

ViCTory VCT PLC

HALF-YEARLY REPORT

for the six months ended 31 July 2009



ViCTory VCT PLC

Board Review

Half-yearly Report for the six months ended 31 July 2009

Introduction

The first half of our financial year started in the same vein as the previous year ended, and markets, including the Alternative Investment Market (AIM), remained weak until late March. Since then sentiment has improved and markets have started to recover, indeed, at the end of July they were ahead of where they were at our year end. In the case of the VCT, performance has been tempered by the high cash and fixed interest balances as well as the unfortunate requirement to writedown the value of two of our unquoted investments as detailed below.

Your Directors remain confident that the portfolio is well positioned to benefit as sentiment further improves.

Directorate Change

As announced to the London Stock Exchange on 15 September 2009, Dominic Wheatley resigned as a non-executive Director of the Company on 15 September 2009. Dominic is moving to the United

States for business reasons and will be unable to devote the necessary time to his duties as a non-executive Director of ViCTory.

Performance

The Company's Net Asset Value per share (NAV) at 31 July 2009 was 45.09 pence, an increase of 1.4% during the six month period. Over the same period, the AIM Index rose by 34.9% and the All Share Index by 16.1%. There were three principal reasons for the underperformance relative to the AIM Index during the period:

- 1) The high cash and fixed interest balances within the Trust.
- 2) The strong performance of non VCT qualifying sectors, such as natural resources.
Non-qualifying sectors of the market contributed approximately 25% of the overall 35% increase in the AIM Index during the period.
- 3) The write down in value of certain of our unquoted investments, notably U4EA which is discussed more fully later in this review.

Over the last year the VCT's NAV has fallen in value by 27.9% whilst the AIM Index has declined by 33.1%.

Class	Period	Portfolio Return	AIM Index
Singer & Friedlander AIM 3 VCT	launch 2001 to 31/07/2009	(42.3)%*	(56.7)%
Singer & Friedlander AIM 3 VCT 'C' share	launch April 2005 to 31/07/2009	(42.4)%**	(47.5)%
Singer & Friedlander AIM 2 VCT	launch April 2000 to 31/07/2009	(52.6)%***	(70.9)%
Singer & Friedlander AIM VCT	launch late 1998/early 1999 to 31/07/2009	(39.1)%****	(28.1)%

* Adjusted for dividends of 9.25p.

** Adjusted for conversion ratio from December 2005 and subsequent dividends of 6.5p.

*** Adjusted for dividends of 5.25p, the relevant conversion ratio and subsequent dividends of 6.5p.

**** Adjusted for dividends of 32.4p, the relevant conversion ratio and subsequent dividends of 6.5p.

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The above returns do not take into account any tax relief that shareholders may have received.

Results and Dividends

The profit for the period was £220,348 or 0.51 pence per share (31 July 2008: loss £6,365,473 or 14.27 pence per share). Revenue returns were also positive at £834 (31 July 2008: £266,734). Shareholders funds fell to £19,322,647 (31 July 2008: £27,228,690) as a result of the underlying fall in value of the investment portfolio since last July, the payment of dividends and the impact of our share buy back programme. Cash flow was negative with a net outflow of £1,486,073 due primarily to expenditure on new investments as well as the repurchase of our own shares requiring £96,329. There were few disposals from the investment portfolio due to an illiquid market and low valuations. Our cash at the period end amounted to £513,968 although we also have some £5,950,564 invested in highly liquid UK Government bonds.

The Board has decided not to pay an interim dividend. A dividend payment for the full year will be considered at the relevant time but it remains your Board's policy to pay dividends whenever possible and prudent to do so.

Investment Strategy

The objective of the Company is to provide shareholders with an attractive and competitive investment return from a portfolio of companies whose shares

are primarily traded on the Alternative Investment Market (AIM). Returns will be enhanced as a consequence of dividends and capital gains being free of tax for private investors.

Portfolio commentary and developments

The portfolio continues to comply with HM Revenue & Custom's criteria for VCT qualification and at the period end consisted of 56 companies; of these companies 49 were quoted on the AIM, one was traded on the PLUS Markets platform, two were fully listed and the remaining four were unquoted. Unquoted investments represented 5.6% of net assets whilst fixed interest and cash accounted for 33.5%.

Unfortunately U4EA, one of our unquoted investments, was unexpectedly forced to appoint an Administrator during July due to the withdrawal of ongoing funding support by their previously very supportive major shareholder. Indeed this shareholder had, over a period of years, invested in excess of £40m in the Company. We had not committed further funds to U4EA over the last two years having decided to limit our exposure. We have therefore regretfully written down the carrying value of this investment to zero. We have also reduced the carrying value of another of our unquoted investments, Lilestone Holdings, by 20% following a reassessment of their short term prospects due to the harsh retail background.

Activity in the portfolio has been limited until quite recently due to illiquidity and the lack of opportunities to invest. We have seen an inflow of cash from a return of capital made by Clerkenwell Ventures as well as a large gilt redemption. We have reinvested the proceeds from the gilt redemption as well as additional cash held on deposit into further gilt holdings in order to maximise the income from our non-qualifying portfolio without exposing ourselves to undue risk.

Opportunities to add to our qualifying portfolio have increased and we have invested some £1.2m in recent months at what appear to be compelling valuations. So far the return on these investments averages 20% in a short period.

Share Repurchases

During the period, we repurchased 321,050 shares representing 0.74% of our issued share capital. These shares were bought at between 20-50% below the NAV prevailing at the time of purchase, thereby enhancing the NAV for remaining shareholders. The Company will continue to repurchase its own shares from time to time as appropriate and within the powers granted at the AGM. These transactions are handled by our stockbroker, Matrix Securities.

Outlook

Following a torrid period the market appears to have regained some poise and share prices have begun to recover. The recovery has not yet occurred across the board and many share prices have yet to make progress.

Now that confidence is returning we expect to see an increase in the number of corporate transactions, including takeovers and fundraisings. These will provide opportunities to realise value as well as to invest our significant cash/fixed interest balances. Your Board remains confident that the Trust is well placed to benefit as sentiment improves.

Christopher Moorsom (Chairman)
James Hambro
Mike Killingley
David Page
Dominic Wheatley

ViCTory VCT PLC

24 September 2009

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with applicable accounting standards in the United Kingdom, gives a true and fair view of the assets, liabilities, financial position and profit of the Company as required by the Disclosure and Transparency Rules ('DTR') 4.2.4R; and
- (b) the Report includes a fair review of the information required by DTR 4.2.7R and the Report includes a fair review of the information required by DTR 4.2.8R.

Christopher Moorsom
Chairman
for and on behalf of the Board, the members of which are set out previously in the Board Review.

Summary Financial Information
Unaudited Income Statement

	Note	Unaudited 6 months ended 31 July 2009			Unaudited 6 months ended 31 July 2008			Audited Year ended 31 January 2009		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Net gains/(losses) on investments at fair value		–	326,513	326,513	–	(7,010,604)	(7,010,604)	–	(14,685,951)	(14,685,951)
Income		188,517	–	188,517	331,553	–	331,553	589,510	–	589,510
Administrative expenses										
Investment management fees	9	(35,666)	(106,999)	(142,665)	119,329	357,987	477,316	80,919	242,758	323,677
Decrease in share option provision	3	–	–	–	6,803	20,410	27,213	8,469	25,406	33,875
Other expenses		(152,017)	–	(152,017)	(190,951)	–	(190,951)	(328,245)	–	(328,245)
Total administrative (expenses)/income		(187,683)	(106,999)	(294,682)	(64,819)	378,397	313,578	(238,857)	268,164	29,307
Return/(deficit) on ordinary activities before taxation		834	219,514	220,348	266,734	(6,632,207)	(6,365,473)	350,653	(14,417,787)	(14,067,134)
Taxation on ordinary activities	4	–	–	–	–	–	–	–	–	–
Return/(deficit) on ordinary activities after taxation		834	219,514	220,348	266,734	(6,632,207)	(6,365,473)	350,653	(14,417,787)	(14,067,134)
Return/(deficit) per ordinary share	5	–	0.51p	0.51p	0.60p	(14.87)p	(14.27)p	0.79p	(32.71)p	(31.92)p

The total column of this statement is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations. No operations were discontinued during the period.

There are no gains or losses other than shown in the income statement.

These accounts are unaudited and are not the Company's statutory accounts. The accounts have been prepared using accounting standards and policies adopted at the previous year end.

Unaudited Reconciliation of Movements in Shareholders' Funds

	Note	Called-up share capital £	Share premium account £	Merger reserve £	Special reserve £	Capital redemption reserve £	Share options reserve £	Capital reserve £	Revenue reserve £	Total £
6 months ended 31 July 2009										
31 January 2009		2,158,947	2,954,794	16,492,539	18,112,911	577,481	-	(21,363,104)	264,545	19,198,113
Re-purchase and cancellation of ordinary shares		(16,052)	-	-	(95,814)	16,052	-	-	-	(95,814)
Net return after taxation for the period		-	-	-	-	-	-	219,514	834	220,348
31 July 2009		2,142,895	2,954,794	16,492,539	18,017,097	593,533	-	(21,143,590)	265,379	19,322,647
Year ended 31 January 2009										
31 January 2008		2,248,449	2,954,794	16,492,539	19,112,927	487,979	33,875	(5,931,126)	16,867	35,416,304
Re-purchase and cancellation of ordinary shares		(89,502)	-	-	(1,000,016)	89,502	(33,875)	-	-	(1,000,016)
Decrease in share option provision	3	-	-	-	-	-	-	-	-	(33,875)
Net (deficit)/return after taxation for the year		-	-	-	-	-	-	(14,417,787)	350,653	(14,067,134)
Dividends paid	6	-	-	-	-	-	-	(1,014,191)	(102,975)	(1,117,166)
31 January 2009		2,158,947	2,954,794	16,492,539	18,112,911	577,481	-	(21,363,104)	264,545	19,198,113
6 months ended 31 July 2008										
31 January 2008		2,248,449	2,954,794	16,492,539	19,112,927	487,979	33,875	(5,931,126)	16,867	35,416,304
Re-purchase and cancellation of ordinary shares		(70,583)	-	-	(895,549)	70,583	(27,213)	-	-	(895,549)
Decrease in share option provision	3	-	-	-	-	-	-	-	-	(27,213)
Net (deficit)/return after taxation for the period		-	-	-	-	-	-	(6,632,207)	266,734	(6,365,473)
Dividends paid	6	-	-	-	-	-	-	(882,516)	(16,863)	(899,379)
31 July 2008		2,177,866	2,954,794	16,492,539	18,217,378	558,562	6,662	(13,445,849)	266,738	27,228,690

These accounts are unaudited and are not the Company's statutory accounts.

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Unaudited Balanced Sheet

Note	Unaudited 31 July 2009 £	Unaudited 31 July 2008 £	Audited 31 January 2009 £
Fixed assets			
Investments at fair value			
Qualifying investments	12,711,413	20,046,593	11,321,027
Fixed interest securities and other non-qualifying investments	6,127,419	6,134,495	5,953,242
	<u>18,838,832</u>	<u>26,181,088</u>	<u>17,274,269</u>
Current assets			
Debtors	33,384	833,845	8,272
Accrued interest on fixed interest securities	69,976	71,544	72,497
Cash at bank	513,968	493,994	2,000,041
	<u>617,328</u>	<u>1,399,383</u>	<u>2,080,810</u>
Creditors: amounts falling due within one year			
Other creditors and accruals	(133,513)	(351,781)	(156,966)
	<u>483,815</u>	<u>1,047,602</u>	<u>1,923,844</u>
Net current assets	483,815	1,047,602	1,923,844
Net assets	19,322,647	27,228,690	19,198,113
Capital and reserves			
Called-up share capital	2,142,895	2,177,866	2,158,947
Share premium account	2,954,794	2,954,794	2,954,794
Merger reserve	16,492,539	16,492,539	16,492,539
Special reserve	18,017,097	18,217,378	18,112,911
Capital redemption reserve	593,533	558,562	577,481
Share options reserve	3	6,662	–
Capital reserve – investment holding loss	(24,388,786)	(17,442,098)	(24,594,920)
Capital reserve – other	3,245,196	3,996,249	3,231,816
Revenue reserve	265,379	266,738	264,545
	<u>19,322,647</u>	<u>27,228,690</u>	<u>19,198,113</u>
Equity shareholders' funds	19,322,647	27,228,690	19,198,113
Net asset value per ordinary share	7 45.09p	62.51p	44.46p

During the period, the Company has purchased 321,050 ordinary shares for cancellation in accordance with the Company's share buy back policy.

These accounts are unaudited and are not the Company's statutory accounts.

Unaudited Summarised Cash Flow Statement

		Unaudited 6 months ended 31 July 2009 £	Unaudited 6 months ended 31 July 2008 £	Audited Year ended 31 January 2009 £
	Note			
Net cash (outflow)/inflow from operating activities	8	(162,784)	(321,115)	374,064
Net cash (outflow)/inflow from capital expenditure and financial investment		(1,226,960)	632,770	1,798,566
Equity dividends paid		—	(899,379)	(1,117,166)
		<hr/>	<hr/>	<hr/>
Net cash (outflow)/inflow before financing		(1,389,744)	(587,724)	1,055,464
Net cash outflow from financing		(96,329)	(935,385)	(1,072,526)
Net funds at the beginning of the period		2,000,041	2,017,103	2,017,103
		<hr/>	<hr/>	<hr/>
Net funds at end of the period		513,968	493,994	2,000,041

These accounts are unaudited and are not the Company's statutory accounts.

Notes to the Unaudited Financial Statements

1. Basis of Preparation

The Half-yearly Report sets out the financial statements of the Company for the six months ended 31 July 2009, together with comparative financial information for the Company for the six months ended 31 July 2008 and for the year ended 31 January 2009 and has been prepared under UK Generally Accepted Accounting Practice.

The financial statements for the year ended 31 January 2009 have been audited whilst the results for the six months ended 31 July 2008 and 31 July 2009 are unaudited. Therefore the Half-yearly Report does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information for the year ended 31 January 2009 is an abridged statement of the financial statements for that year which were prepared under UK Generally Accepted Accounting Practice and were delivered to the Registrar of Companies. The auditors' opinion on these accounts was unqualified and did not contain a statement made under section 498 of the Companies Act 2006.

2. Principal Accounting Policies

The financial statements have been prepared using the accounting policies adopted in the Company's audited financial statements for the year ended 31 January 2009.

a) Basis of Accounting

The financial statements have been prepared on a going concern basis and under the historical cost convention, modified to include the revaluation of fixed asset investments.

b) Investments

All investments held by the Company are classified "at fair value through profit or loss". Investments are initially recognised at cost, being the fair value of consideration given. Interest accrued on fixed interest rate securities at the date of purchase or sale is accounted for separately as accrued income, so that the value or purchase price or sale proceeds is shown net of such items.

After initial recognition, investments are measured at fair value, with unrealised gains and losses on investments and impairment of investments recognised in the income statement and allocated to capital. Realised gains and losses on investments sold are calculated as the difference between sales proceeds and cost.

Notes to the Unaudited Financial Statements (continued)

For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date, without adjustment for transaction costs necessary to realise the asset.

Where trading in the securities of an investee company is suspended, the investment is valued at the Board's estimate of its net realisable value.

Unquoted investments are stated at the fair value with reference to the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines where appropriate.

Capital gains and losses on investments, whether realised or unrealised, are dealt with in the capital reserve.

3. Manager's option

In accordance with the arrangements agreed on the merger of the Company with AIM and AIM 2, the Managers have been granted an option which provides that if by the date of payment of the final dividend in respect of the ordinary shares for the Company's accounting year ending 31 January 2013 cumulative dividends declared and paid on each ordinary share (by reference to a record date after the merger) exceed a return of 8 per cent (compounded annually) of the net asset value per ordinary share the Manager will be entitled to subscribe at par for such number of additional ordinary shares as shall in aggregate be equal to 15 per cent of ordinary shares in the Company as enlarged by such subscriptions.

This right is a share based payment under FRS20. This right or option has been valued on the date that it was granted to the Managers and this cost is being charged to the income statement as part of the management fee evenly over the period over which it vests. There has been no movement in the provision during the period ended 31 July 2009, so no charge has been shown in the income statement for this period. This is shown as a separate reserve in the balance sheet.

4. Taxation on ordinary activities

The tax charge for the half-year is £nil (31 July 2008: £nil, 31 January 2009: £nil). This is based on an estimated effective tax rate of 0% for the year ending 31 January 2010. The estimated effective tax rate is 0% as investment gains are exempt from tax owing to the Company's status as a Venture Capital Trust and there is expected to be an excess of management expenses over taxable income.

Notes to the Unaudited Financial Statements (continued)

5. Return/(deficit) per ordinary share

Basic revenue return per ordinary share is based on the net return on ordinary activities after taxation of £834 (31 July 2008: £266,734, 31 January 2009: £350,653) and on 43,101,453 (31 July 2008: 44,602,992, 31 January 2009: 44,075,233) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

Basic capital return per ordinary share is based on net capital gain for the period of £219,514 (31 July 2008: loss of £6,632,207, 31 January 2009: loss of £14,417,787) and on 43,101,453 (31 July 2008: 44,602,992, 31 January 2009: 44,075,233) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

6. Dividends in respect of equity shares

	Unaudited 6 months ended 31 July 2009 £	Unaudited 6 months ended 31 July 2008 £	Audited Year ended 31 January 2009 £
Declared and paid			
Relating to prior period:			
Final dividend	–	899,379	899,379
Relating to current period:			
Interim dividend	–	–	217,787
	<u>–</u>	<u>899,379</u>	<u>1,117,166</u>

The Board has decided not to pay an interim dividend. A dividend payment for the full year will be considered at the relevant time but it remains your Board's policy to pay dividends whenever possible and prudent to do so.

7. Net asset value per ordinary share

The net asset value per ordinary share at 31 July 2009 has been calculated by reference to net assets of £19,322,647 (31 July 2008: £27,228,690, 31 January 2009: £19,198,113) and 42,857,890 (31 July 2008: 43,557,324, 31 January 2009: 43,178,940) ordinary shares, being the number of ordinary shares in issue at the period end.

Notes to the Unaudited Financial Statements (continued)

8. Reconciliation of net return/(deficit) before taxation to net cash (outflow)/inflow from operating activities

	Unaudited 6 months ended 31 July 2009 £	Unaudited 6 months ended 31 July 2008 £	Audited Year ended 31 January 2009 £
Net return/(deficit) before taxation	220,348	(6,365,473)	(14,067,134)
Net (gains)/losses on investments at fair value	(326,513)	7,010,604	14,685,951
Decrease in share option provision	–	(27,213)	(33,875)
(Increase)/decrease in debtors	(22,591)	(795,159)	7,017
Decrease in creditors and accruals	(22,938)	(133,740)	(195,881)
Interest reinvested	–	–	(1,480)
Amortisation of discount on fixed interest securities	(11,090)	(10,134)	(20,534)
Net cash (outflow)/inflow from operating activities	(162,784)	(321,115)	374,064

9. Related party transactions

Williams de Broë Limited were appointed formally as Investment Manager on 28 April 2009 and Evolution Group Services Limited as the new Company Secretary on 11 February 2009. The fee arrangements for these services and the fees payable are set out below:

	Unaudited 6 months ended 31 July 2009 £	Unaudited 6 months ended 31 July 2008 £	Audited Year ended 31 January 2009 £
Investment management fee	142,665	226,965	386,112
Irrecoverable VAT thereon	–	39,719	34,211
Recovered VAT from previous periods	–	(744,000)	(744,000)
	<u>142,665</u>	<u>(477,316)</u>	<u>(323,677)</u>
Company secretarial fees	7,742	7,500	15,000
Irrecoverable VAT thereon	1,161	1,312	2,250
	<u>8,903</u>	<u>8,812</u>	<u>17,250</u>
Total	151,668	(468,504)	(306,427)

Notes to the Unaudited Financial Statements (continued)

Williams de Broë Limited receives an annual management fee of 1.5% of the net asset value of the Company. The annual management fee is calculated based on the quarter end net asset value and is payable calendar quarterly in arrears. At 31 July 2009, £24,615 excluding VAT (31 July 2008: £40,385 including VAT of £6,015, 31 January 2009: £24,030 excluding VAT) was owed to the Manager.

Evolution Group Services Limited performs Company secretarial duties for an annual fee of £18,500 including VAT of £2,413 (under previous contract with Singer & Friedlander Secretaries Limited – 31 July 2008: £17,625 including VAT of £2,625, 31 January 2009: £17,250 including VAT of £2,250). At 31 July 2009, £8,082 including VAT of £1,054 was owed to Evolution Group Services Limited (amount owed under previous contract with Singer & Friedlander Secretaries Limited – 31 July 2008: £17,625 including VAT of £2,625, 31 January 2009: £25,875 including VAT of £8,813).

Summary of Investments at 31 July 2009

AIM Quoted companies	Sector	Purchase cost £	Valuation at 31 July 2009 £	Percentage of net assets %
1st Dental Laboratories	Healthcare equipment & services	450,000	65,000	0.34
Advanced Power Components Loan Stock	Electronic & electrical equipment	100,000	100,000	0.52
Aero Inventory	Aerospace & defence	1,289,924	1,011,575	5.23
Arcontech Group (formerly Knowledge Technology Solutions)	Media	345,377	112,709	0.58
AssetCo	Support services	508,091	334,160	1.73
Autoclenz Holdings	Support services	131,440	30,480	0.16
Avingtrans	Industrial engineering	528,333	161,067	0.83
Bright Things	Leisure goods	527,500	109,511	0.57
Cello Group	Media	257,625	67,500	0.35
Clerkenwell Ventures	General financial	81,313	37,955	0.20
Conexion Media Group (formerly Music Copyright Solutions)	Media	268,750	19,761	0.10
Coolabi	Media	210,865	63,259	0.33
Ebiquity	Media	729,005	172,750	0.89
Expansys	General retailers	449,500	17,438	0.09
First Artist Corporation	Media	804,265	221,566	1.15
fountains	Support services	155,852	110,857	0.57
Freshwater UK	Media	195,840	163,200	0.84
Fulcrum Pharma	Pharmaceuticals & biotechnology	379,532	119,591	0.62
Glisten	Food producers	220,000	132,000	0.68
Huveaux	Media	595,868	170,000	0.88
IDOX	Software & computer services	270,500	360,667	1.87
ILX Group	Support services	374,960	165,648	0.86
Individual Restaurant Company	Travel & leisure	151,998	32,786	0.17
Intelligent Environments Group	Software & computer services	205,672	465,982	2.41
Just Car Clinics Group	General retailers	95,865	169,173	0.88
LiDCO Group	Healthcare equipment & services	185,000	249,750	1.29
Lipoxen	Pharmaceuticals & biotechnology	238,001	357,000	1.85
Lo-Q	Travel & leisure	747,500	455,975	2.36
Mediwatch	Healthcare equipment & services	1,075,629	692,792	3.59
Mount Engineering	Industrial engineering	409,277	309,882	1.60
NeutraHealth	Food producers	279,470	79,088	0.41

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Summary of Investments at 31 July 2009 (continued)

AIM Quoted companies	Sector	Purchase cost £	Valuation at 31 July 2009 £	Percentage of net assets %
Optimisa	Media	403,000	18,600	0.10
Petards Group	Support services	82,860	66,288	0.34
Prezzo	Travel & leisure	171,221	396,500	2.05
Pubs 'n' Bars	Travel & leisure	281,813	23,484	0.12
Quadnetics Group	Support services	341,381	200,784	1.04
Relax Group	General financial	750,000	309,524	1.60
RTC Group	Support services	220,375	53,750	0.28
Smallbone	General retailers	293,220	–	–
Symphony Environmental Technologies	General industrials	460,339	244,866	1.27
Synchronica	Technology hardware & equipment	350,000	385,000	1.99
Tanfield Group	Support services	286,214	135,850	0.70
Tasty	Travel & leisure	540,377	233,906	1.21
The Clapham House Group	Travel & leisure	395,992	212,090	1.10
The Real Good Food Company	Food producers	596,112	30,199	0.16
Tikit Group	Software & computer services	400,000	410,434	2.12
UBC Media Group	Media	663,754	86,849	0.45
Xploite	Software & computer services	217,758	161,889	0.84
Zytronic	Electronic & electrical equipment	610,958	382,924	1.98
		19,328,326	9,912,059	51.30

All investments are in ordinary shares unless otherwise stated.

Fully listed companies	Sector	Purchase cost £	Valuation at 31 July 2009 £	Percentage of net assets %
Connaught	Support services	411,846	753,000	3.90
Synergy Health	Healthcare equipment & services	297,267	963,830	4.99
		709,113	1,716,830	8.89

All investments are in ordinary shares unless otherwise stated.

Summary of Investments at 31 July 2009 (continued)

PLUS Markets traded Companies	Nature of business	Purchase cost £	Valuation at 31 July 2009 £	Percentage of net assets %
Award International Holdings	Media	209,990	210	–
		209,990	210	–

All investments are in ordinary shares unless otherwise stated.

Private Companies	Sector	Purchase cost £	Valuation at 31 July 2009 £	Percentage of net assets %
Imagesound	Media	92,188	67,250	0.35
Lilestone Holdings	General retailers	978,655	548,149	2.84
Lilestone Holdings Loan Stock	General retailers	150,000	150,000	0.77
Sportsweb.com	Support services	352,128	316,915	1.64
		1,572,971	1,082,314	5.60

All investments are in ordinary shares unless otherwise stated.

Other fixed interest securities UK Government loans	Purchase cost £	Valuation at 31 July 2009 £	Percentage of net assets %
Treasury 2.25% Stock 7/3/2014	3,889,820	3,855,568	19.95
Treasury 4.25% Stock 7/3/2011	1,940,103	2,094,996	10.84
	5,829,923	5,950,564	30.79

Other non-qualifying investments	Sector	Purchase cost £	Valuation at 31 July 2009 £	Percentage of net assets %
Formation Group	Real estate investments & services	504,172	161,817	0.84
Payzone	Support services	645,994	15,038	0.08
		1,150,166	176,855	0.92

All investments are in ordinary shares unless otherwise stated.

Summary of Investments at 31 July 2009 (continued)

Investment held at nil valuation*	Sector	Purchase cost £	Valuation at 31 July 2009 £	Percentage of net assets %
Aquabella Group	Food producers	440,500	–	–
Aquabella Group Loan Stock	Food producers	75,000	–	–
Aquillo	Support services	1,851,897	–	–
Camaxys	Software & computer services	254,825	–	–
Chromogenex	Healthcare equipment & services	13,875	–	–
CMS Webview	Media	401,674	–	–
Conder Environmental	Industrial engineering	385,241	–	–
Flexbenefits	Software & computer services	681,828	–	–
Flying Scotsman	Travel & leisure	400,800	–	–
Global Money Transfer Loan Notes	General financial	300,000	–	–
ID Data	Electronic & electrical equipment	1,089,736	–	–
Infonc	Software & computer services	1,395,327	–	–
Medal Entertainment & Media	Media	653,679	–	–
Monotub Industries	Household goods	260,000	–	–
Ovidia Investments	Media	518,312	–	–
Playgolf Holdings	Travel & leisure	255,000	–	–
Recycled Waste	Support services	374,994	–	–
Ringprop	Industrial engineering	366,999	–	–
Stanthorpe Telecom	Telecommunications	500,000	–	–
The Food & Drink Group	Travel & leisure	78,513	–	–
Torex Retail	Software & computer services	694,691	–	–
U4EA	Technology hardware & equipment	2,303,121	–	–
Vianet Group	Support services	1,069,990	–	–
		14,366,002	–	–

All investments are in ordinary shares unless otherwise stated.

* These companies are in liquidation or their shares suspended from trading and the Directors consider it appropriate to value them at zero. With the exception of Global Money Transfer and Medal Entertainment & Media (purchase cost £51,170), they count towards the VCT investment test, which states that 70% of the Company's assets will be invested in VCT qualifying investments.

Summary of Investments at 31 July 2009 (continued)

Summary	Purchase cost	Valuation at 31 July 2009	Percentage of net assets
	£	£	%
Total qualifying portfolio	21,820,400	12,711,413	65.79
Fixed interest/non-qualifying portfolio	6,980,089	6,127,419	31.71
Investments held at nil valuation	14,366,002	—	—
Subtotal	43,166,491	18,838,832	97.50
Net current assets	—	483,815	2.50
Total	43,166,491	19,322,647	100.00

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Notes



