased and (ii) the price stipulated by Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such Regulation forms part of UK law and as amended). The minimum price that may be paid for a share is 1 penny, being the nominal value thereof.

Market liquidity in VCTs is normally very restricted. The passing of this resolution will enable the Company to purchase its own shares thereby providing a mechanism by which the Company may enhance the liquidity of its shares for the benefit of Shareholders and seek to manage the level and volatility of the discount to NAV at which its shares may trade.

It is the Directors' intention to cancel any shares bought back under this authority. Shareholders should note that the Directors do not intend to exercise this authority unless they believe to do so would result in an increase in net assets per share which would be in the interests of Shareholders generally. This resolution will expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the Company's Annual General Meeting of the Company to be held in 2025 except that the Company may purchase its own shares after this date in pursuance of a contract or contracts made prior to the expiration of this authority.

Recommendation

The Board recommends that Shareholders vote in favour of the resolutions being proposed at the Annual General Meeting. The Directors intend to do so in respect to their own beneficial holdings of 259,628 representing 0.17% of the issued share capital as at 11 January 2024.

Voting rights of Shareholders

At general meetings of the Company, Shareholders have one vote on a show of hands and one vote per share held on a poll. No member shall be entitled to vote or exercise any rights at a general meeting unless all their shares have been paid up in full. Any instrument of proxy must be deposited at the place specified by the Directors no later than 48 hours before the time for holding the meeting.

There are no restrictions on voting rights and no agreements between holders of securities that may prevent or restrict the transfer of securities or voting rights.

By order of the Board

Gresham House Asset Management Limited
Company Secretary

12 January 2024

Corporate Governance Statement

This Corporate Governance Statement forms part of the Directors' Report.

The Directors adopted the Association of Investment Companies (AIC) Code of Corporate Governance 2019 (the "AIC Code") for the financial year ended 30 September 2023.

During the year under review, the Board considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for investment companies ("AIC Guide"). As well as setting out the principles of the AIC Code, the AIC Guide provides an overview of best practice with reference to the UK Corporate Governance Code (the "UK Code") and considers how each of the UK Code's Principles applies to Investment Companies. The AIC Code also included additional Principles and recommendations on issues that are of specific relevance to the Company as an investment company. The Board therefore considers that reporting against the AIC Code provides more relevant information to Shareholders.

The FRC has confirmed that, in adopting the AIC Code, the Company will meet its obligations in relation to the reporting requirements of the Financial Conduct Authority's Listing and Disclosure and Transparency Rules on corporate governance.

The AIC Code can be viewed on the AIC's website by going to the following link: https://www.theaic.co.uk/aic-code-of-corporate-governance.

Statement of compliance

This statement has been compiled in accordance with the FCA's Disclosure and Transparency Rule (DTR) 7.2 on Corporate Governance Statements.

The Board considers that the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code throughout the year under review. A table providing further explanations of how the Company has complied with the AIC Code during the year is available in the Corporate Governance section of the Company's website: www.incomeandgrowthvct.co.uk.

As an externally managed VCT, most of the Company's operations are delegated to third parties and the Company has no executive directors, employees or internal operations. The Board has therefore concluded, for the reasons set out in the AIC Guide, and as explained in the UK Code that the specific provisions of the UK Code that relate to the requirement for an internal audit function, the role of the chief executive and executive directors' pay are not relevant to the Company. The Company has therefore not reported further in respect of these Provisions. With only three directors, the Board has not appointed a Senior Independent Director.

Internal control

The Board acknowledges that it is responsible for the Company's system of internal control and for reviewing its effectiveness. Internal control systems are designed to manage the particular needs of the Company and the risks to which it is exposed and can, by their nature, only provide reasonable rather than absolute assurance against material misstatement or loss.

The Company's internal control system aims to ensure the maintenance of proper accounting records, the reliability of the financial information used for publication and upon which business decisions are made, and that the assets of the Company are safeguarded. The financial controls operated by the Board include regular reviews of signing authorities, quarterly management accounts and the processes by which investments in the portfolio are valued.

The Board has put in place ongoing procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process a bi-annual review of the control systems is carried out. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company and includes a review of the risks in relation to the financial reporting process. The Board reviews recommendations from the Audit Committee in respect of the key risks discussed at each of their regularly scheduled meetings.

The Board has delegated, contractually to third parties, the management of the investment portfolio, the day-to-day accounting, company secretarial and administration requirements and the registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered, including the financial control systems in operation at the service providers in so far as they relate to the affairs of the Company. The Board regularly monitors these contracts from a risk perspective and receives reports from the Registrar and Investment Adviser and Administrator when appropriate.

The Board, assisted by the Audit Committee, carries out separate assessments in respect of the Annual and Half-Year reports and other published financial information. As part of these reviews, the Board appraises all the relevant risks ensuing from the internal control process referred to above. The main aspects of the internal controls which have been in place throughout the year in relation to financial reporting are as follows:

- Internal controls are in place for the preparation and reconciliation of the valuations prepared by the Investment Adviser.
- Independent reviews of the valuations of investments within the portfolio are undertaken quarterly by the Board.
- The information contained in the Annual Report and other financial reports is reviewed separately by the Audit Committee prior to consideration by the Board.
- The Board reviews all financial information prior to publication.

The internal control system and the procedure for its review has been in place and operational throughout the year under review and up to the date of this Report. The Audit Committee and the Board last carried out an assessment of the effectiveness of internal controls in managing risk on 11 December 2023. The Board has identified no problems with the Company's internal control system.

Investment management and service providers

Gresham House acted as Investment Adviser throughout the year under review and provided administrative and company secretarial services to the Company up to the Company's financial year-end and continues to do so. The Directors carry out an annual review of the performance and contractual arrangements with the Investment Adviser. The annual review of the Investment Adviser forms part of the Board's overall internal control procedures discussed above. As part of this review, the Board considers the quality and continuity of the investment management team, investment performance, quality of information provided to the Board, remuneration of the Investment Adviser, the investment process and the results achieved to date. A review of the performance of the Company is included in the Strategic Report on pages 8 to 11. The Board concluded that the Investment Adviser had performed consistently well over the medium-term and had returned a positive return in respect of the year under review. The Company's investment portfolio trading performance has been resilient to the year-end and the Investment Adviser has been proactive in supporting the portfolio in the face of rising inflation and political uncertainty.

The Board places significant emphasis on the Company's performance against its peers and further information on this has been included in the Strategic Report on page 10. The Board further considered the Investment Adviser's commitment to the promotion of the Company and was satisfied that this was prioritised by the Investment Adviser as evidenced by, inter alia, the Mobeus VCT fundraisings which have taken place between 2010 and 2022 and annual Shareholder events.

The Board considers that the Investment Adviser continued to exercise independent judgement while producing valuations which reflect fair value.

Overall, the Board continues to believe that the Investment Adviser possesses the experience, knowledge and resources that are required to support the Board in achieving the Company's long term investment objectives. The Directors therefore believe that the continued appointment of the Investment Adviser to the Company on the terms currently agreed is in the interests of Shareholders, and this was formally approved by the Board on 20 September 2023.

The principal terms of the Company's Investment Advisory Agreement dated 29 March 2010, amended and restated on 30 September 2021, and its Performance Incentive Fee Agreement dated 30 September 2014, as novated to Gresham House effective on 30 September 2021, are set out in Note 4 to the Financial Statements on pages 58 to 59 of this Annual Report. The Board seeks to ensure that the terms of these agreements represent an appropriate balance between cost and the incentivisation of the Investment Adviser.

Investment Adviser fees

The fees paid to the Investment Adviser and the performance incentive fees paid are set out in Note 4 to the Financial Statements on pages 58 to 59.

In addition, the Investment Adviser received fees totaling £394,195 (2022: £492,785) during the year ended 30 September 2023, being £82,092 (2022: £176,750) for arrangement fees, and £312,103 (2022: £316,035) for acting as non-executive directors on a number of investee company boards. These amounts are the share of such fees attributable to investments made by the Company.

Alternative Investment Fund Manager ("AIFM")

The Board appointed the Company as its own AIFM in compliance with the European Commission's Alternative Investment Fund Management Directive with effect from 22 July 2014. The Company is registered as a small AIFM, and is therefore exempt from the principal requirements of the Directive. Gresham House has provided investment advisory and administrative services to the Company throughout the year under review. In order for the Company to continue to discharge its safekeeping responsibilities for the documents of title to its investments, a Safekeeping Agreement has been entered into with Apex Fund and Corporate Services (Guernsey) Limited.

The Board

The powers of the Directors have been granted by company law, the Company's Articles of Association and resolutions passed by the Company's Shareholders in general meeting. Resolutions are proposed annually at each Annual General Meeting of the Company to authorise the Directors to allot shares, disapply the pre-emption rights of Shareholders and buyback the Company's own shares on behalf of the Company. These authorities are currently in place and resolutions to renew them will be proposed at the Annual General Meeting of the Company to be held on 29 February 2024.

In regard to the Chairman of the Board's tenure, the length of service of all directors is considered on an ongoing basis, with the Nomination & Remuneration Committee giving consideration to succession and composition at its meeting held on 20 September 2023, in compliance with the AIC Code of Corporate Governance guidance. Maurice Helfgott became the Chairman of the Company in July 2020 and will stand for re-election at the forthcoming AGM with all the directors standing for re-election annually.

The Board has agreed a schedule of matters specifically reserved for decision by the Board. These include compliance with the requirements of the Companies Act 2006 and the Income Tax Act 2007, the UK Listing Authority and the London Stock Exchange; strategy and management of the Company; changes relating to the Company's capital structure or its status as a plc; financial reporting and controls; Board and committee appointments as recommended by the Nomination & Remuneration Committee and terms of reference of committees; material contracts of the Company and contracts of the Company not in the ordinary course of business.

Each year a formal performance evaluation is undertaken of the Board as a whole, its Committees and each of the directors. A summary of the findings are submitted to the Board, which are discussed and an action plan agreed if appropriate. There were no issues requiring action in the year. The performance of the Chairman was evaluated by the other Directors.

Diversity and inclusion

	Number of board members	Percentage of the board	Number of senior positions on the Board
Men	2	66.66%	Not applicable
Women	1	33.34%	See paragraph below
Not specified/ prefer not to say			

In accordance with Listing Rule 9.6.8R, the Board reports that as an externally managed Company, there are no executive management roles such as CEO or CFO and therefore, as allowed under the above rule, the Board do not need to report against this target as it is not applicable. However, the roles within the Company which are senior, in addition to the Chairman of the Company, are the Chairmen of the Audit, Nomination & Remuneration and Investment Committees, with the Audit Chair held by a woman at the year-end and continues to be so.

The Board only consists of three directors, all of whom are white and of British nationality and therefore there is no minority ethnic Board representation. The Board have committed to include diversity and inclusion for all their future recruitment and a conscious effort was made in the recruitment of Nemone Wynn-Evans to attract more diverse candidates.

Being a smaller Board does make it more challenging to achieve diversity however the Board is more diverse in other aspects as shown in the Directors' biographies on page 33.

Board Committees

The Board has established three Committees, the Investment Committee, the Audit Committee and the Nomination & Remuneration Committee, each with responsibilities for specific areas of its activity. The Board has satisfied itself that each of its Committees has sufficient resources to undertake its duties. Each of the Committees has written terms of reference, which detail their authority and duties. Shareholders may obtain copies of these by making a written request to the Company Secretary or by downloading these documents from the Company's website: www.incomeandgrowthvct.co.uk.

Full descriptions of the work of the Audit and Nomination & Remuneration Committees are set out in the Report of the Audit Committee and the Directors' Remuneration Report on pages 41 to 42 and 43 to 45 respectively.

Investment Committee

The Investment Committee has been chaired by Justin Ward during the year which comprised all of the Directors. The Committee meets as necessary to consider the investment proposals put forward by the Investment Adviser. The Committee advises the Board on the development and implementation of the Investment Policy and leads the process for the ongoing monitoring of investee companies and the Company's investment therein. Investment guidelines have been issued to the Investment Adviser and the Committee ensures that these guidelines are adhered to. New investments and divestments are approved on recommendation of the Committee following discussion between Committee members and are subsequently ratified by the Board.

Investment matters are discussed extensively at Board meetings. During the year, the Committee formally approved investment, divestment and variation decisions, and met informally on numerous occasions and formally at least once a year.

The Committee considers and agrees, on the advice of the Investment Adviser and under the guidance of the Audit Committee, all unquoted investment valuations for recommendation to the Board. Investments are valued in accordance with the International Private Equity and Venture Capital (IPEV) Valuation Guidelines under which investments are valued at fair value as defined in those guidelines. Any AIM or other quoted investment will be valued at the closing bid price of its shares as at the relevant reporting date, in accordance with generally accepted accounting practice. For further information on the Company's investment portfolio, please see pages 18 to 25 of the Strategic Report.

By order of the Board

Gresham House Asset Management Limited
Company Secretary

12 January 2024

Report of the Audit Committee

This Report of the Audit Committee forms part of the Directors' Report.

The Audit Committee ("Committee") was chaired by Justin Ward until 1 January 2023 when Nemone Wynn-Evans assumed the Chair.

During the year the Committee comprised all of the Directors. Due to there only being three directors appointed to the Company, it is appropriate that that Board's Chairman should be a member of the Audit Committee. A summary of the Audit Committee's principal activities for the year to 30 September 2023 is provided below:

Financial Statements

The Half-Year and Annual Reports to Shareholders were thoroughly reviewed by the Committee prior to submission to the Board for approval.

Internal control

The Committee monitored the system of internal controls throughout the year under review and as described in more detail in the Corporate Governance Statement on pages 38 to 40. It received reports by exception on the Company's progress against its internal controls at its annual and half-year results meetings and reviews the key risks regularly. A full review of the internal controls in operation by the Company was undertaken by the Committee on 11 December 2023.

Valuation of investments

The Investment Adviser prepared valuations of the investments in the portfolio at the end of each quarter and these were considered in detail and agreed by the Investment Committee for recommendation to the Board. The Audit Committee continued to monitor the adequacy of the controls over the preparation of these valuations. As part of this process, it focused on ensuring that both the bases of the valuations and any assumptions used were reasonable and in accordance with the IPEV Valuation Guidelines. The Committee received a review within a report from the external auditor as part of the year-end audit process. These reports were discussed in full by the Committee, the Investment Adviser and, with the Auditor as necessary, before a recommendation to approve the valuations was made to the Board.

Key issues considered by the Committee

In addition to the valuation of investments, the key accounting and reporting issues considered by the Committee during the year have included:

Going concern and Viability of the Company

The Committee monitors the Company's resources at each quarterly Board meeting and is satisfied that the Company has an adequate level of resources for the foreseeable future. It has assessed the viability of the Company for the next three years. Its conclusions in respect of both going concern and viability are set out in the Strategic Report on page 32.

Consideration was given to the cash balances and holdings in money market funds, together with the ability of the Company to realise its investments.

Recognition of impairment and realised losses

If an investment has been impaired such that there is no realistic expectation that there will be a full return from the investment, the loss is treated as a permanent impairment and is recognised as a realised loss in the Financial Statements. The Committee reviews the appropriateness and completeness of such impairments.

Compliance with the VCT tests

The Company engages the services of a VCT Status Adviser to advise on its ongoing compliance with the legislative requirements relating to VCTs. A report on the Company's compliance supported by the tests carried out is produced by the VCT Status Adviser on a bi-annual basis and reviewed by the Committee for recommendation to the Board. The Committee has continued to consider the risk and compliance aspects of changes to the VCT Rules introduced by the Finance Act (No 2) 2015 and the recent measures contained in the Finance Act 2018. As an essential part of this work, the Committee has held ongoing discussions with the Company's VCT Status Adviser throughout the year.

Income from investee companies

The Committee notes that revenue from loan stock and dividends may be uncertain given the type of companies in which the Company invests. Dividends in particular may be difficult to predict. The payments received do however have a direct impact on the level of income dividends the Company is able to pay to Shareholders. The Committee agrees policies for revenue recognition and reviews their application at each of its meetings. It considers schedules of income received and receivable from each of the investee companies and assesses, in consultation with the Investment Adviser, the likelihood of receipt of each of the amounts.

Principal risks faced by the Company

The Board has identified the principal and emerging risks faced by the Company and established appropriate controls (set out in the Strategic Report on pages 30 to 31). The Committee monitors these controls and reviews any incidences of non-compliance. Further details are set out in the Corporate Governance Statement on pages 38 to 40.

Cyber Security

The Board has sought and obtained assurances during the year from the Investment Adviser, the Registrar and other service providers regarding their cyber security policies.

Tax evasion

The Company has adopted a zero tolerance approach to tax evasion in compliance with the Criminal Finance Act 2017, as reported on page 35.

Relationship with the external auditor

The Committee is responsible for overseeing the relationship with the external auditor, assessing the effectiveness of the external audit process and making recommendations on the appointment and removal of the external auditor.

The external auditor is invited to attend Audit Committee meetings, where appropriate, and also has the option to meet with the Committee and its Chairman without representatives of the Investment Adviser being present.

The external auditor engaged with the Audit Committee throughout the year and during the audit planning process. It considers that the audit team is appropriately resourced and has communicated clearly and promptly with members of the Committee and the Investment Adviser during the audit process. The Committee is satisfied that independence and objectivity has been maintained throughout the audit and the level of fees charged are justifiable and appropriate for the work involved. On this basis the Committee has recommended to the Board that, subject to Shareholder approval, that BDO LLP be re-appointed as the external auditor for the forthcoming year.

Non-audit services

The Board regularly reviews and monitors the external auditor's independence and objectivity. As part of this it reviews the nature and extent of services supplied by the auditor to ensure that independence is maintained.

The Committee has reviewed the implications of the Financial Reporting Council's ("FRC") Revised Ethical Reporting Standard 2019 effective from 5 March 2020.

There are no non-audit services to be reported.

Additional disclosures in the Directors' Report

Disclosures required by certain publicly-traded companies as set out in Part 6 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended 2013) are addressed in the Directors' Report on pages 34 to 37.

By order of the Board

Nemone Wynn-Evans
Chair of the Audit Committee
12 January 2024

Directors' Remuneration Report

Directors' Remuneration Policy

In determining the Company's remuneration policy, the Committee and the Board seek to determine a level of fees appropriate to attract and retain individuals of sufficient calibre to lead the Company in achieving its Objective. When considering the level of Directors' fees, it takes account of the workload and responsibilities of each role and the value and amount of time that a Director is required to commit to the Company. It further considers remuneration levels elsewhere in the Venture Capital Trust industry for companies of a similar size and structure, together with other relevant information.

Supplements are paid to the Directors in respect of their membership of the Investment (£5,000) and Audit Committees (£6,000). The Directors may at their discretion pay additional sums in respect of specific tasks carried out by individual Directors on behalf of the Company. None were paid in the year.

Since all the Directors are Non-Executive, the Company is not required to comply with the provisions of the Listing Rules, the UK Corporate Governance Code and the AIC Code of Corporate Governance (the "AIC Code") in respect of Directors' remuneration, except in so far as they relate specifically to Non-Executive directors.

The Remuneration Policy is set by the Board on the recommendation of the Nomination & Remuneration Committee. The level of fees paid to each of the Directors is reviewed annually by the Nomination and Remuneration Committee which makes recommendations to the Board. The Committee has access to independent advice where and when it considers it appropriate.

As part of its annual review of directors' remuneration, at its meeting on 20 September 2023, the Nomination & Remuneration Committee considered the aggregate level of remuneration for each director, benchmarked against the VCT industry and agreed a 5% increase of the base fee only with effect from 1 October 2023.

Performance related remuneration

Whilst it is a key element of this policy to recruit directors of the calibre required to lead the Company in achieving its short and long-term objectives, no component of the fees paid is directly related to performance.

Additional benefits

The Company does not have any other schemes in place to pay bonuses or benefits to the Directors. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office. None of the Directors receive pension benefits from the Company and the Company has not granted any Director any options over the share capital of the Company.

Recruitment remuneration

Remuneration of any new director, who may subsequently be appointed to the Board, will be in line with the Remuneration Policy set out in this Report and the levels of remuneration stated therein, as modified from time to time.

Shareholders' views on remuneration

The Board prioritises the views of Shareholders and encourages a full and frank discussion at general meetings of the Company. It takes Shareholders' views into account, where appropriate, when formulating its Remuneration Policy. Shareholders can contact the Chairman or the Company Secretary, Gresham House, at any time by email using the address: mobeusvcts@greshamhouse.com.

Directors' terms of appointment

All of the Directors are Non-Executive. The Articles of Association provide that Directors may be appointed either by ordinary resolution of the Shareholders or by the Board, provided that a person appointed by the Board shall be subject to election at the first Annual General Meeting following their appointment.

With effect from 1 October 2019, the Board adopted the 2019 AIC Code and all Directors will continue to seek election or re-election at each Annual General Meeting, usually scheduled for February of each year.

All Directors receive a formal letter of appointment setting out the terms of their appointment and the specific duties and responsibilities and the fees pertaining to the appointment. None of the Directors have a service contract with the Company. A Director's appointment may be terminated on three months' notice being given by the Company and also in certain other circumstances. Copies of the Directors' appointment letters will be available for inspection at the place of the Annual General Meeting on 29 February 2024 from 10.45 am however Shareholders can write to the Company Secretary at mobeusvcts@greshamhouse.com to request these.

New Directors are asked to undertake that they will have sufficient time to carry out their responsibilities to the Company and to disclose their other significant time commitments to the Board before appointment.

Future policy

The table overleaf illustrates how the Company's objective is supported by its Remuneration Policy. It sets out details of each component of the pay package and the maximum amount receivable per annum by each Director based on the Directors as at the date of this Report. The Nomination & Remuneration Committee and the Board review the fees paid to Directors annually in accordance with the Remuneration Policy set out on page 43 and may decide that an increase in fees is appropriate in respect of subsequent years. No performance conditions are attached to any aspect of any fee paid to the Directors.

Directors' Remuneration Report

Director Role	Components of pay package			Maximum payment per annum
	Directors' fees	Supplements for committee membership		
		Audit Committee	Investment Committee	
Maurice Helfgott Chairman	£38,000	£6,000	£5,000	£49,000
Justin Ward[1] Chair, Investment and Nomination & Remuneration Committees	£29,000	£6,000	£5,000	£40,000
Nemone Wynn-Evans[2] Chair, Audit Committee	£29,000	£6,000	£5,000	£40,000
Total fees payable	**£96,000**	**£18,000**	**£15,000**	**£129,000**

[1] Justin handed over the role of Audit Chair on 1 January 2023.

[2] Nemone was appointed to the Board on 7 November 2022, and her fees have been pro-rated accordingly. She assumed the role of Audit Chair on 1 January 2023.

Company Objective

To provide investors with a regular income stream, by way of tax-free dividends generated from income and capital returns

Remuneration Policy

To ensure that the levels of remuneration are sufficient to attract, retain and motivate directors of the quality required to manage the Company in order to achieve the Company's Objective.

Reports of the Directors

Shareholder approval of the Company's Remuneration Policy

This policy applied throughout the financial year ended 30 September 2023 and will continue to apply for the remainder of the current financial year ending 30 September 2024.

A resolution to approve the Directors' Remuneration Policy as set out in the Annual Report for the year ended 30 September 2022 was approved unanimously by Shareholders on a show of hands at the Annual General Meeting of the Company held on 22 February 2023. The Company received proxy votes in favour of the resolution representing 93.45% (including those who appointed the Chairman to vote at his discretion) of the votes received (against: 6.55%).

The Board is required to ask Shareholders to approve the Remuneration Policy every three years. The Directors will therefore recommend that Shareholders approve the Policy again at the Annual General Meeting of the Company to be held in February 2026.

Annual Remuneration Report

The resolution to approve the Annual Remuneration Report as set out in the Annual Report for the year ended 30 September 2022 was approved by Shareholders at the Annual General Meeting of the Company held on 22 February 2023. The Company received proxy votes in favour of the resolution representing 93.10.% (including those who appointed the Chairman to vote at his discretion) of the votes received (against: 6.90%). An ordinary resolution for the approval of this Annual Remuneration Report will be proposed at the next Annual General Meeting of the Company to be held on 29 February 2024.

This section of the Directors' Remuneration Report sets out how the above Remuneration Policy has been implemented during the year.

Nomination and Remuneration Committee

During the year under review the Committee comprised the full Board. It was chaired by Justin Ward throughout the year. All members of the Committee are considered to be independent of the Investment Adviser. The Committee meets at least once a year and is responsible for making recommendations to the Board on remuneration policy and reviewing the policy's ongoing appropriateness and relevance. It carries out an annual review of the remuneration of the Directors and makes recommendations to the Board on the level of Directors' fees. The Committee may, at its discretion, recommend to the Board that individual Directors should be awarded further payment in respect of additional work carried out on behalf of the Company. It is responsible for the appointment of remuneration consultants, if this should be considered necessary, including establishing the selection criteria and terms of reference for such an appointment. The Committee met twice during the year with full attendance from all of its members.

In considering nominations, the Committee is responsible for making recommendations to the Board concerning new appointments of Directors to the Board and its committees; the periodic review of the composition of the Board and its committees; and the annual performance review of the Board, the Directors and the Chairman. This includes the ongoing review of each Director's actual or potential conflicts of interest which may arise as a result of the external business activities of Board members.

The Board has made a commitment to consider diversity as part of the recruitment process for all appointments. Following the performance evaluation of the Directors during the year, the Board confirms that each of the Directors demonstrated commitment to their roles and were effective in carrying out their duties on behalf of the Company.

Annual percentage change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' remuneration for the year to 30 September 2023:

	% change for the year to 30 September 2023	% change for the year to 30 September 2022	% change for the year to 30 September 2021
Maurice Helfgott	-	-	5.4
Justin Ward	-	-	5.6
Nemone Wynn-Evans	-	n/a	n/a

No sums were paid to third parties in respect of any of the Director's services during the year under review.

Directors' interests in the Company's shares (audited)

Although it is not a Company Policy, the Directors believe that it is in the best interests of the Company and its Shareholders for each Director to maintain an interest in the Company. The Directors who held office throughout the year under review and their interests as at 30 September 2023 were:

	30 September 2023		30 September 2022	
Director	Shares held	Percentage of issued share capital	Shares held	Percentage of issued share capital
Maurice Helfgott	137,130	0.09%	137,130	0.11%
Justin Ward[1]	89,197	0.06%	57,369	0.04%
Nemone Wynn-Evans[2]	24,424	0.02%	24,424	0.02%

[1] - Justin and his wife's holdings combined.
[2] - Nemone's shares are held in a nominee account.

Directors' remuneration: 5-year comparison

	2023	2018	% Change
Chair (includes Audit and Investment Committee Supplements[1])	48,500	46,000	5.4%
Director Fee (includes Audit and Investment Committee Supplements[1])	38,000	36,000	5.6%

[1] - Audit Committee (2023: £5,000; 2018: £5,000) and Investment Committee (2023: £6,000, 2018: £6,000) fee supplements are paid to all members

Relative importance of spend on Directors' fees

Year ended:	30 September 2023 £	30 September 2022 £	Percentage increase/ (decrease)
Director fees	120,758	107,621	12.2%
Dividends paid/ payable	17,027,893	10,352,670[1]	64.5%
Cost of share buybacks	2,982,413	1,031,358	189.2%

[1] - restated from 2022

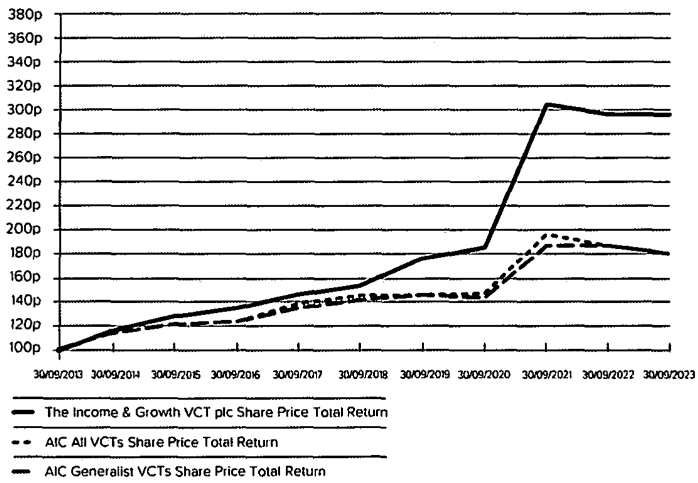
Directors' attendance at Board and Committee meetings in 2023

The table below sets out the Director's attendance at quarterly Board meetings and Committee meetings held during the year ended 30 September 2023. In addition to the quarterly Board meetings, the Board met on other occasions to consider specific issues as they arose.

Directors	Board Meetings		Audit Committee Meetings		Nomination & Remuneration Committee Meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Maurice Helfgott	4	4	2	2	2	2
Justin Ward	4	4	2	2	2	2
Nemone Wynn-Evans	4	4	2	2	2	2

Company performance

The graph below charts the total cumulative shareholder return of the Company's shares on a share price basis (assuming all dividends have been re-invested and excluding the tax reliefs available to Shareholders) over the past ten years compared with that of an index of all VCTs and an index of generalist VCTs which are members of the AIC (based on figures provided by Morningstar). The Board considers these indices to be the most appropriate to use to measure the Company's relative performance over the medium to long-term. The total shareholder returns have been rebased to 100 at 30 September 2013.



The share price total return comprises the share price plus cumulative dividends paid per share assuming the dividends paid were re-invested on the date on which the shares were quoted ex-dividend in respect of each dividend.

The former 'O' Share class was merged into the former 'S' Share class on 29 March 2010 to form the current class of shares. This graph therefore shows the performance of current class of shares only.

An explanation of the performance of the Company is given in the Chairman's Statement on page 2, the Performance section of the Strategic Report on pages 8 to 11 and in the Investment Adviser's Review and Investment Portfolio Summary on pages 12 to 25.

By order of the Board

Justin Ward
Chair of the Nomination & Remuneration Committee

12 January 2024

Statement of the Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year and the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with United Kingdom accounting standards, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Strategic Report, a Director's Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Directors' responsibilities pursuant to Disclosure and Transparency Rule 4 of the UK Listing Authority

The Directors confirm to the best of their knowledge that:

(a) the Financial Statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice give a true and fair view of the assets, liabilities, financial position and the profit of the Company; and

(b) the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Having taken advice from the Audit Committee, the Board considers the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and that it provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report except to the extent that such liability could arise under English law.

The names and functions of the Directors are stated on page 33.

For and on behalf of the Board

Maurice Helfgott
Chairman

12 January 2024

Independent Auditor's Report to the Members of The Income & Growth VCT plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Income & Growth VCT ("the Company") for the year ended 30 September 2023 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following a tender process in 2016 and based on the recommendation of the audit committee, we were re-appointed by the Board of Directors to continue as auditors. Our initial appointment for the audit of the financial statements was for the year ended 30 September 2007. The period of total uninterrupted engagements including retenders and reappointments is 17 years, covering the years ended 30 September 2007 to 30 September 2023. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports prepared by management's expert during the year and as at year end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status;
- Consideration of the Company's expected future compliance with VCT legislation, the absence of bank debt, contingencies and commitments and any market or reputational risks;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts, and assessing them for reasonableness. In particular, we considered the available cash resources relative to the forecast expenditure which was assessed against the prior year for reasonableness; and
- Evaluating the Directors' method of assessing the going concern in light of market volatility and the present uncertainties in economic recovery created by rising inflation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2023	2022
Key audit matters	*Valuation of unquoted equity investments*	✓	✓
Materiality	*Company financial statements as a whole* £2.456m (2022: £1.460m) based on 2% (2022: 2% of gross investments) of net assets adjusted for significant fundraising in the year		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of unquoted *equity investments* (Note 9 to the financial statements)	We consider the valuation of unquoted equity investments to be the most significant audit area as there is a high level of *estimation uncertainty* involved in determining the unquoted equity investment valuations. There is also an inherent risk of management override arising from the unquoted equity investment valuations being prepared by the Investment adviser, who is remunerated based on the value of the net assets of the Company, as shown in note 4. For these reasons, we identified the valuation of unquoted equity investments as a key audit matter.	Our testing of the unquoted equity investments valuation was risk-based according to our preliminary analytical procedures, having regard to the subjectivity of the inputs to the valuations, the subjectivity of the valuation technique, the value of individual investments, the nature of the investment, and the extent of the fair value movement. For the unquoted equity investments portfolio we: • Considered whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. Where there was a change in valuation methodology from prior year, we assessed whether the change was appropriate; • Considered the change in market multiples and discount applied from prior year and if they were supported by the performance of the *underlying investment;* • Checked that the valuation was based on recent financial information and reviewed the arithmetical accuracy of the valuation. Further, for the unquoted equity investments sample selected for detailed testing we: • Re-performed the calculation of the investment valuation attributable to the Company; • Challenged and corroborated the inputs to the valuation with reference to management information of investee companies, market data and our own understanding and assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements; • Reviewed the historical financial statements and any recent management information available to support assumptions about maintainable revenues, earnings or cash flows used in the valuations; • Considered the revenue or earnings multiples applied and the discounts applied by reference to observable listed company *market data; and* • Challenged the consistency and appropriateness of adjustments made to such market data in establishing the revenue, cash flow or earnings multiple applied in arriving at the valuations adopted by considering the individual performance of investee companies against plan and relative to the peer group, the market and sector in which the investee company operates and other factors as appropriate. Where appropriate, we performed a sensitivity analysis by developing our own point estimate where we considered that alternative input assumptions could reasonably have been applied and we considered the overall impact of such sensitivities on the portfolio of unquoted equity investments in determining whether the valuations as a whole are reasonable and free from bias. **Key observations** Based on the procedures performed we consider the unquoted equity investment valuations to be appropriate considering the level of estimation uncertainty.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company financial statements	2023	2022
Materiality	£2,456,000	£1,460,000
Basis for determining materiality	2% of net assets adjusted for significant fundraising in the year.	2% of gross investments
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the Company's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of net assets adjusted for significant fundraising in the year. The basis for setting materiality has been changed as net assets is considered to be the key area of focus for the users of the financial statements, given the nature of the entity.	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the Company's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of gross investments, as the gross investments is the primary focus of the users of these financial statements.
Performance materiality	£1,842,000	£1,095,000
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Lower testing threshold

We determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined a lower testing threshold of £160,000 (2022: £146,000) based on 5% of revenue return before tax (2022: 10% of revenue return before tax) for those items impacting revenue return.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £123,000 (2022: £73,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 32; and
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 32.

Other Code provisions

- Directors' statement on fair, balanced and understandable set out on page 34;
- Board's confirmation that it has carried out a robust assessment of the Principal and emerging risks set out on page 32;
- The section of the annual report that describes the review of the effectiveness of risk management and internal control systems set out on page 30; and
- The section describing the work of the audit committee set out on pages 41 to 42.

Independent Auditor's Report

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management, those charged with governance, and the Audit Committee; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be the Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") and updated in 2022 with consequential amendments and the applicable financial reporting framework. We also considered the Company's qualification as a VCT under UK tax legislation.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Obtaining the VCT compliance reports prepared by management's expert during the year and as at year-end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status; and
- Reviewing minutes of meetings of those charged with governance throughout the period for instances of non-compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance and the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and

where fraud might occur in the financial statements; and

- Considering performance incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the valuation of unquoted equity investments and management override of controls

Our procedures in respect of the above included:

- the procedures set out in the Key audit matters section above;
- obtaining independent evidence to support the ownership of a sample of investments;
- recalculating investment management fees in total;
- making enquiries of the investment advisor about any known, suspected and alleged fraud;
- obtaining independent confirmation of bank balances; and
- testing journals which met a defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Advisor and Directors that represented a risk of material misstatement due to fraud; and
- Reviewing the General Ledger and Journals listing for period end financial reporting journals based on our risk assessment criteria and performing testing over a sample of expense journals throughout the year to incorporate unpredictability into our journal testing agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment adviser and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Vanessa Bradley
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor
London, United Kingdom
12 January 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

Income Statement for the year ended 30 September 2023

	Notes	Year ended 30 September 2023 Revenue £	Capital £	Total £	Year ended 30 September 2022 Revenue £	Capital £	Total £
Net investment portfolio gains/(losses)	9	-	5,432,092	5,432,092	-	(10,847,681)	(10,847,681)
Income	3	3,196,634	-	3,196,634	2,818,938	-	2,818,938
Investment Adviser's fees	4a	(633,681)	(1,901,042)	(2,534,723)	(658,973)	(1,976,919)	(2,635,892)
Other expenses	5	(608,439)	-	(608,439)	(539,819)	-	(539,819)
Profit/(loss) on ordinary activities before taxation		1,954,514	3,531,050	5,485,564	1,620,146	(12,824,600)	(11,204,454)
Taxation on profit/(loss) on ordinary activities	6	(289,930)	289,930	-	(86,613)	86,613	-
Profit/(loss) for the year and total comprehensive income		**1,664,584**	**3,820,980**	**5,485,564**	**1,533,533**	**(12,737,987)**	**(11,204,454)**
Basic and diluted earnings per ordinary share (pence per share)	7	**1.11p**	**2.55p**	**3.66p**	**1.23p**	**(10.21)p**	**(8.98)p**

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the net investment portfolio gains/(losses) (unrealised gains/(losses) and realised gains/(losses) 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") (updated in July 2022) by the Association of Investment Companies ("AIC"), 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.

There is no other comprehensive income and therefore the return for the year is also the total comprehensive income for the year.

The Notes on pages 57 to 77 form part of these Financial Statements.

Balance Sheet as at 30 September 2023

Company No. 4069483

	Notes	as at 30 September 2023 £	as at 30 September 2022 £
Fixed assets			
Investments at fair value	9	72,722,385	73,080,003
Current assets			
Debtors and prepayments	11	310,422	869,192
Current asset investments	12	49,727,485	33,569,357
Cash at bank and in hand	12	366,064	1,209,273
		50,403,971	35,647,822
Creditors: amounts falling due within one year	13	(348,570)	(312,375)
Net current assets		50,055,401	35,335,447
Net assets		**122,777,786**	**108,415,450**
Capital and reserves			
Called up share capital	14	1,547,669	1,294,819
Capital redemption reserve		15,672	48,343
Share premium reserve		-	24,765,043
Revaluation reserve		28,829,554	28,034,730
Special distributable reserve		77,108,733	40,837,774
Profit and loss account		15,276,158	13,434,741
Equity Shareholders' funds		**122,777,786**	**108,415,450**
Basic and diluted net asset value per share			
Ordinary shares	15	**79.33p**	**83.73p**

The Notes on pages 57 to 77 form part of these Financial Statements.

The Financial Statements were approved and authorised for issue by the Board of Directors on 12 January 2024 and were signed on its behalf by:

Maurice Helfgott
Chairman

Statement of Changes in Equity for the year ended 30 September 2023

	Notes	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) £	Total £
		Non-distributable reserves				Distributable reserves			
At 1 October 2022		**1,294,819**	**48,343**	**24,765,043**	**28,034,730**	**40,837,774**	**10,606,675**	**2,828,066**	**108,415,450**
Comprehensive income for the year									
Profit/(loss) for the year		-	-	-	5,025,250	-	(1,204,270)	1,664,584	5,485,564
Total comprehensive income for the year		**-**	**-**	**-**	**5,025,250**	**-**	**(1,204,270)**	**1,664,584**	**5,485,564**
Contributions by and distributions to owners									
Shares issued via Offer for Subscription (Note c)	14	265,860	-	21,705,140	-	-	-	-	21,971,000
Issue costs and faciliations fees on Offer for Subscription (Note c)	14	-	-	(553,744)	-	(248,181)	-	-	(801,925)
Dividends re-invested into new shares	14	26,747	-	2,041,587	-	-	-	-	2,068,334
Shares bought back (Note d)	14	(39,757)	39,757	-	-	(2,982,413)	-	-	(2,982,413)
Dividends paid	8	-	-	-	-	(4,069,104)	(4,788,565)	(2,520,555)	(11,378,224)
Total contributions by and distributions to owners		**252,850**	**39,757**	**23,192,983**	**-**	**(7,299,698)**	**(4,788,565)**	**(2,520,555)**	**8,876,772**
Other movements									
Cancellation of Share Premium reserve (Note e)		-	(72,428)	(47,958,026)		48,030,454	-	-	-
Realised losses transferred to special reserve (Note a)		-	-	-	-	(4,459,797)	4,459,797	-	-
Realisation of previously unrealised gains		-	-	-	(4,230,426)	-	4,230,426	-	-
Total other movements		**-**	**(72,428)**	**(47,958,026)**	**(4,230,426)**	**43,570,657**	**8,690,223**	**-**	**-**
At 30 September 2023		**1,547,669**	**15,672**	**-**	**28,829,554**	**77,108,733**	**13,304,063**	**1,972,095**	**122,777,786**

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 30 September 2023, the Company has a special reserve of £77,108,733, £29,150,707 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 £4,459,797 from the realised capital reserve to the special distributable reserve above is the total of realised losses incurred by the Company in the year.

b) The realised capital reserve and the revenue reserve together comprise the Profit and Loss Account of the Company shown in the Balance Sheet.

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 faciliation fees of £248,181.

d) During the year, the Company repurchased 3,975,746 of its own shares at the prevailing market price for a total cost of £2,982,413, which were subsequently cancelled. The difference between the figure shown above of £2,982,413, and that per the Statement of Cash Flows of £3,024,311 is due to a share buyback creditor of £41,898 at the previous year-end.

e) The cancellation of £47,958,026 from the Share Premium Reserve and £72,428 from the Capital Redemption Reserve (as approved at the General Meeting on 12 October 2022 and by the court order dated 20 June 2023) has increased the Company's special distributable reserve out of which it can fund buybacks of shares as and when it is considered by the Board to be in the interests of the Shareholders, and to absorb any existing and future realised losses, or for other corporate purposes.

The Notes on pages 57 to 77 form part of these Financial Statements.

Statement of Changes in Equity for the year ended 30 September 2022

	Non-distributable reserves				Distributable reserves			
	Called up share capital £	Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Special distributable reserve £	Realised capital reserve £	Revenue reserve £	Total £
At 1 October 2021	**1,185,549**	**36,682**	**13,328,900**	**43,197,940**	**50,884,712**	**8,511,877**	**1,940,614**	**119,086,274**
Comprehensive income for the year								
(Loss)/Profit for the year	-	-	-	(13,164,787)	-	426,800	1,533,533	(11,204,454)
Total comprehensive income for the year	**-**	**-**	**-**	**(13,164,787)**	**-**	**426,800**	**1,533,533**	**(11,204,454)**
Contributions by and distributions to owners								
Shares issued via Offer for Subscription	101,920	-	9,898,080	-	-	-	-	10,000,000
Issue costs and faciliations fees on Offer for Subscription	-	-	(250,968)	-	(81,278)	-	-	(332,246)
Dividends re-invested into new shares	19,011	-	1,789,031	-	-	-	-	1,808,042
Shares bought back	(11,661)	11,661	-	-	(1,031,358)	-	-	(1,031,358)
Dividends paid	-	-	-	-	(4,309,323)	(4,955,404)	(646,081)	(9,910,808)
Total contributions by and distributions to owners	**109,270**	**11,661**	**11,436,143**	**-**	**(5,421,959)**	**(4,955,404)**	**(646,081)**	**533,630**
Other movements								
Realised losses transferred to special reserve	-	-	-	-	(4,624,979)	4,624,979	-	-
Realisation of previously unrealised gains	-	-	-	(1,998,423)	-	1,998,423	-	-
Total other movements	**-**	**-**	**-**	**(1,998,423)**	**(4,624,979)**	**6,623,402**	**-**	**-**
At 30 September 2022	**1,294,819**	**48,343**	**24,765,043**	**28,034,730**	**40,837,774**	**10,606,675**	**2,828,066**	**108,415,450**

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 year-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 year.

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 is charged to this reserve. In addition, any realised losses on the sale or impairment of investments (excluding transaction costs), 75% of the Investment Adviser fee expense and 100% of the Investment Adviser performance fee expense, and the related tax effect, are transferred from the realised capital reserve to this reserve. The cost of any IFA facilitation fee payable as part of the Offer for Subscription is also charged to this reserve.

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.

The Notes on pages 57 to 77 form part of these Financial Statements.

Statement of Cash Flows for the year ended 30 September 2023

	Notes	Year ended 30 September 2023 £	Year ended 30 September 2022 £
Cash flows from operating activities			
Profit/(loss) for the financial year		5,485,564	(11,204,454)
Adjustments for:			
Net investment portfolio (gains)/losses		(5,432,092)	10,847,681
Dividend income		(639,455)	(1,164,287)
Interest income		(2,557,179)	(1,654,651)
Increase in debtors		(5,248)	(6,025)
Increase/(decrease) in creditors and accruals		78,093	(1,055,290)
Net cash outflow from operating activities		**(3,070,317)**	**(4,237,026)**
Cash flows from investing activities			
Purchase of investments	9	(3,337,995)	(7,336,441)
Disposal of investments	9	9,127,705	13,799,637
Dividend received		1,300,224	503,518
Interest received		2,460,428	1,666,895
Net cash inflow from investing activities		**9,550,362**	**8,633,609**
Cash flows from financing activities			
Shares issued as part of Offer for subscription		21,971,000	10,000,000
Issue costs and faciliation fees as part of Offer for subscription		(801,925)	(332,246)
Equity dividends paid	8	(9,309,890)	(8,102,766)
Purchase of own shares	14	(3,024,311)	(1,031,123)
Net cash inflow from financing activities		**8,834,874**	**533,865**
Net increase in cash and cash equivalents		**15,314,919**	**4,930,448**
Cash and cash equivalents at start of year		31,626,861	26,696,413
Cash and cash equivalents at end of year		**46,941,780**	**31,626,861**
Cash and cash equivalents comprise:			
Cash at bank and in hand	12	366,064	1,209,273
Cash equivalents	12	46,575,716	30,417,588

The Notes on pages 57 to 77 form part of these Financial Statements.

Notes to the Financial Statements for the year ended 30 September 2023

1 Company Information

The Income and Growth VCT plc is a public limited company incorporated in England, registration number 4069483. The registered office is 5 New Street Square, London, EC4A 3TW.

2 Basis of preparation

A summary of the principal accounting policies, all of which have been applied consistently throughout the year are set out at the start of the related disclosure throughout the Notes to the Financial Statements. All accounting policies are included within an outlined box at the top of each relevant Note.

These Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ("FRS102"), 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 Company has a number of financial instruments which are disclosed under FRS102 s11/12 as shown in Note 16.

After performing the necessary enquiries, the Directors have undertaken an assessment of the Company's ability to meet its liabilities as they fall due. The Company has significant cash and liquid resources and no external debt or capital commitments. The Company's cash flow forecasts, which consider levels of anticipated new and follow-on investment, as well as investment income and annual running cost projections, are discussed at each quarterly Board meeting and, in particular, have been considered in light of the current economic environment. Following this assessment, the Directors have a reasonable expectation that the Company will have adequate resources to continue to meet its liabilities for at least 12 months from the date these Financial Statements are approved. The assessment covers the period from January 2024 to January 2025. The Directors therefore consider the preparation of these Financial Statements on a going concern basis to be appropriate.

3 Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received.

Interest income on loan stock is accrued on a daily basis. Provision is made against this income where recovery is doubtful or where it will not be received in the foreseeable future. Where the loan stocks only require interest or a redemption premium to be paid on redemption, the interest and redemption premium is recognised as income or capital as appropriate once redemption is reasonably certain. When a redemption premium is designed to protect the value of the instrument holder's investment rather than reflect a commercial rate of revenue return the redemption premium is recognised as capital. The treatment of redemption premiums is analysed to consider if they are revenue or capital in nature on a company by company basis. Accordingly, the redemption premium recognised in the year ended 30 September 2023 has been classified as capital and has been included within realised gains on investments.

Notes to the Financial Statements for the year ended 30 September 2023

3 Income (continued)

	2023 £	2022 £
Income from bank deposits	**142,671**	**38,201**
Income from investments		
– from equities	639,455	1,164,287
– from OEIC money market funds	1,830,390	203,099
– from loan stock	584,118	1,413,351
	3,053,963	2,780,737
Total income	**3,196,634**	**2,818,938**
Total income comprises		
Revenue dividends received	2,469,845	1,367,386
Interest	726,789	1,451,552
Total Income	**3,196,634**	**2,818,938**
Income from investments comprises		
Listed UK securities	12,500	16,000
Listed overseas securities	1,830,390	203,099
Unlisted UK securities	1,211,073	2,561,638
Total investment income	**3,053,963**	**2,780,737**

Note - Total loan stock interest due but not recognised in the year was £496,833 (2022: £555,162) due to uncertainty over its recoverability. The decrease is due to the sale of one investee company, partially offset by the additional provision of interest of two investee companies that were considered appropriate in light of the current economic conditions.

4 Investment Adviser's fees and performance fees

25% of the Investment Adviser's fees are charged to the revenue column of the Income Statement, while 75% is charged against the capital column of the Income Statement. This is in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

100% of any performance incentive fee payable for the year is charged against the capital column of the Income Statement, as it is based upon the achievement of capital growth.

a) Investment Adviser's fees

	Revenue 2023 £	Capital 2023 £	Total 2023 £	Revenue 2022 £	Capital 2022 £	Total 2022 £
Gresham House Asset Management Limited	633,681	1,901,042	2,534,723	658,973	1,976,919	2,635,892

Under the terms of a revised investment management agreement dated 29 March 2010, Gresham House Asset Management Limited ("Gresham House") (agreement was novated from Mobeus Equity Partners LLP on 30 September 2021) 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.

The Investment Adviser fees disclosed above are stated after applying a cap on expenses excluding IFA trail commission and exceptional items set at 3.25% of closing net assets at the year-end. In accordance with the investment management agreement any excess expenses are wholly borne by the Investment Adviser. The excess expenses during the year attributable to the Investment Adviser amounted to £nil (2022: £nil).

b) Investment Adviser's performance fees

On 30 September 2014, an incentive fee agreement was signed between the Board and Mobeus Equity Partners LLP with effect from 1 October 2013, to amend and replace the previous agreement. This agreement was novated to Gresham House Asset Management Limited following its purchase of the Mobeus VCT fund and investment management business on 30 September 2021.

Any payment under the new incentive agreement is now 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:

i) 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

ii) 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 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 ended 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 166.89 pence. As Cumulative Total NAV return is 191.33 pence per share at the year-end, and is less than the Target Return under i) above of 202.06 pence per share, no fee is therefore payable.

c) Offer for Subscription fees

	2023 £m	2022 £m
Funds raised by I&G VCT	21.17	9.67
Offer costs payable to Gresham House at 3.00% of funds raised by I&G VCT	**0.64**	**0.29**

Under the terms of an Offer for Subscription, with the other Mobeus VCTs, launched on 5 October 2022, Gresham House was entitled to fees of 3.00% of the investment amount received from investors. This amount totalled £2.20 million across all four VCTs, out of which all the costs associated with the allotment were met, excluding any payments to advisers facilitated under the terms of the Offer.

Notes to the Financial Statements for the year ended 30 September 2023

5 Other expenses

All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment, which are written off to the capital column of the Income Statement or deducted from the disposal proceeds as appropriate.

	2023 £	2022 £
Directors' remuneration (including NIC of £7,449 (2022: £8,060)) (Note a)	128,207	115,681
IFA trail commission	120,067	99,847
Broker's fees	12,000	12,000
Auditor's fees – Audit of company (excluding VAT)	50,000	39,703
– audit related assurance services (excluding VAT) (Note b)	-	8,200
VCT monitoring fees	10,800	10,800
Registrar's fees	83,554	54,292
Custody fees	13,203	-
Printing	46,130	57,304
Legal & professional fees	26,863	25,629
Directors' insurance	14,414	11,258
Listing and regulatory fees	76,724	69,062
Sundry	26,477	36,043
Other expenses	**608,439**	**539,819**

Notes:

a) Directors' remuneration is a related party transaction, see analysis of Directors' fees payable and their interests in the shares of the Company in the Directors' Remuneration Report on pages 43 to 45, which excludes NIC included above. The key management personnel are the three Non-Executive Directors. The Company has no employees. £nil is outstanding and due to the Directors at 30 September 2023 (2022: £nil).

b) Included within the comparative figure is £8,200 relating to advanced audit procedures in respect of the Financial Statements carried out at the 2022 Half-Year. No such procedures were carried out in the current year or are intended to be carried out in future years.

6 Taxation on ordinary activities

The tax expense for the year comprises current tax and is recognised in profit or loss. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Any tax relief obtained in respect of adviser fees allocated to capital is reflected in the capital reserve – realised and a corresponding amount is charged against revenue. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in the tax assessments in periods different from those in which they are recognised in the Financial Statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

A deferred tax asset would be recognised only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilised.

6 Taxation on ordinary activities (continued)

	2023 Revenue £	2023 Capital £	2023 Total £	2022 Revenue £	2022 Capital £	2022 Total £
a) Analysis of tax charge:						
UK Corporation tax on profits/(losses) for the year	289,930	(289,930)	-	86,613	(86,613)	-
Total current tax charge/(credit)	**289,930**	**(289,930)**	-	**86,613**	**(86,613)**	-
Corporation tax is based on a rate of 25.0% (2022: 19.0%)						
b) Profit/(loss) on ordinary activities before tax	1,954,514	3,531,050	5,485,564	1,620,146	(12,824,600)	(11,204,454)
Profit/(loss) on ordinary activities multiplied by main company rate of corporation tax in the UK of 22.0% (2022: 19.0%)	429,993	776,831	1,206,824	307,828	(2,436,674)	(2,128,846)
Effect of:						
UK dividends	(140,680)	-	(140,680)	(221,215)	-	(221,215)
Net investment portfolio (gains)/losses not taxable	-	(1,195,060)	(1,195,060)	-	2,061,059	2,061,059
Unrelieved expenditure	617	-	617	-	-	-
Losses not utilised	-	128,299	128,299	-	289,002	289,002
Actual current tax charge	**289,930**	**(289,930)**	-	**86,613**	**(86,613)**	-

Tax relief relating to Investment Adviser fees is allocated between revenue and capital where such relief can be utilised.

No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments as the Company is exempt from corporation tax in relation to capital gains or losses as a result of qualifying as a Venture Capital Trust.

There is no potential liability to deferred tax (2022: £nil). Unrelieved management fees, which are available to be carried forward and set off against future taxable income, amounted to £8,624,000 (2022: £8,040,000). The deferred tax asset, calculated at a rate of 25%, of £2,156,000 (2022: £2,010,000) is not recognised because the Company may not generate sufficient taxable income in the foreseeable future to utilise these expenses.

As part of the tax changes from April 2023, the corporation tax rate has increased by a third from 19% to 25% for the largest businesses from 1 April and full expensing is available for three years. As a result of the corporation tax rate increase, the full rate of 25% will be applicable to businesses making profits of over £250,000. As the financial year straddles the legislation change the marginal rate of tax relief will be 22% for the full year.

Notes to the Financial Statements for the year ended 30 September 2023

7 Basic and diluted earnings and return per share

	2023 £	2022 £
Total earnings after taxation:	5,485,564	(11,204,454)
Basic and diluted earnings per share (Note a)	**3.66p**	**(8.98)p**
Revenue earnings from ordinary activities after taxation	1,664,584	1,533,533
Basic and diluted revenue earnings per share (Note b)	**1.11p**	**1.23p**
Net investment portfolio gains/(losses)	5,432,092	(10,847,681)
Capitalised Investment Adviser fees and performance fees less taxation	(1,611,112)	(1,890,306)
Total capital earnings	3,820,980	(12,737,987)
Basic and diluted capital earnings per share (Note c)	**2.55p**	**(10.21)p**
Weighted average number of shares in issue in the year	149,999,941	124,696,827

Notes:

a) Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
b) Revenue earnings per share is the revenue earnings after taxation divided by the weighted average number of shares in issue.
c) Capital earnings per share is the total capital earnings after taxation divided by the weighted average number of shares in issue.
d) There are no instruments that will increase the number of shares in issue in future. Accordingly, the above figures currently represent both basic and diluted returns.

8 Dividends paid and payable

Dividends payable are recognised as distributions in the financial statements when the Company's liability to pay them has been established. This liability is established for interim dividends when they are paid, and for final dividends when they are approved by the Shareholders, usually at the Company's Annual General Meeting.

The Company's status as a VCT means it has to comply with Section 259 of the Income Tax Act 2007, which requires that no more than 15% of the income from shares and securities in a year can be retained from the revenue available for distribution for the year. Accordingly, the Board is required to determine the amount of minimum income dividend.

Amounts recognised as distributions to Equity Shareholders in the year:

Dividend	Type	For the year ended 30 September	Pence per share	Date Paid	2023 £	2022 £
Interim	Capital	2021	2.00p	07 January 2022	-	2,371,079
Interim	Special	2021	2.00p	07 January 2022	-	2,371,079
Interim	Income	2022	0.50p	08 July 2022	-	646,081
Interim	Capital	2022	2.00p	08 July 2022	-	2,584,325
Interim	Special	2022	1.50p	08 July 2022	-	1,938,244
Interim	Income	2022	0.75p	07 November 2022	972,003	-
Interim	Capital	2022	2.50p	07 November 2022	3,240,014	-
Interim	Special	2022	0.75p	07 November 2022	972,003	-
Interim	Income	2023	1.00p	26 May 2023	1,548,551	-
Interim	Capital	2023	1.00p	26 May 2023	1,548,551	-
Interim	Special	2023	2.00p	26 May 2023	3,097,102	-
					11,378,224	**9,910,808**

For the year ended 30 September 2023 £11,378,224 (2022: £9,910,808) disclosed above differs to that shown in the Statement of Cash Flows of £9,309,890 (2022: £8,102,766) due to £2,068,334 (2022: £1,808,042) of new shares issued as part of the Company's Dividend Investment Scheme.

	2023 Revenue £	2023 Capital £	2023 Total £	2022 Revenue £	2022 Capital £	2022 Total £
Proposed distribution to equity holders at the year-end						
Second interim dividend for the year ended 30 September 2023 of 7.00p per ordinary share, of which 7.00p is special	-	10,833,689	10,833,689	-	-	-
Second interim dividend for the year ended 30 September 2022 of 4.00p per ordinary share, of which 0.75p income, 2.50p capital and 0.75p special	-	-	-	971,114	4,208,162	5,179,276

Any proposed final dividend is subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Set out below are the total income dividends payable in respect of the financial year, which is the basis on which the requirements of section 274 of the Income Tax Act 2007 are considered.

Recognised income distributions in the Financial Statements for the year	2023 £	2022 £
Revenue available for distribution by way of dividends for the year	1,664,584	1,533,533
Interim income dividend for the year - 1.00p (2022: 0.50p)	1,548,551	646,081
Second interim income dividend for the year - nil (2022: 0.75p)	-	972,003
Total income dividends for the year	1,548,551	1,618,084

Notes to the Financial Statements for the year ended 30 September 2023

9 Investments at fair value

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 subsequent measurement dates, are reconsidered for any changes in light of more recent events or 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 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:
- where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost 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.

The methodology applied takes account of the nature, facts and circumstances of the individual investment and uses reasonable data, market input, assumptions and estimates in order to ascertain fair value. Methodologies are applied consistently each year except where a change results in a better estimate of fair value.

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

The key judgements for the Directors are in relation to identifying the most appropriate valuation methodologies for estimating the fair value of unquoted investments. The most relevant methodologies applied are explained above. A further key judgement made related 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 a realised loss, even though the investment is still held. The key estimates involved in determining the fair value of a company can include:

- identifying a relevant basket of market comparables;
- deducing the discount to apply to those market comparables;
- determining maintainable earnings or revenues; or
- identifying surplus cash.

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.

Movements in investments during the year are summarised as follows:

	Traded on AIM £	Unquoted equity shares £	Unquoted preference shares £	Unquoted Loan Stock £	Total £
Cost at 30 September 2022	1,993,170	35,098,554	2,019,746	13,401,047	52,512,517
Permanent impairment at 30 September 2022 (Note d)	(500,000)	(5,875,235)	(1,955)	(1,090,054)	(7,467,244)
Unrealised gains/(losses) at 30 September 2022	4,534,971	26,067,540	304,665	(2,872,446)	28,034,730
Valuation at 30 September 2022	**6,028,141**	**55,290,859**	**2,322,456**	**9,438,547**	**73,080,003**
Purchases at cost	-	2,505,148	666,647	166,200	3,337,995
Sale proceeds	-	(1,411,922)	(6,217,992)	(1,497,791)	(9,127,705)
Reclassification at value (Note b)	(167,173)	167,173	-	-	-
Net realised (losses)/gains on investments (Note c)	-	(4,930,881)	6,214,895	(877,172)	406,842
Net unrealised (losses)/gains on investments (Note c)	(185,727)	5,688,238	187,303	(664,564)	5,025,250
Valuation at 30 September 2023	**5,675,241**	**57,308,615**	**3,173,309**	**6,565,220**	**72,722,385**
Cost at 30 September 2023	1,119,169	38,027,817	2,681,854	10,295,278	52,124,118
Permanent impairment at 30 September 2023 (Note d)	(500,000)	(6,557,049)	(1,955)	(1,172,283)	(8,231,287)
Unrealised gains/(losses) at 30 September 2023	5,056,072	25,837,847	493,410	(2,557,775)	28,829,554
Valuation at 30 September 2023	**5,675,241**	**57,308,615**	**3,173,309**	**6,565,220**	**72,722,385**

Net *realised gains on investments of* £406,842 *together with net unrealised gains on investments of* £5,025,250 *equal net* investment portfolio gains of £5,432,092 as shown in the Income Statement.

A full breakdown of the increases and decreases in unrealised valuations of the portfolio is seen in the Investment Portfolio Summary *on pages 22 to 25.*

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Notes to the Financial Statements for the year ended 30 September 2023

9 Investments at fair value (continued)

Major movements in investments

Note a) Disposals of investment portfolio companies during the year were:

Company	Type	Investment Cost £	Disposal Proceeds £	Valuation at 30 September 2022 £	Realised gain/(loss) in year £
Tharstern Group Limited	Realisation	1,454,278	2,848,717	1,985,858	862,859
EOTH Limited (trading as Equip Outdoor Technologies)	Partial realisation	1,554	6,213,209	5,795,294	417,915
Jablite Holdings Limited (in liquidation)	Loan repayment	47,589	65,779	65,779	-
Veritek Global Holdings Limited	Restructuring	1,033,500	-	-	-
RDL Corporation Limited	Restructuring	1,441,667	-	204,430	(204,430)
Ibericos Etc. Limited (trading as Tapas Revolution) (in administration)	Permanent impairment	-	-	669,502	(669,502)
		3,978,588	**9,127,705**	**8,720,863**	**406,842**

Note b) The amount of £167,173 transferred to unquoted equity shares represents one AIM company being delisted.

Note c) Within net unrealised gains of £5,025,250 for the year, the significant increases in value compared to last year were as follows: £6,344,842 in Preservica Limited, £2,068,604 in MPB Group Limited, £941,810 in Aquasium Technology Limited, £498,461 in Veritek Global Holdings Limited, and £363,750 in Data Discovery Solutions Limited (trading as Active Navigation). These gains were partially offset by unrealised losses in valuation compared to last year, including: £(2,385,144) in My TutorWeb Limited (trading as MyTutor), £(936,034) in Bleach London Holdings Limited, and £(924,724) in Connect Childcare Group Limited.

Note d) During the year, permanent impairments of the cost of investments have increased from £7,467,244 to £8,231,287. The increase of £764,043 is due to the impairments of two companies offset by the removal of the cost of £1,033,500 of one company that was impaired in a previous year and has been liquidated in the year.

10 Significant interests

At 30 September 2023 the Company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

	Total investment (at cost) £	I&G VCT (% of equity)	% of equity held by all funds managed and advised by Gresham House[1] %
Preservica Limited	4,675,163	18.0%	57.8%
My Tutorweb Limited (trading as MyTutor)	3,361,778	7.2%	22.6%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet)	3,205,182	8.8%	27.5%
Oxonica plc	2,524,527	10.6%	10.6%
Arkk Consulting Limited (trading as Arkk Solutions)	2,182,187	9.2%	30.1%
Vivacity Labs Limited	2,093,538	7.1%	23.8%
End Ordinary Group Limited (trading as Buster & Punch)	2,046,612	10.6%	34.6%
Data Discovery Solutions Limited (trading as Active Navigation)	1,975,681	10.0%	32.3%
CGI Creative Graphics International Limited	1,943,948	8.4%	26.9%
Spanish Restaurant Group Limited (trading as Tapas Revolution) (in administration)	1,630,233	9.0%	29.0%
Rota Geek Limited	1,563,500	5.9%	18.9%
MPB Group Limited	1,510,992	4.2%	13.7%
Legatics Holdings Limited	1,363,959	8.6%	37.2%
Bleach London Holdings Limited	1,332,831	5.6%	18.4%
Bella & Duke Limited	1,323,745	6.6%	21.2%
Veritek Global Holdings Limited	1,256,359	16.5%	50.0%
Connect Childcare Limited	1,157,214	4.2%	14.4%
IPV Limited	954,674	8.4%	26.5%
Muller EV Limited (trading as Andersen EV) (in administration)	950,997	14.3%	45.0%
Pets' Kitchen Limited (trading as Vet's Klinic)	844,200	6.0%	20.0%
Proximity Insight Holdings Limited	807,000	3.3%	20.4%
BookingTek Limited	779,155	4.7%	14.9%
Caledonian Leisure Limited	748,749	9.0%	30.0%
Orri Limited	747,900	4.7%	28.4%
Cognassist UK Limited	670,000	3.7%	22.2%
Northern Bloc Ice Cream Limited	662,340	9.8%	31.1%
Racoon International Group	655,851	14.2%	47.5%
Dayrize B.V.	626,351	5.6%	31.3%
Mable Therapy Limited	547,466	6.2%	34.3%
Branchspace Limited	538,351	4.2%	25.5%
Kudos Innovations Limited	472,500	3.4%	10.9%
Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van)	464,658	8.5%	27.3%
Jablite Holdings Limited (in members' voluntary liquidation)	451,201	12.0%	40.0%
SEC Group Holdings Limited (formerly RDL Corporation Limited)	252,194	14.2%	49.4%
Aquasium Technology Holdings Limited	166,667	16.7%	16.7%
Biomer Technology Limited	137,170	3.5%	3.5%
Virgin Wines UK plc[2]	65,288	11.8%	41.5%

1 The percentage of equity held for these companies is the fully diluted figure in the event that, for example, management of the investee company exercises share options where available.

2 The proportion of equity held by Mobeus VCTs is 36.1%. 5.4% is held by other funds managed or advised by Gresham House Asset Management Limited.

It is considered that, under FRS102 s9.9, "Consolidated and Separate Financial Statements", the above investments are held as part of an investment portfolio and that accordingly, their value to the Company lies in their marketable value as part of that portfolio and as such are not required to be consolidated. Also, the above investments are considered to be held as part of an investment portfolio and are accounted for in accordance with FRS102 14.4B.

Notes to the Financial Statements for the year ended 30 September 2023

11 Debtors

	2023 £	2022 £
Amounts due within one year:		
Accrued income	284,637	848,654
Prepayments	25,785	20,538
	310,422	**869,192**

12 Current asset investments and Cash at bank

Cash equivalents, for the purposes of the Statement of Cash Flows, comprise bank deposits repayable on up to three months' notice and funds held in OEIC money-market funds. Current asset investments are the same but also include bank deposits that mature after three months. Please see the Credit risk section of Note 16 on page 72 for a breakdown of Cash and Cash equivalents, along with the credit ratings of the liquidity investments. Current asset investments are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at their carrying values at immediate or up to one year's notice. Cash, for the purposes of the Statement of Cash Flows is cash held with banks in accounts subject to immediate access. Cash at bank in the Balance Sheet is the same.

	2023 £	2022 £
OEIC Money market funds	46,575,716	30,417,588
Cash equivalents per Statement of Cash Flows	46,575,716	30,417,588
Bank deposits that mature after three months	3,151,769	3,151,769
Current asset investments	**49,727,485**	**33,569,357**
Cash at bank	**366,064**	**1,209,273**

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	62,631	107,469
Other creditors	-	9,094
Accruals	285,939	195,812
	348,570	**312,375**

14 Called up share capital

	2023 £	2022 £
Allotted, called-up and fully paid: Ordinary Shares of 1p each: 154,766,933 (2022: 129,481,901)	1,547,669	1,294,819
Total	**1,547,669**	**1,294,819**

Under the Offer for Subscription launched on 5 October 2022, a total of 26,586,014 (2022: 10,191,964) ordinary shares were allotted at an average effective offer price of 79.62 pence per share, raising net funds of £21,169,075 (2022: £9,667,754).

During the year, the Company purchased 3,975,746 (2022: 1,166,089) of its own ordinary shares for cash (representing 3.1% (2022: 1.1%) of the ordinary shares in issue at the start of the year) at the prevailing market price for a total cost of £2,982,413 (2022: £1,031,358). The shares bought back were subsequently cancelled. This figure is higher than that shown in the Statement of Cashflows of £3,024,311 by £41,898. This is due to an opening share buyback creditor of £41,898.

Under the terms of the Dividend Investment Scheme, a total of 2,674,764 (2022: 1,901,145) ordinary shares were allotted during the year for a total consideration of £2,068,334 (2022: £1,808,042).

15 Basic and diluted net asset value per share

	2023	2022
Net assets	£122,777,786	£108,415,450
Number of shares in issue	154,766,933	129,481,901
Basic and diluted net asset value per share	**79.33p**	**83.73p**

16 Financial instruments

The Company's financial instruments predominantly comprise investments held at fair value through profit and loss, namely equity and preference shares and fixed and floating rate interest securities that are held in accordance with the Company's investment objective.

Other financial instruments are held at amortised cost comprising loans and receivables being cash at bank, current asset investments and short term debtors, and financial liabilities being creditors, all that arise directly from the Company's operations.

The principal purpose of these financial instruments is to generate revenue and capital appreciation for the Company's operations, although cash and current asset investments are held to yield revenue return only. The Company has no gearing or other financial liabilities apart from short-term creditors. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The accounting policy for determining the fair value of investments is set out in Note 9 to the Financial Statements. The composition of investments held is shown below and in Note 9.

Loans and receivables and other financial liabilities are stated at amortised cost which the Directors consider is equivalent to fair value.

Notes to the Financial Statements for the year ended 30 September 2023

16 Financial instruments (continued)

Classification of financial instruments

The Company held the following categories of financial instruments at 30 September 2023:

	2023 (Fair value) £	2022 (Fair value) £
Assets at fair value through profit and loss:		
Investment portfolio	72,722,385	73,080,003
Loans and receivables held at amortised cost		
Accrued income	284,637	848,654
Current asset investments	49,727,485	33,569,357
Cash at bank	366,064	1,209,273
Financial liabilities		
Liabilities held at amortised cost		
Other creditors	(348,570)	(312,375)
Total for financial instruments	122,752,001	108,394,912
Non financial instruments	25,785	20,538
Net assets	**122,777,786**	**108,415,450**

The investment portfolio principally consists of unquoted investments - 92.2%; (2022: 91.8%) and AIM quoted stocks - 7.8%; (2022: 8.2%). The investment portfolio represents 59.2% (2022: 67.4%) of net assets at the year-end.

Current asset investments are money market funds and bank deposits which, along with Cash at bank are discussed under credit risk below, represent 40.8% (2022: 32.1%) of net assets at the year-end.

The main risks arising from the Company's financial instruments are the investment risk and the liquidity risk of the unquoted portfolio. Other important risks are credit risk, fluctuations in market prices (market price risk), and cash flow interest rate risk, although currency risk is also discussed overleaf. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised overleaf. These have been in place throughout the current and preceding years.

Investment risk

The Company's investment portfolio is made up of predominantly UK companies which are not quoted on any recognised stock exchange, although 7.8% of the portfolio value at the year-end is held in AIM assets. The companies held in the portfolio are usually smaller than those which are quoted on a stock exchange. They are therefore usually regarded as carrying more risk compared to larger companies, as they are more sensitive to changes in key financial indicators, such as a reduction in its turnover or an increase in costs. The Board is of the view that the Investment Adviser mitigates this risk as the investment in an investee company is held as part of a portfolio of such companies so that the performance of one company does not significantly affect the value of the portfolio as a whole. The Investment Adviser also usually only recommends companies for investment that have a proven business model, a sound financial record and a strong management team. The Investment Adviser also usually takes a seat on the Board of each investee company such that it is able to monitor its progress on a regular basis and contribute to the strategic direction of the company.

Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded, and therefore they are not readily realisable. The ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers and, as the Company owns minority stakes, could require a number of months and the co-operation of other Shareholders to achieve at a reasonable valuation. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs. The maturity profile of the Company's loan stock investments disclosed within the consideration of credit risk below indicates that these assets are also not readily realisable until dates up to five years from the year-end.

To counter these risks to the Company's liquidity, the Investment Adviser maintains sufficient cash and money market funds to meet running costs and other commitments. The Company invests its surplus funds in high quality money market funds/bank deposits of £50,093,549 (2022: £34,778,630) which are all accessible at varying points over the next 12 months. The Board also receives regular cash flow projections in order to manage this liquidity risk.

The table below shows a maturity analysis of financial liabilities:

Financial liabilities	<3 months £	3-6 months £	6-12 months £	over 12 months £	2023 Total £
Other creditors	171,650	176,920	-	-	**348,570**

Financial liabilities	<3 months £	3-6 months £	6-12 months £	over 12 months £	2022 Total £
Other creditors	208,092	104,283	-	-	**312,375**

The Company does not have any derivative financial liabilities.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company.

The Company's maximum exposure to credit risk is:

	2023 £	2022 £
Loan stock investments	6,565,220	9,438,547
Current asset investments	49,727,485	33,569,357
Accrued income and other debtors	284,637	848,654
Cash at bank	366,064	1,209,273
	56,943,406	**45,065,831**

The Company has an exposure to credit risk in respect of the loan stock investments it has made into investee companies, most of which have no security attached to them, and in a minority of cases, such security ranks beneath any bank debt that an investee company may owe. The loan stock is held in companies with turnover under £50 million, which may be considered less stable than larger, longer established businesses. The Investment Adviser undertakes extensive financial and commercial due diligence before recommending an investment to the Board. The Investment Adviser usually takes a seat on the Board of each investee company and the Board of the VCT receives regular updates on each company at each quarter end.

Notes to the Financial Statements for the year ended 30 September 2023

16 Financial instruments (continued)

The following table shows the maturity of the loan stock investments referred to above. In some cases, the loan maturities are not the contractual ones, but are the best estimate using management's expectations of when it is likely that such loans may be repaid.

Repayable within	2023 £	2022 £
0 to 1 year	144,650	6,217,750
1 to 2 years	2,506,459	1,067,944
2 to 3 years	1,757,971	311,655
3 to 4 years	1,989,940	1,017,980
4 to 5 years	166,200	823,218
Total	**6,565,220**	**9,438,547**

Included within loan stock investments above are loans at a carrying value of £2,271,931 (2022: £3,482,808) which are past their repayment date but have been re-negotiated. Loans which are past their repayment date but which have not been renegotiated have a carrying value of £1,328,902 (2022: £1,859,656). These loan stock investments are made as part of the qualifying investments within the investment portfolio, and the risk management processes applied to the loan stock investments have already been set out under market price risk below.

An aged analysis of the loan stock investments included above, which are past due but not individually impaired, is set out below. For this purpose, these loans are considered to be past due when any payment due date under the loan's contractual terms (such as payment of interest) is received late or missed. The loans in the table below are all considered to be past due either because interest on the loan is outstanding or the loan has passed its contracted redemption date. We are required to report in this format and include the full value of the loan even though, in some cases, it is only in respect of interest that they are in default.

	0-6 months £	6-12 months £	over 12 months £	2023 Total £
Loans to investee companies past due	-	-	1,934,351	**1,934,351**

	0-6 months £	6-12 months £	over 12 months £	2022 Total £
Loans to investee companies past due	-	-	3,031,646	**3,031,646**

Credit risk also arises from cash and cash equivalents, deposits with banks and amounts held in liquidity funds. There is a risk of liquidity fund defaults such that there could be defaults within their underlying portfolios that could affect the values at which the Company could sell its holdings. As there are five OEIC money market funds holding £46,575,716 (2022: £30,417,588) which are all triple A rated funds, and along with bank deposits of £3,517,833 (2022: £4,361,042) at three well-known financial institutions with a minimum credit rating of A, credit risk is considered to be relatively low in current circumstances. The Board manages credit risk in respect of these money market funds and cash by ensuring a spread of such investments such that none should exceed 15% of the company's total investment assets. The Company's current account totalling £366,064 (2022: £168,808) included within the balance above is held with Natwest Bank plc, so the risk of default is low.

There could also be a failure by counter-parties to deliver securities which the Company has paid for, or pay for securities which the Company has delivered. This risk is considered to be small as most of the Company's investment transactions are in unquoted investments, where investments are conducted through solicitors, to ensure that payment matches delivery. In respect of any quoted investment transactions that are undertaken, the Company uses brokers with a high credit quality, and these trades usually have a short settlement period. Accordingly, counterparty risk is considered to be relatively low.

Market price risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future performance of the UK economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its investment portfolio in the face of market movements, which was a maximum of £72,722,385 (2022: £73,080,003), the fair value of the investment portfolio at the year-end.

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and as such the prices are more uncertain than those of more widely traded securities. As, in a number of cases, the unquoted investments are valued by reference to price earnings ratios prevailing in quoted comparable sectors (discounted for points of difference from quoted comparators), their valuations are exposed to changes in the price earnings ratios that exist in the quoted markets.

The Board's strategy in managing the market price risk inherent in the Company's portfolio of equities and loan stock investments is determined by the requirement to meet the Company's Objective, as set out on page 6. As part of the investment management process, the Board seeks to maintain an appropriate spread of market risk, and also has full and timely access to relevant information from the Investment Adviser. No single investment is permitted to exceed 15% of total investment assets at the point of investment. The Investment Committee meets regularly and reviews the investment performance, financial results and prevailing market conditions, as well as compliance with the Company's objectives. The Company does not use derivative instruments to hedge against market risk.

Market price risk sensitivity

The Board believes that the Company's assets are mainly exposed to market price risk, as the Company is required to hold most of its assets in the form of sterling denominated investments in small companies.

Although a relatively small part of these assets are quoted on AIM, nearly all of these assets are unquoted. All of the investments made by the Investment Adviser in unquoted companies, irrespective of the instruments the Company actually holds, (whether shares, preference shares or loan stock) carry a full market risk, even though some of the loan stocks may be secured on assets, but behind any prior ranking bank debt in the investee company.

The Board considers that the value of investments in equity and loan stock instruments are ultimately sensitive to changes in their trading performance (discussed under investment risk above) and to changes in quoted share prices, insofar as such changes eventually affect the enterprise value of unquoted companies. The table below shows the impact on profit and net assets if there were to be a 20% (2022: 20%) movement in overall share prices, and has used a 20% change in the quoted market comparator multiple as a proxy for this.

The sensitivity analysis below assumes the actual portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. However, Shareholders should note that this level of correlation is unlikely to be the case in reality, particularly in the case of small, unquoted companies which may have other factors which may influence the extent of the valuation change, e.g. a strong niche brand may limit the valuation fall compared to comparators, or may be more affected by external market factors than larger companies.

For each of the companies in the investment portfolio that are valued on a multiple basis, the calculation below has applied plus and minus 20% to the multiple (such as earnings or revenue) derived from quoted market comparators that are used to value the companies. The companies valued on a bid price or multiple basis represent £64.70 million (2022: £71.77 million) of the total investment portfolio of £72.72 million (2022: £73.08 million). The remainder of the portfolio is valued at either price of recent investment or net asset value, as shown below.

The impact of a change of 20% (2022: 20%) has been selected as this is considered reasonable given the level of volatility observed both on a historical basis and market expectations for future movement.

Valuation Technique	Base Case*	Change in input	Change in fair value of investments (£'000)	Change in NAV (pence per share)
Revenue Multiple	2.48	+20%	7,258	4.69
		-20%	(7,868)	(5.08)
EBITDA Multiple	6.15	+20%	1,601	1.03
		-20%	(1,912)	(1.24)
Bid price		+20%	1,140	0.74
		-20%	(1,140)	(0.74)
Recent Investment Price			-	-

* As detailed in the accounting policies, the base case is based on market comparables, discounted where appropriate for marketability, in accordance with the IPEV guidelines

Notes to the Financial Statements for the year ended 30 September 2023

16 Financial instruments (continued)

Cash flow interest rate risk

The Company's fixed and floating rate interest securities, its equity and preference equity investments and net revenue may be affected by interest rate movements. Investments are often in relatively small businesses, which are relatively high risk investments sensitive to interest rate fluctuations.

Due to the short time to maturity of some of the Company's floating rate investments, it may not be possible to re-invest in assets which provide the same rates as those currently held. The Company's assets include fixed and floating rate interest instruments, as shown below. *The rate of interest earned is regularly reviewed by the Board, as part of the risk management processes* applied to these instruments, already disclosed under market price risk above.

The interest rate profile of the Company's financial net assets at 30 September 2023 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	62,983,856	-	-	62,983,856		
Preference shares	-	3,173,309	-	3,173,309	4.2%	2.7
Loan stocks	-	6,565,220	-	6,565,220	5.6%	2.9
Current asset investments	-	-	49,727,485	49,727,485	5.2%	-
Cash	-	-	366,064	366,064	1.5%	-
Debtors	284,637	-	-	284,637		
Creditors	(348,570)	-	-	(348,570)		
Total for financial instruments	62,919,923	9,738,529	50,093,549	122,752,001		
Other non financial assets	25,785	-	-	25,785		
Net assets	**62,945,708**	**9,738,529**	**50,093,549**	**122,777,786**		

The interest rate profile of the Company's financial net assets at 30 September 2022 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	61,319,000	-	-	61,319,000		
Preference shares	-	2,322,456	-	2,322,456	5.7%	3.1
Loan stocks	-	9,438,547	-	9,438,547	5.9%	1.7
Current asset investments	-	-	33,569,357	33,569,357	0.9%	-
Cash	-	-	1,209,273	1,209,273	0.0%	-
Debtors	848,654	-	-	848,654		
Creditors	(312,375)	-	-	(312,375)		
Total for financial instruments	61,855,279	11,761,003	34,778,630	108,394,912		
Other non financial assets	20,538	-	-	20,538		
Net assets	**61,875,817**	**11,761,003**	**34,778,630**	**108,415,450**		

Note: Weighted average interest rates above are derived by calculating the expected annual income that would be earned on each asset (but only for those sums that are currently regarded as collectible and would therefore be recognised), divided by the values for each asset class at the balance sheet date.

Variable rate cash earns interest based on SONIA rates.

The Company's investments in equity shares and similar instruments have been excluded from the interest rate risk profile as they have no maturity date and would thus distort the weighted average period information.

Cash flow interest rate sensitivity

Although the Company holds investments in loan stocks that pay interest, the Board does not consider it appropriate to assess the impact of interest rate changes in isolation upon the value of the unquoted investment portfolio, as interest rate changes are only one factor affecting the market price movements that are discussed above under market price risk. However, as the Company has a substantial proportion of its assets in cash and money market funds, the table below shows the sensitivity of income earned to changes in interest rates in these instruments:

	2023 Profit and net assets £	2022 Profit and net assets £
If interest rates increased/(decreased) by 5% (2022: 3%), with all other variables held constant – increase/(decrease)	1,953,648 / (1,953,648)	845,121 / (845,121)
Increase/(decrease) in earnings, and net asset value, per Ordinary share (in pence)	1.26p / (1.26)p	0.65p / (0.65)p

Currency risk

All assets and liabilities are denominated in sterling and therefore there is no currency risk, although a number of investee companies do trade overseas, so do face some exposure to currency risk in their operations.

Fair value hierarchy

The table below sets out fair value measurements using FRS 102 s11.27 fair value hierarchy.

Financial assets at fair value through profit and loss At 30 September 2023	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	5,675,241	-	57,308,615	62,983,856
Preference shares	-	-	3,173,309	3,173,309
Loan stock investments	-	-	6,565,220	6,565,220
Total	**5,675,241**	**-**	**67,047,144**	**72,722,385**

Financial assets at fair value through profit and loss At 30 September 2022	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	6,028,141	-	55,290,859	61,319,000
Preference shares	-	-	2,322,456	2,322,456
Loan stock investments	-	-	9,438,547	9,438,547
Total	**6,028,141**	**-**	**67,051,862**	**73,080,003**

Notes to the Financial Statements for the year ended 30 September 2023

16 Financial instruments (continued)

A reconciliation of fair value measurements in Level 3 is set out below:

	Equity investments £	Preference shares £	Loan stock investments £	Total £
Opening balance at 1 October 2022	55,290,859	2,322,456	9,438,547	67,051,862
Purchases	2,505,148	666,647	166,200	3,337,995
Sales	(1,411,922)	(6,217,992)	(1,497,791)	(9,127,705)
Transfers in to Level 3	167,173	-	-	167,173
Total (losses)/gains included in Income Statement:				
- on assets sold	(4,930,881)	6,214,895	(877,172)	406,842
- on assets held at the year-end	5,688,238	187,303	(664,564)	5,210,977
Closing balance at 30 September 2023	**57,308,615**	**3,173,309**	**6,565,220**	**67,047,144**

There are currently no financial liabilities at fair value through profit and loss.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the company are explained in the accounting policies in Note 9 to these Financial Statements.

A reconciliation of fair value measurements in Level 3 is set out below:

As detailed in the accounting policy for note 9, where investments are valued on an earnings-multiple basis, the main input used for this basis of valuation is a suitable price-earnings ratio taken from a comparable sector on the quoted market, which is then appropriately adjusted for points of difference. Thus any change in share prices can have a significant effect on the fair value measurements of the Level 3 investments, as they may not be wholly offset by the adjustment for points of difference.

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

	30 September 2023 £	30 September 2022 £
Valuation methodology		
Multiple of earnings, revenues or gross margin, as appropriate	62,059,298	65,739,462
Recent investment price subsequently calculated as appropriate	2,712,087	1,246,621
Cost less impairment	2,250,457	-
Average price	25,302	-
Estimated realisation proceeds	-	65,779
Total	**67,047,144**	**67,051,862**

Financial Statements

The unquoted equity investments had the following movements between valuation methodologies between 30 September 2022 and 30 September 2023:

Change in valuation methodology (2022 to 2023)	Carrying value as at 30 September 2023 £	Explanatory note
Multiple basis to net cost less impairment	2,184,223	Cost less impairment is a more appropriate basis for determining fair value.

The valuation will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the December 2022 IPEV guidelines. The Directors believe that, within these parameters, these are the most appropriate methods of valuation which would be reasonable as at 30 September 2023.

17 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for Shareholders and to provide an adequate return to Shareholders by allocating its capital to assets commensurate with the level of risk.

By its nature, the Company has an amount of capital, at least 80% (as measured under the tax legislation) of which is and must be, and remain, invested in the relatively high risk asset class of small UK companies within three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

Although, as the Investment Policy implies, the Board would consider levels of gearing, there are no current plans to do so. It regards the net assets of the Company as the Company's capital, as the level of liabilities are small and the management of them is not directly related to managing the return to Shareholders. There has been no change in this approach from the previous year.

18 Related parties

During the year, Gresham House Asset Management Ltd received fees totalling £394,195 (2022: £492,785) during the year ended 30 September 2023, being £82,092 (2022: £176,750) for arrangement fees, and £312,103 (2022: £316,035) of directors' fees for services provided to companies in the investment portfolio.

19 Segmental analysis

The operations of the Company are wholly in the United Kingdom, from one class of business.

20 Post balance sheet events

On 8 November 2023, the Company paid a 7.00 pence per share dividend to Shareholders in respect of the year ended 30 September 2023.

On 20 November 2023, a follow-on loan investment of £0.23 million was made into RotaGeek Limited.

On 11 December 2023, a follow-on equity investment of £0.17 million was made into FocalPoint Positioning Limited.

On 15 December 2023, a new investment of £1.50 million was made into Ozone Financial Technology Limited.

On 21 December 2023, a new investment of £0.77 million was made into Huddl Mobility Limited (trading as CitySwift).

On 22 December 2023, a new investment of £0.53 million was made into Azarc.io.

On 10 January 2024, a follow-on equity investment of £0.64 million was made into My Tutorweb Limited.

Shareholder Information

Communication with Shareholders

We aim to communicate regularly with our Shareholders. The annual general meetings provide a useful platform for the Board to meet Shareholders and exchange views and we are pleased to invite Shareholders to attend the Annual General Meeting of the Company on 29 February 2024. Your Board welcomes your attendance at the Annual General Meeting to give you the opportunity to meet the Directors and representatives of the Investment Adviser. We will also offer a facility whereby you can view the AGM, the Investment Adviser's presentation and submit questions remotely via a live stream. The Company releases Interim Management Statements in respect of those quarters where it does not publish half or full year accounts via the London Stock Exchange RNS service. The Investment Adviser has held its last annual Shareholder event virtually in March 2023 and plans to hold another such event on 1 March 2024. Further details will be available on the Company's website prior to the meeting: www.incomeandgrowthvct.co.uk.

Shareholders wishing to follow the Company's progress can visit its website at www.incomeandgrowthvct.co.uk. The website includes up-to-date details on fund performance and dividends 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, where Shareholders can obtain details of the share price and latest NAV announcements, etc.

Financial calendar

29 February 2024	Annual General Meeting
1 March 2024	Virtual Shareholder Event
June 2024	Announcement of Half-Year Results and circulation of Half-Year Report for the six months ended 31 March 2024 to Shareholders
30 September 2024	Year-end
January 2025	Annual Report for the year ended 30 September 2024 to be circulated to Shareholders

Annual General Meeting

The Company's next Annual General Meeting will be held on **Thursday, 29 February 2024 at 11.00 am** at the offices of Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London EC3V 0HR and will also be available by webcast for those Shareholders who are unable to attend in person. Details of how to join the meeting by virtual means will be shown on the Company's website. Shareholders joining virtually should note you will not be able to vote at the meeting and therefore you are encouraged to lodge your proxy form, which is included with Shareholders' copies of this Annual Report, or on-line at: Gresham House VCTs Investor Hub (cityhub.uk.com)

A copy of the notice of the meeting is included on pages 85 to 87. Shareholders may send any questions on the resolutions proposed to the following email address: AGM@greshamhouse.com. A response will be provided prior to the deadline for lodging your proxy vote. Questions for the Annual General Meeting can also be submitted using the same email address or there will be a facility to type in a question at the meeting itself if you are not attending in person.

Change of Registrar

On 4 December 2023, the Company, along with the other three Mobeus VCTs changed Registrar to City Partnership. A letter containing the Hub portal access details was sent to Shareholders on 14 December 2023. The contact details for City Partnership can be found under Corporate Information on page 88.

Dividend

Shareholders who wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrars, City Partnership (UK) Ltd at the address given on page 88.

Shareholders are encouraged to ensure that the Registrar maintains up-to-date details for yourselves and to check whether you have received all dividends payable to you. This is particularly important if you have recently moved house or changed bank details. We are aware that a number of dividends remain unclaimed by Shareholders and whilst we will endeavour to contact Shareholders if this is the case we cannot guarantee that we will be able to do so if the Registrar do not have an up-to-date postal or email address for you.

Dividend Investment Scheme

Those Shareholders who wish to participate, or to amend their existing participation, in the DIS, can do so by visiting www.incomeandgrowthvct.co.uk and click the Dividends tab or by contacting the Registrar directly using the details on page 88. Please note that Shareholders' elections to participate or amendments to participation in the Scheme require 15 days to become effective.

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 do not have a broker already, the following links may be useful to help you identify a suitable broker: Find a Broker I London or Unbiased. You can check that they are FCA registered on the FCA website at: fca.org.uk.

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"). Panmure 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
Paul Nolan - 0207 886 2717	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 and financial account information to HMRC on certain investors who purchase their shares including details of their shareholding and income from the 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, who are entered onto the share register from 1 January 2016 will be asked to provide the relevant information. Additionally, HMRC changed its policy position on FATCA in June 2016. We understand that this will mean that, as a result of the restricted secondary market in VCT shares, the Company's shares will not be considered to be "regularly traded". This will mean that the Company will also be 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.

Managing your shareholding online

The Company changed its Registrar, along with the three other Mobeus VCTs, to City Partnership (UK) Ltd on 4 December 2023.

For details on your individual shareholding and to manage your account online Shareholders may log into or register with the City Shareholder Portal at: https://gresham-house-vcts.cityhub.uk.com/login. You can use the portal to change your address details, check your holding balance and transactions, view the dividends you have received, add and amend your bank details and lodge your proxy votes. Details of how to access the Hub can also be found on the Company's website: www.incomeandgrowthvct.co.uk

Fraud Warning

Boiler Room fraud and unsolicited communications to Shareholders.

We have been made aware of an increase in the 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, often claiming or appearing to be from a corporate finance firm and typically offering to buy your VCT shares at an inflated price.

Further information on boiler room scams and fraud advice plus 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 and secondly, in a link to the FCA's ScamSmart site: 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 020 7382 0999, or email or email 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 Asset Management Limited. To contact the Chairman or any member of Board, please contact the Company Secretary, also Gresham House Asset Management Limited, in the first instance.

The Registrar may be contacted via their Shareholder Portal, post or telephone for queries relating to your shareholding or dividend payments, dividend mandate forms, change of address, change of bank details etc.

Full contact details for each of Gresham House Asset Management and City Partnership are included under Corporate Information on page 88 of this Annual Report.

Shareholder Information

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 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.
March 2018	The Company closes a successful fundraising with the other Mobeus advised VCTs in which £25 million was raised for the Company.
October 2019	The Company launches a joint fundraising with the other Mobeus advised VCTs in which it sought to raise up to £10 million, including an optional over-allotment facility.
January 2020	The Company closes a successful fundraising with the other Mobeus advised VCTs for which £10 million was raised for the Company.
September 2021	The Company becomes advised by Gresham House Asset Management Limited.
March 2022	The Company closes a successful fundraising with the other Mobeus advised VCTs for which £10 million was raised for the Company.
December 2022	The Company reaches its capacity for its fundraising with the other Mobeus advised VCTs for which £22 million (including over-allotment) was raised for the Company.

Performance Data at 30 September 2023
(unaudited)

Share price at 30 September 2023 **73.50p**[1]

NAV per share as at 30 September 2023 **79.33p**

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 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 30 September 2023. The NAV basis enables Shareholders to evaluate more clearly the performance of the Fund, 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 (p)	Net allotment price[2] (p)	*Cumulative* dividends paid per share (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)	% increase since 30 September 2022 (NAV basis)
Funds raised - O Fund[3] (launched 18 October 2000)						
Between 3 November 2000 and 11 May 2001	100.00	**60.62**	137.64	**193.34**	**197.76**	**1.4%**
Funds raised 2007/8 - S Share fund (launched 14 December 2007)						
Between 1 April 2008 and 6 June 2008	100.00	**70.00**	152.50	**226.00**	**231.83**	**1.6%**
Funds raised 2010/11 (launched 12 November 2010)						
21 January 2011	104.80	**73.36**	152.00	**225.50**	**231.33**	**1.6%**
28 February 2011	107.90	**75.53**	150.00	**223.50**	**229.33**	**1.6%**
22 March 2011	105.80	**74.06**	150.00	**223.50**	**229.33**	**1.6%**
1 April 2011	105.80	**74.06**	148.00	**221.50**	**227.33**	**1.6%**
5 April 2011	105.80	**74.06**	148.00	**221.50**	**227.33**	**1.6%**
10 May 2011	105.80	**74.06**	148.00	**221.50**	**227.33**	**1.6%**
6 July 2011	106.00	**74.20**	148.00	**221.50**	**227.33**	**1.6%**
Funds raised 2012 (launched 20 January 2012)						
8 March 2012	106.40	**74.48**	124.00	**197.50**	**203.33**	**1.8%**
4 April 2012	106.40	**74.48**	124.00	**197.50**	**203.33**	**1.8%**
5 April 2012	106.40	**74.48**	124.00	**197.50**	**203.33**	**1.8%**
10 May 2012	106.40	**74.48**	124.00	**197.50**	**203.33**	**1.8%**
10 July 2012	111.60	**78.12**	124.00	**197.50**	**203.33**	**1.8%**
Funds raised 2013 (launched 29 November 2012)						
14 January 2013	116.00	**81.20**	124.00	**197.50**	**203.33**	**1.8%**
28 March 2013	112.60	**78.82**	118.00	**191.50**	**197.33**	**1.9%**
4 April 2013	112.60	**78.82**	118.00	**191.50**	**197.33**	**1.9%**
5 April 2013	112.60	**78.82**	118.00	**191.50**	**197.33**	**1.9%**
10 April 2013 Pre RDR[4]	115.30	**80.71**	118.00	**191.50**	**197.33**	**1.9%**
10 April 2013 Post RDR[4]	112.60	**78.82**	118.00	**191.50**	**197.33**	**1.9%**
7 May 2013	112.60	**78.82**	118.00	**191.50**	**197.33**	**1.9%**

[1] - Source: Panmure Gordon & Co (mid-price basis).

[2] - 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.

[3] - 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.

[4] - 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.

Performance Data at 30 September 2023
(unaudited)

Allotment date(s)	Allotment price (p)	Net allotment price[1] (p)	Cumulative dividends paid per share (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)	% increase since 30 September 2022 (NAV basis)
Funds raised 2014 (launched 28 November 2013)						
9 January 2014	117.82[2]	**82.47**	112.00	**185.50**	**191.33**	**1.9%**
11 February 2014	119.02[2]	**83.31**	112.00	**185.50**	**191.33**	**1.9%**
31 March 2014	115.64[2]	**80.95**	108.00	**181.50**	**187.33**	**2.0%**
3 April 2014	116.17[2]	**81.32**	108.00	**181.50**	**187.33**	**2.0%**
4 April 2014	115.45[2]	**80.82**	108.00	**181.50**	**187.33**	**2.0%**
6 June 2014	121.55[2]	**85.09**	108.00	**181.50**	**187.33**	**2.0%**
Funds raised 2015 (launched 10 December 2014)						
14 January 2015	108.33[2]	**75.83**	94.00	**167.50**	**173.33**	**2.1%**
17 February 2015	113.17[2]	**79.22**	94.00	**167.50**	**173.33**	**2.1%**
10 March 2015	109.88[2]	**76.92**	90.00	**163.50**	**169.33**	**2.2%**
Funds raised 2017/18 (launched 06 September 2017)						
28 September 2017	82.49[2]	**57.74**	50.00	**123.50**	**129.33**	**2.9%**
20 October 2017	82.67[2]	**57.87**	50.00	**123.50**	**129.33**	**2.9%**
9 November 2017	83.20[2]	**58.24**	50.00	**123.50**	**129.33**	**2.9%**
20 November 2017	84.54[2]	**59.18**	50.00	**123.50**	**129.33**	**2.9%**
21 November 2017	84.50[2]	**59.15**	50.00	**123.50**	**129.33**	**2.9%**
24 January 2018	81.27[2]	**56.89**	47.00	**120.50**	**126.33**	**2.9%**
13 March 2018	82.32[2]	**57.62**	47.00	**120.50**	**126.33**	**2.9%**
Funds raised 2019/20 (launched 25 October 2019)						
8 January 2020	77.28[2]	**54.10**	35.00	**108.50**	**114.33**	**3.3%**
Funds raised 2021/22 (launched 20 January 2022)						
9 March 2022	98.12[2]	**68.68**	12.00	**85.50**	**91.33**	**4.1%**
Funds raised 2022/23 (launched 5 October 2022)						
16 November 2022	82.73[2]	**57.91**	4.00	**77.50**	**83.33**	**-**
6 February 2023	82.49[2]	**57.74**	4.00	**77.50**	**83.33**	**-**

[1] - 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.

[2] - Average effective offer price. Shares were allotted pursuant to the 2014, 2015, 2017/18, 2019/20, 2021/22 and 2022/23 offers at individual prices for each investor in accordance with its pricing formula set out in each offer's respective securities note.

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)
26 May 2023	3.03	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
7 November 2022	3.03	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
7 July 2022	3.03	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
7 January 2022	3.03	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00		
23 July 2021	3.79[1]	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00		
28 September 2020	8.34[1]	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00		
07 October 2020	2.27[1]	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00		
18 October 2019	3.41[1]	4.50	4.50	4.50	4.50	4.50	4.50	4.50			
12 July 2019	1.14[1]	1.50	1.50	1.50	1.50	1.50	1.50	1.50			
15 February 2019	2.65[1]	3.50	3.50	3.50	3.50	3.50	3.50	3.50			
21 June 2018	1.89[1]	2.50	2.50	2.50	2.50	2.50	2.50	2.50			
15 February 2018	2.27[1]	3.00	3.00	3.00	3.00	3.00	3.00	3.00			
31 August 2017	11.37[1]	15.00	15.00	15.00	15.00	15.00	15.00				
20 June 2017	2.27[1]	3.00	3.00	3.00	3.00	3.00	3.00				
15 February 2017	3.03[1]	4.00	4.00	4.00	4.00	4.00	4.00				
07 July 2016	4.55[1]	6.00	6.00	6.00	6.00	6.00	6.00				
15 February 2016	4.55[1]	6.00	6.00	6.00	6.00	6.00	6.00				
30 June 2015	4.55[1]	6.00	6.00	6.00	6.00	6.00	6.00				
20 March 2015	3.03[1]	4.00	4.00	4.00	4.00	4.00	4.00				
30 October 2014	6.06[1]	8.00	8.00	8.00	8.00	8.00					
03 July 2014	4.55[1]	6.00	6.00	6.00	6.00	6.00					
12 March 2014	3.03[1]	4.00	4.00	4.00	4.00	4.00					
27 June 2013	4.55[1]	6.00	6.00	6.00	6.00						
08 February 2013	4.55[1]	6.00	6.00	6.00	6.00						
15 February 2012	3.02[1]	4.00	4.00								
27 January 2012	15.16[1]	20.00	20.00								
28 March 2011	1.52[1]	2.00	2.00								
22 February 2011	1.52[1]	2.00	2.00								
29 March 2010 Merger of the 'O' and 'S' Share Funds											
17 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										
04 February 2005	1.25										
11 February 2004	1.25										
12 February 2003	1.75										
18 February 2002	1.20										
Total dividends paid	**137.64**	**152.50**	**152.00**	**124.00**	**124.00**	**112.00**	**94.00**	**50.00**	**35.00**	**12.00**	**4.00**

[1] - 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 page 82.

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 Company'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 launch of the Company is shown on the Company's website www.incomeandgrowthvct.co.uk. Dividends paid in the year and dividends paid in respect of the year are shown in Note 8.

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 the 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.

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 Fund.

It is 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 Fund in the future. This is calculated by dividing the Investment Adviser's fees of £2,534,723 and other expenses of £608,439 (per Notes 4a and 4c on pages 58 to 59), *the latter being reduced* by IFA Trail commission fees and one-off fees, by the average net assets throughout the year of £120,763,830.

Realised gains/(losses) in the 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 accurately reflects the actual return a Shareholder will have earned, were they to sell their shares at the period's 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.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Income & Growth VCT plc ("the Company") will be held at the offices of Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London EC3V 0HR at **11.00 am on Thursday, 29 February 2024** for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 7 will be proposed as ordinary resolutions and resolutions 8 and 9 will be proposed as special resolutions. An explanation of the main business to be proposed is included in the Directors' Report on pages 35 to 37 of this document:

1 To receive and adopt the Annual Report and Financial Statements of the Company for the year ended 30 September 2023 ("Annual Report"), together with the auditor's report thereon.

2 To approve the Directors' Annual Remuneration Report as set out in the Annual Report.

3 To re-elect Maurice Helfgott as a director of the Company.

4 To re-elect Justin Ward as a director of the Company.

5 To re-elect Nemone Wynn-Evans as a director of the Company.

6 To re-appoint BDO LLP of 55 Baker Street, London W1U 7EU as auditor of the Company until the conclusion of the next annual general meeting at which accounts are laid before the Company and to authorise the directors to determine the remuneration of the auditor.

7 That, in substitution for any existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot ordinary shares of 1 penny each in the capital of the Company ("Shares") and to grant rights to subscribe for, or convert, any security into Shares ("Rights") up to an aggregate nominal value of £525,105, provided that the authority conferred by this resolution shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2025 but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require Shares to be allotted or Rights to be granted after such expiry and the directors of the Company shall be entitled to allot Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

8 That, subject to the passing of resolution 7 set out in this notice and in addition to the existing authority of the Company obtained at the annual general meeting of the Company on 22 February 2023, but in substitution for all other existing authorities, the directors of the Company be and hereby are empowered in accordance with sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash, pursuant to the authority conferred upon them by resolution 7 set out in this notice, or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to the allotment of equity securities:

(i) with an aggregate nominal value of up to £236,297 (representing approximately 15% of the existing issued share capital) in connection with offer(s) for subscription;

(ii) with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital of the Company from time to time pursuant to any dividend investment scheme operated by the Company, at a subscription price per Share which may be less than the net asset value per Share, as may be prescribed by the scheme terms; and

(iii) otherwise than pursuant to sub-paragraphs (i) and (ii) above, with an aggregate nominal value of up to, but not exceeding, 15% of the issued share capital of the Company from time to time,

in each case where the proceeds of the allotment may be used, in whole or in part, to purchase the Company's Shares in the market and provided that this authority shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2025, except that the Company may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.

9. That, in substitution for any existing authorities, the Company be and hereby is authorised pursuant to and accordance with section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its own Shares provided that:

(i) the aggregate number of Shares which may be purchased shall not exceed 23,613,983 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Shares in issue at the date of the passing of this resolution;

(ii) the minimum price which may be paid for a Share is 1 penny (the nominal value thereof);

(iii) the maximum price which may be paid for a Share (excluding expenses) shall be the higher of (a) an amount equal to 5% above the average of the middle market quotations for a Share in the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is contracted to be purchased and (b) the amount stipulated in Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such Regulation forms part of UK law and as amended);

Notice of the Annual General Meeting

(iv) the authority conferred by this resolution shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2025; and

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

BY ORDER OF THE BOARD

Registered Office:
5 New Street Square
London EC4A 3TW

Gresham House Asset Management Limited
Secretary

Dated: 12 January 2024

Notes:

The following Notes explain your general rights as a Shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf. A webcast of the Meeting will also be available and details of how to join the webcast will be shown on the Company's website. If possible, Shareholders intending to join the Meeting by means of the webcast (which would be as an attendee only) are requested to join at least ten minutes prior to the commencement of the Meeting at **11.00 am on Thursday, 29 February 2024.**

1. A member is entitled to attend, speak and vote at the Meeting in person or to appoint one or more other persons as their proxy to exercise all or any of his rights on his behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the Notes below. Where a member intends to join the Meeting by means of the webcast, they shall be permitted to ask questions at the Meeting but shall not be entitled to vote on resolutions at the Meeting (and are, therefore, encouraged to lodge their proxy vote and appoint the chairman of the Meeting as their proxy). Note 16 below will apply to those who join the meeting (which would be in attendance only) by means of the webcast.
2. To be entitled to attend the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast) and to be able to lodge your proxy votes, Shareholders must be registered in the Register of Members of the Company at close of trading on 27 February 2024. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend the Meeting and/or virtual meeting and vote by proxy.
3. In order for a proxy appointment to be valid it must be received by City Partnership, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH by **11.00 am on 27 February 2024.**
4. A Shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that Shareholder. A proxy need not be a Shareholder of the Company.
5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
6. A form of proxy for use in connection with the Meeting is enclosed with the document of which this Notice forms part. If you do not have a form of proxy and would like a copy, please contact the Company's registrar, City Partnership, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH ("Registrar"), or on +44 (0)1484 240910. Completion and return of a form of proxy form will not legally prevent a Shareholder from attending and voting at the Meeting in person, or from joining the Meeting (which would be as an attendee only) by means of the webcast. *The Company requests all Shareholders to vote by proxy on the resolutions set out in this Notice as soon as possible.*
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fits in relation to any other matter which is put before the Meeting.
8. You can also vote:
   a. by logging on to https://proxy-iag.cpip.io and following the instructions;
   b. if you need help with voting online, please contact our Registrar, City Partnership, on +44 (0)1484 240910 if calling from the UK, or email City Partnership at: registrars@city.uk.com
   c. in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

   We strongly recommend voting electronically at https://proxy-iag.cpip.io as your vote will automatically be counted. Given the current situation, with many people working from home and delays in the postal system, there is a risk that your vote may not be counted if you send a paper proxy.
9. If you return more than one proxy appointment, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

11. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID 8RA57) by **11.00 am on 27 February 2024**. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

13. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

14. As at 11 January 2024 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 157,531,576 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 11 January 2024 are 157,531,576.

15. Under Section 527 of the Companies Act 2006, Shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's Financial Statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual Financial Statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the Shareholders propose to raise at the relevant meeting. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

16. Any Shareholder attending the Meeting has the right to ask questions. Any Shareholder may submit questions in relation to the business to be transacted at the Meeting via email to: AGM@greshamhouse.com by 23 February 2024. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

17. Copies of the directors' letters of appointment will be available for inspection at the registered offices of the Company Secretary at 80 Cheapside during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) and will also be available for inspection at the place of the Meeting at least 15 minutes before and during the Meeting.

18. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents to communicate with the Company for any purposes other than those expressly stated.

    A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.incomeandgrowthvct.co.uk

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
mobeusvcts@greshamhouse.com

Website
www.incomeandgrowthvct.co.uk

Investment Adviser, Company Secretary and Administrator
Gresham House Asset Management Limited
80 Cheapside
London
EC2V 6EE
Tel: +44(0) 20 7382 0999
info@greshamhouse.com
greshamhouse.com

Registrar
The City Partnership (UK) Limited
The Mending Rooms
Park Valley Mills
Huddersfield
HD4 7BH

Tel: 01484 240910

Shareholder portal:
http://gresham-house-vcts.cityhub.uk.com/

Independent Auditor
BDO LLP
55 Baker Street
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W1U 7EU

Solicitors
Shakespeare Martineau LLP
60 Gracechurch Street
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EC3V 0HR

Bankers
National Westminster Bank plc
PO Box 12258
1 Princes Street
London
EC2R 8PA

VCT Status Adviser
Philip Hare & Associates LLP
6 Snow Hill
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Information for Shareholders