09

Aberdeen Income and Growth VCT PLC

Annual Report

Year ended 28 February 2009

Aberdeen

Contents

Shareholders' Calendar

7 July 2009	Annual General Meeting

Dividend Schedule

	Rate	xd date	Record date	Payment date
Interim revenue dividend	1.0p	12 November 2008	14 November 2008	12 December 2008
Proposed final revenue dividend	2.0p	24 June 2009	26 June 2009	24 July 2009
Total	**3.0p**			

Financial Highlights

Financial history

	28 February 2009	29 February 2008	28 February 2007	28 February 2006	28 February 2005
Net assets[A]	£22,371,000	£25,802,000	£28,745,000	£28,488,000	£28,632,000
Net Asset Value per share	63.3	72.8	81.1	79.1	75.9
Cumulative dividends paid per share	32.1	28.8	18.5	13.1	10.0
NAV total return[B] (without tax reliefs)[C]	95.4	101.6	99.6	92.2	85.9
NAV total return[B] (with tax reliefs)[C]	115.4	121.6	119.6	112.2	105.9
Share price[D]	34.0	46.5	57.3	62.0	51.5
Discount to Net Asset Value	46.3%	36.1%	29.3%	21.6%	32.1%
Shares bought back during the year	108,921	–	561,984	1,717,591	752,728
Shares in issue at year end	35,355,071	35,463,992	35,463,992	36,025,976	37,743,567

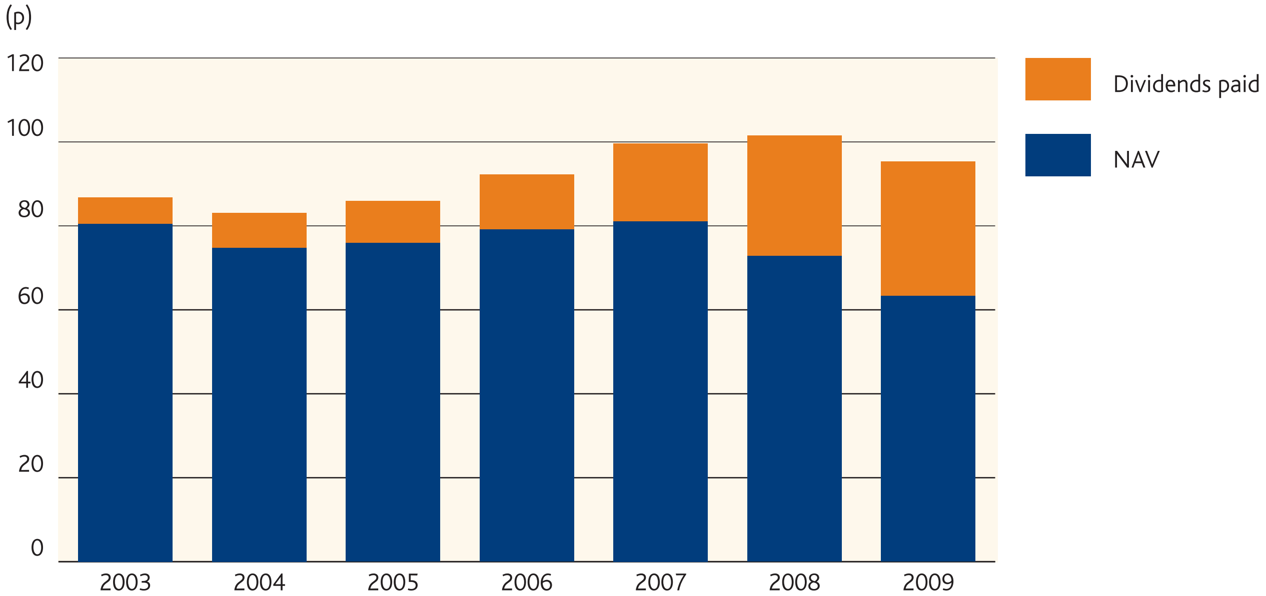
[A] Figures in respect of the year ended 31 January 2005 have been re-stated to reflect the valuation of AIM/PLUS quoted investments at bid market prices. The policy for valuing investments is disclosed in Note 1 to the Financial Statements.
[B] Sum of current Net Asset Value and dividends paid to date; figures in respect of the year ended 31 January 2005 have been re-stated to reflect the recognition of dividends in the period in which they were declared or paid.
[C] Initial income tax relief at 20%.
[D] Mid-market price.
Source: Aberdeen Asset Managers Limited, except share price (Bloomberg).

Dividends

Year ended February	Payment date	Revenue/capital	Interim/final	Rate (p)
2001	8 December 2000	Revenue	Interim	1.0
	13 July 2001	Revenue	Final	1.8
2002	7 December 2001	Revenue	Interim	1.0
	22 July 2002	Revenue	Final	1.5
2003	10 December 2002	Revenue	Interim	1.0
	18 July 2003	Revenue	Final	1.5
2004	12 December 2003	Revenue	Interim	0.5
	16 July 2004	Revenue	Final	1.2
2005	10 December 2004	Revenue	Interim	0.5
	22 July 2005	Revenue	Final	0.6
2006	9 December 2005	Capital	Interim	2.0
	9 December 2005	Revenue	Interim	0.5
	28 July 2006	Revenue	Final	0.8
2007	28 July 2006	Capital	Interim	1.6
	15 December 2006	Capital	Interim	3.0
	23 March 2007	Capital	Interim	4.0
	27 July 2007	Revenue	Final	0.8
	27 July 2007	Capital	Final	2.0
2008	7 December 2007	Revenue	Interim	0.5
	7 December 2007	Capital	Interim	3.0
	25 July 2008	Revenue	Final	2.3
2009	12 December 2008	Revenue	Interim	1.0
Total dividends paid				**32.1**
2009	24 July 2009	Revenue	Proposed final	2.0
Total dividends paid or declared				**34.1**

Financial Highlights continued

NAV total return



The chart shows the NAV total return per share (Net Asset Value plus dividends paid since launch) as at the last day of February in each year. Dividends that have been proposed but not yet paid are included in the NAV at the balance sheet date.

Figures from prior years up to and including 28 February 2005 have been restated to reflect the valuation of listed and AIM/PLUS quoted investments at bid prices.

Chairman's Statement

Despite the full scale banking crisis and associated turmoil experienced in the quoted markets, with a near collapse of AIM, the Company's NAV total return has seen only a modest reduction over the year, significantly less than the fall in markets generally. The majority of investments are in private companies and, therefore, the movements on quoted markets do not directly affect their valuations. The performance of these companies is broadly in line with expectations and, generally, they continue to meet their financial obligations to both their banks and shareholders. The Company has also achieved two profitable exits during the year. The unlisted portfolio has held up satisfactorily in what are almost unprecedented economic conditions for the SME sector, which we expect to continue for some time.

The values of our AIM/PLUS holdings have, however, been hit hard in line with the wider impact on listed markets, despite sound underlying trading figures and earnings in many cases. There has inevitably been a reduction in the Net Asset Value (NAV) of the AIM/PLUS element of the portfolio, as AIM has been particularly affected by poor global conditions, with the index falling by more than 60% over the year.

Overall, the Company has performed satisfactorily in the face of such a widespread and sustained downturn for small cap and private companies.

The major features of the year were:

- NAV total return of 95.4p per share (pps) at year end, down 6.1% over the year;
- NAV at year end of 63.3pps;
- two successful exits from unlisted companies during the year, generating net gains of 3.1pps; and
- final dividend proposed of 2.0pps, to make a total of 3.0pps for year.

Performance

The NAV total return at 28 February 2009 was 95.4pps, a decrease of 6.1% over the equivalent figure at 29 February 2008. At 28 February 2009, the NAV was 63.3pps. The most important measure for a VCT is the NAV total return, being the long term record of dividend payments out of income and capital gains combined with the current NAV. In the short term, the NAV on its own is a less important measure of performance as the underlying investments are long-term in nature and not readily realisable.

Dividends

The Company paid an interim dividend of 1.0pps to Shareholders on 12 December 2008. The Board is now proposing a final dividend of 2.0pps to be paid on 24 July 2009 to Shareholders on the register on 26 June 2009. All dividends are, of course, paid tax-free to Shareholders and the total dividend for the year of 3.0pps is equivalent to a yield of 5.0% from an equity investment to a higher-rate taxpayer on an effective initial investment of 80pps when the initial tax relief of 20% is taken into account. Based on the mid-market share price of 34.0p at 28 February 2009, the annual yield to a higher-rate taxpayer buying shares in the secondary market would by 11.8%. Since the Company's launch, and after receipt of the final dividend, Shareholders will have received 34.1pps in tax-free dividends, of which 24.6pps has been paid over the last five years. The effect of paying the proposed final dividend of 2.0pps will be to reduce the NAV to 61.3pps.

Investment strategy

The strategy remains to build a diversified portfolio of unlisted investments which offer strong growth prospects and, therefore, the opportunity for capital gains in the medium to longer term, while maintaining VCT qualifying status. The AIM/PLUS markets still offer investment opportunities, although on a much reduced basis. The Company does not currently utilise gearing in making its investments but the Manager may elect to take advantage, on a selective basis, of its ability to borrow up to 10% of NAV in pursuit of the investment strategy. The Manager continues to have discretion to make investments in companies which do not represent qualifying holdings for VCTs.

Your Board is obliged under the revised Listing Rules to ensure that this and subsequent reports carry additional information on the Company's investment policy, in particular statements concerning asset mix, the spread of risk and maximum exposures. This information is contained in the Directors' Report and in the tabular analyses of the portfolio.

Valuation process

Investments held by Aberdeen Income and Growth VCT in unquoted companies are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Investments quoted or traded on a recognised stock exchange, including the Alternative Investment Market (AIM), are valued at their bid price.

Portfolio developments

There were two successful exits from unlisted investments during the course of the year. The net gain from these realisations amounted to 3.1pps. Details of all investments and divestments during the course of the year are shown in the table in the Investment Manager's Review. These included two unlisted investments, which had previously been in administration, that were struck off the Register during the period but, as they had been fully provided against, the loss had no effect on the Company's NAV.

There was little opportunity, in view of the state of the market, to actively trade AIM holdings. Due to the large falls in the values of AIM stocks over the year, the AIM portfolio was badly affected. While gains of £173,000 arose on disposals, these were more than offset by losses on the sales of investments from which little upside was anticipated.

Share buy-backs

The Company bought back a total of 108,921 shares for cancellation in the final month of the year. In the prevailing market conditions there are few buyers of VCT shares and the discount at which the Company's shares were trading had increased significantly. The purchase of these shares in the market provided some liquidity and the discount narrowed, with a further reduction evident in the period immediately following the year end. At the forthcoming AGM, the Board will seek to renew the authority for the Company to buy its own shares in the market.

VCT qualifying status

The Company has to continuously meet certain criteria for it to remain qualified as a Venture Capital Trust. The Board regularly reviews the status of these criteria and I am pleased to confirm that all tests have continued to be met.

Co-investment scheme of the Manager

The co-investment scheme which allows executives of the Manager to invest alongside the Company continued in operation during the year. The scheme operates through a nominee company which invests alongside the Company in each and every transaction made by the Company, including any follow-on investments. The scheme more closely aligns the interests of the executives and the Company's Shareholders, while providing an incentive to enable the Manager to retain the existing skills and capacity of its investment team in a highly competitive market.

Outlook

The unlisted investments held by the Company are generally holding up well and are not directly affected by the turmoil which has been experienced in the quoted markets. There is, however, evidence that the banks are continuing to reduce their exposure to commercial lending, with the result that the unlisted companies in the portfolio may have to manage within their existing facilities. The Company does have the cash and available facilities to assist where appropriate. The Manager generally holds seats on our unlisted investee companies' boards and is, therefore, closely involved with those investments as they face continuing difficult market conditions. It is, of course, less closely associated with AIM or PLUS quoted investments, not having board representation.

There has been little activity in AIM or PLUS in recent months and it seems likely that it will be some time before new opportunities to invest in companies seeking an IPO on that market become available. The Manager will maintain a focus on investing in well managed unlisted companies which offer excellent growth prospects, as the Manager believes that such companies will offer the opportunity for profitable realisations when normal market conditions return.

Fiona E Wollocombe
Chairman
8 June 2009

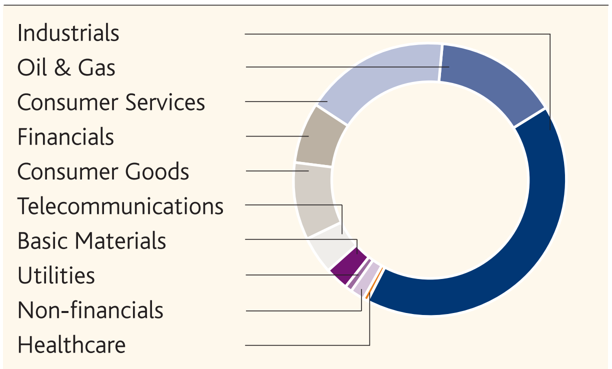
Analysis of Unlisted and AIM/PLUS Portfolio

As at 28 February 2009

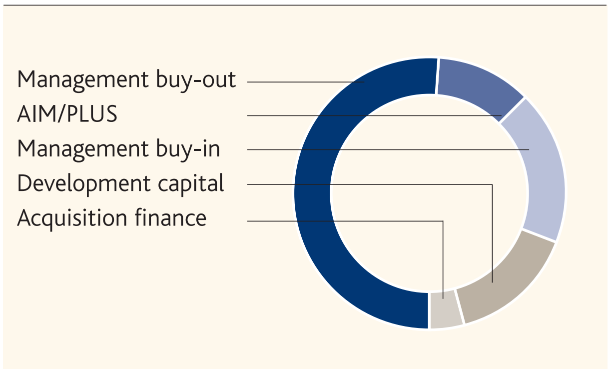
FT industrial sector	Unlisted valuation £'000	Unlisted valuation %	AIM/PLUS valuation £'000	AIM/PLUS valuation %	Total valuation £'000	Total valuation %
Unlisted						
Support services	2,901	16.2	720	4.0	3,621	20.2
Oil & gas	2,630	14.7	–	–	2,630	14.7
Food producers & processors	2,389	13.3	16	0.1	2,405	13.4
Engineering & machinery	2,100	11.7	40	0.2	2,140	11.9
Speciality & other finance	1,075	6.0	130	0.7	1,205	6.7
Household goods & textiles	838	4.7	84	0.5	922	5.2
Electronic & electrical equipment	884	4.9	–	–	884	4.9
Telecommunication services	786	4.4	8	0.1	794	4.5
Leisure & hotels	510	2.8	223	1.2	733	4.0
Media & entertainment	305	1.7	399	2.2	704	3.9
Chemicals	499	2.8	–	–	499	2.8
Transport	402	2.2	12	0.1	414	2.3
Aerospace & defence	371	2.1	–	–	371	2.1
Software & computer services	–	–	304	1.7	304	1.7
Utilities (ex-electricity)	137	0.8	–	–	137	0.8
Finance (general)	65	0.4	–	–	65	0.4
Health	–	–	43	0.2	43	0.2
Electricity	–	–	33	0.2	33	0.2
Pharmaceutical & biotechnology	–	–	7	0.1	7	0.1
Total	**15,892**	**88.7**	**2,019**	**11.3**	**17,911**	**100.0**

Deal type	Number of deals	Valuation £'000	Valuation %
Unlisted			
Management buy-out	17	9,187	51.3
Management buy-in	4	3,319	18.5
Development capital	13	2,642	14.7
Acquisition finance	2	744	4.2
Total unlisted	**36**	**15,892**	**88.7**
AIM/PLUS	**33**	**2,019**	**11.3**
Total unlisted and AIM/PLUS	**69**	**17,911**	**100.0**

FT industrial sector analysis by valuation



Deal type analysis by valuation



Investment Manager's Review

Investment activity

During the year ended 28 February 2009, eight significant new unlisted and AIM investments were completed and a total of £2.7 million was invested. At the year end, the portfolio stood at 70 unlisted and AIM/PLUS investments at a total cost of £26.5 million. Since 28 February 2009, two follow on investments have been made at a cost of £190,000.

The following investments were completed during the year:

Investment	Date	Activity	Investment cost £'000	Website
Unlisted				
Broomco (4136)	July 2008	Provider of CCTV	89	www.id-supportservices.co.uk
Lawrence Recycling and Waste Management	January 2009	Operator of material recycling facility	466	www.lawrenceskiphire.co.uk
MoneyPlus Group[A]	November 2008	Provider of debt counselling services to individuals	259	No website available
MS Industrial Services	December 2008	Provider of industrial cleaning and waste management services to the oil and industrial sectors	109	www.msis.uk.com
Nessco Group Holdings	June 2008	Telecommunication services provider	472	www.nesscogroup.com
PSCA International	May 2008	Producer of publications aimed at public sector officials	154	www.publicservices.co.uk
TC Communications Holdings	May 2008	Marketing and communications services agency	199	www.tccommunications.co.uk
Training for Travel Group	April 2008	Provision of assessment, tuition and training in travel services	446	www.trainingfortravel.com
Total unlisted investment			**2,194**	

Investment	Date	Activity	Investment cost £'000	Website
AIM/PLUS				
Betbrokers	March 2008	Provider of independent betting brokerage services	132	www.betbrokers.com
Brookwell	June 2008	Close-ended investment company established to acquire AIM quoted and listed securities from financial institutions	202	www.brookwelllimited.com
OPG Power Ventures	May 2008	Develops, owns and manages power generation plants in India	99	www.opgpower.org
Optare	July 2008	Bus manufacturer and low emission technology group	50	www.optare.com
Praesepe	July 2008	Pursues acquisition and consolidation opportunities in the low-stake, high-volume gaming sector in the United Kingdom and Europe	50	www.praesepeplc.com
Total AIM/PLUS investment			**533**	
Total investment			**2,727**	

[A] Dalglen 1148 is the successor company of MoneyPlus Group.

Aberdeen Income and Growth VCT has co-invested with, Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2, Aberdeen Growth VCT I, Gateway VCT, Guinness Flight Venture Capital Trust and Talisman First Venture Capital Trust in some or all of the above transactions and is expected to continue to do so with these as well as other clients of the Manager. The advantage is that, together, these client funds are able to underwrite a wider range and size of transaction than would be the case on a stand alone basis.

Portfolio developments

Investments in the unlisted portfolio are generally trading well and their values are not directly affected by the turmoil in the quoted markets and, in some cases, modestly increased valuations have been achieved as companies pay down debt and start to repay invested capital.

There were two successful realisations from the unlisted portfolio during the year: ID Support Services Holdings was sold for proceeds of £1,233,000 and realised a gain of £487,000; and PSCA International was sold, generating proceeds of £1,121,000 and resulting in a realised gain of £603,000. In each case, there is a small element of deferred consideration which may give rise to further proceeds for the Company. In addition, repayments of loan stock were received from a number of investee companies as shown in the table on page 8. Two investments, Conveco and CCM Motorcycles, in which the Company held shares were struck off during the year following a period when those companies had been in administration. Although included in the list of disposals with a significant loss, the investments had been fully provided for in earlier periods and, therefore, the Company's NAV was unaffected during this period.

Conditions on AIM were extremely challenging throughout the year with the FTSE AIM All-share Index declining by an unprecedented 61.9% over the period as first the financial crisis and then the underlying economic conditions affected sentiment. Opportunities to trade the portfolio were, therefore, much reduced as were the number of new IPOs in which to invest. The opportunity was taken to sell a number of holdings where we perceived limited future upside, which resulted in a loss of £979,000 being realised and this more than offset gains from the trading of other stocks, which amounted to £173,000. The AIM/PLUS quoted businesses in which the Company's portfolio is invested are generally continuing to trade profitably and in line with expectations and their market values do not fully reflect their underlying profit and cash generation capabilities.

Investment Manager's Review continued

The following realisations took place during the year:

	Date first invested	Complete/ partial Exit	Cost of shares disposed of £'000	Sales proceeds £'000	Realised gain/ (loss) £'000
Unlisted					
Homelux Nenplas	2006	Partial	131	131	–
ID Support Services Holdings	2007	Complete	746	1,233	487
Lime Investments	2007	Partial	696	696	–
MoneyPlus Group	2005	Partial	35	35	–
PSCA International	2002	Complete	518	1,121	603
Riverdale Publishing	2006	Partial	13	13	–
Transrent Holdings	2000	Partial	21	21	–
Other unlisted disposals			2,855	2	(2,853)
Total unlisted disposals			**5,015**	**3,252**	**(1,763)**
AIM/PLUS					
1st Dental Laboratories	2004	Complete	177	53	(124)
Autoclenz	2005	Complete	185	70	(115)
Brookwell	2008	Partial	66	29	(37)
Brulines (Holdings)	2006	Partial	75	94	19
Citel Technologies	2001	Complete	166	1	(165)
Craneware	2007	Partial	67	109	42
Fountains	2004	Complete	136	156	20
Imprint	2005	Complete	204	78	(126)
Mattioli Woods	2005	Complete	48	99	51
Optare	2007	Partial	109	150	41
Synarbor	2004	Complete	447	51	(396)
Other AIM/PLUS disposals			113	96	(17)
Total AIM/PLUS disposals			**1,793**	**986**	**(807)**
Total disposals			**6,808**	**4,238**	**(2,570)**

Outlook

We anticipate that it will be some time before the number of IPOs on AIM recovers to previous levels and our strategy is to switch the focus of the portfolio and reduce its exposure to that market. Conversely, and while there are still some difficulties evident in securing appropriate bank funding for new unlisted investments, we will continue to invest the Company selectively in well managed private companies where we perceive excellent growth prospects and, therefore, medium term financial gain. One of the issues facing many investors will be the availability of bank debt in the coming year. We have always invested in businesses where the level of gearing is significantly less than in much larger companies and, in some cases, without recourse to any bank debt.

Aberdeen Asset Managers Limited
Manager
8 June 2009

Summary of Investment Changes

For the year ended 28 February 2009

	Valuation 29 February 2008 £'000	%	Net investment/ (disinvestment) £'000	Appreciation/ (depreciation) £'000	Valuation 28 February 2009 £'000	%
Unlisted investments						
Equities	5,317	20.6	(1,281)	(126)	3,910	17.5
Preference shares	1,602	6.2	(43)	(196)	1,363	6.1
Loan stocks	10,450	40.5	268	(99)	10,619	47.5
	17,369	67.3	(1,056)	(421)	15,892	71.1
AIM/PLUS investments						
Equities	5,141	19.9	(455)	(2,667)	2,019	9.0
Listed investments						
Fixed income	2,492	9.7	341	88	2,921	13.1
Total investments	**25,002**	**96.9**	**(1,170)**	**(3,000)**	**20,832**	**93.2**
Other net assets	800	3.1	739	–	1,539	6.8
Total assets	**25,802**	**100.0**	**(431)**	**(3,000)**	**22,371**	**100.0**

Investment Portfolio Summary

As at 28 February 2009

Investment	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients[A]
Unlisted					
Transys Holdings	2,100	2,721	9.4	31.7	40.1
House of Dorchester	1,725	910	7.7	44.2	–
Funeral Services Partnership	1,160	970	5.2	6.9	23.0
Dalglen 1148 (formerly MoneyPlus Group)	1,075	1,075	4.8	17.5	57.5
Oliver Kay Holdings	878	771	3.9	4.9	15.1
Homelux Nenplas	838	391	3.8	8.9	36.1
Martel Instruments Holdings	796	796	3.6	11.3	22.1
Camwatch	786	786	3.5	12.8	31.1
Energy Services Investment Company (ESIC)	745	745	3.3	28.5	51.5
Atlantic Foods Group	664	522	3.0	2.9	5.9
Steminic (trading as MS Industrial Services)	656	656	2.9	9.3	35.7
Training For Travel Group	510	446	2.3	5.1	24.9
Adler & Allan Holdings	499	499	2.2	2.2	38.8
Silkwater Holdings (trading as Cyclotech)	484	348	2.2	4.8	15.3
Nessco Group Holdings	472	472	2.1	6.2	31.6
Lawrence Recycling & Waste Management	466	466	2.1	16.5	83.5
PLM Dollar Group	402	402	1.8	4.6	26.2
ELE Advanced Technologies	371	192	1.7	11.3	–
Countcar	273	21	1.2	6.9	19.6
TC Communications Holdings	199	199	0.9	4.1	31.2
Driver Hire Investments Group	198	203	0.9	1.1	43.6
PSCA International	154	154	0.7	–	–
Sanastro	151	750	0.7	9.6	3.5
Enpure Holdings	137	100	0.6	0.4	79.2
Broomco (4136)	89	89	0.3	0.6	1.6
Other unlisted investments	64	6,157	0.3		
Total unlisted investments	**15,892**	**20,841**	**71.1**		

Investment	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients[A]
AIM/PLUS					
Concateno	283	332	1.3	0.7	1.8
Avanti Communications Group	249	283	1.1	0.5	0.9
System C Healthcare	233	311	1.0	0.6	0.7
Animalcare Group	187	147	0.8	1.4	3.2
AMZ Holdings (formerly Amazing Holdings)	183	251	0.8	0.8	1.4
Betbrokers	121	132	0.5	0.4	1.5
Hasgrove	101	168	0.5	0.7	1.3
Cello Group	93	310	0.4	0.8	0.3
Plastics Capital	84	281	0.4	1.0	2.7
Melorio	83	98	0.4	0.3	2.5
Formation Group	51	105	0.2	0.3	1.0
Brookwell	48	136	0.2	–	–
Neutrahealth	43	91	0.2	0.6	1.3
OPG Power Ventures	33	81	0.1	0.1	0.4
Brulines (Holdings)	33	37	0.1	0.1	0.3
Mount Engineering	27	35	0.1	0.2	2.3
Praesepe (formerly Aldgate Capital)	22	49	0.1	0.1	0.9
Hexagon Human Capital	19	73	0.1	0.2	0.5
Tangent Communications	17	98	0.1	0.5	0.9
Individual Restaurant Company	16	133	0.1	0.4	0.8
Leisure & Gaming	16	314	0.1	0.3	0.3
Other AIM/PLUS investments	77	2,197	0.4		
Total AIM/PLUS investments	**2,019**	**5,662**	**9.0**		
Listed fixed income					
Treasury 5.75% 31/12/09	1,663	1,613	7.4	15.6	43.6
Treasury 4.75% 7/6/10	1,258	1,224	5.7	70.6	29.4
Total listed fixed income investments	**2,921**	**2,837**	**13.1**		
Total investments	**20,832**	**29,340**	**93.2**		

[A] Other clients of the Aberdeen Asset Management Group.

Largest Unlisted and AIM/PLUS Investments

As at 28 February 2009

Transys Holdings Limited — Birmingham — www.transysprojects.ltd.uk

Cost (£'000)	2,721	**Period ended 31 December**[A]	**2008**	**2007**
Valuation (£'000)	2,100		**£'000**	**£'000**
Basis of valuation	Provision	**Sales**	14,809	
Equity held	31.7%	**Profit/(loss) before tax**	(437)	
Income received (£'000)	162	**Retained profit/(loss)**	(482)	
First invested	December 2007	**Net assets**	377	

Engineering services to the rail industry

Other AAMPE Clients invested: Aberdeen City Council Pension Fund, Aberdeen Development Capital, Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2 and Aberdeen Growth VCT I.

House of Dorchester Limited — Dorchester — www.hodchoc.com

Cost (£'000)	910	**Year ended 31 December**	**2008**	**2007**
Valuation (£'000)	1,725		**£'000**	**£'000**
Basis of valuation	Earnings	**Sales**	5,311	5,552
Equity held	44.2%	**Profit/(loss) before tax**	299	337
Income received (£'000)	382	**Retained profit/(loss)**	221	229
First invested	September 2002	**Net assets**	1,009	788

Chocolate manufacturer

Other AAMPE Clients invested: There are no other clients of the Manager invested in this company.

Funeral Services Partnership Limited — Woking, Surrey — No website available

Cost (£'000)	970	**Year ended**[B]		
Valuation (£'000)	1,160		**£'000**	**£'000**
Basis of valuation	Earnings	**Sales**		
Equity held	6.9%	**Profit/(loss) before tax**		
Income received (£'000)	Nil	**Retained profit/(loss)**		
First invested	March 2007	**Net assets**		

Operator of funeral directors

Other AAMPE Clients invested: Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2, Aberdeen Growth VCT I, Guinness Flight Venture Capital Trust and Talisman First Venture Capital Trust.

Dalglen 1148 Limited — Altrincham, Cheshire — No website available

Cost (£'000)	1,075	**Year ended**[B]		
Valuation (£'000)	1,075		**£'000**	**£'000**
Basis of valuation	Cost	**Sales**		
Equity held	17.5%	**Profit/(loss) before tax**		
Income received (£'000)	Nil	**Retained profit/(loss)**		
First invested	November 2008	**Net assets**		

Debt management services to individuals

Other AAMPE Clients invested: Aberdeen Development Capital, Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2, Aberdeen Growth VCT I and Talisman First Venture Capital Trust.

Oliver Kay Holdings Limited — Bolton — www.oliverkayproduce.co.uk

Cost (£'000)	771	**Year ended 30 September**	**2007**
Valuation (£'000)	878		**£'000**
Basis of valuation	Earnings	**Sales**	11,820
Equity held	4.9%	**Profit/(loss) before tax**	727
Income received (£'000)	163	**Retained profit/(loss)**	261
First invested	January 2007	**Net assets**	4,081

Supplier of fresh produce to the on-trade catering industry in the UK

Other AAMPE Clients invested: Aberdeen Development Capital, Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2, Aberdeen Growth VCT I, Laminvest and Talisman First Venture Capital Trust.

Homelux Nenplas Limited

Ashbourne, Derbyshire — www.homelux.co.uk

Cost (£'000)	391	**Year ended 31 May**	**2008**	**2007**
Valuation (£'000)	838		**£'000**	**£'000**
Basis of valuation	Earnings	**Sales**[C]		
Equity held	8.9%	**Profit/(loss) before tax**	995	1,134
Income received (£'000)	117	**Retained profit/(loss)**	729	901
First invested	May 2006	**Net assets**	2,119	1,390

Manufacturer of plastic tiling trims and related products

Other AAMPE Clients invested: Aberdeen Development Capital, Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2, Aberdeen Growth VCT I, Laminvest and Talisman First Venture Capital Trust.

Martel Instruments Holdings Limited

Co. Durham — www.martelinstruments.com

Cost (£'000)	796	**Year ended 31 December**	**2007**
Valuation (£'000)	796		**£'000**
Basis of valuation	Cost	**Sales**	2,702
Equity held	11.3%	**Profit/(loss) before tax**	(153)
Income received (£'000)	Nil	**Retained profit/(loss)**	(168)
First invested	January 2007	**Net assets**	567

Manufacturer of compact, hand-held printers and display devices

Other AAMPE Clients invested: Aberdeen Growth VCT I, Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2, and Talisman First Venture Capital Trust.

Camwatch Limited

Sheffield — www.cctv-monitoring.net

Cost (£'000)	786	**Year ended 31 March**	**2008**	
Valuation (£'000)	786		**£'000**	**£'000**
Basis of valuation	Cost	**Sales**	3,741	
Equity held	12.8%	**Profit/(loss) before tax**	(327)	
Income received (£'000)	143	**Retained profit/(loss)**	(327)	
First invested	March 2007	**Net assets**	434	

Provider of CCTV monitoring and installation services

Other AAMPE Clients invested: Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2, Aberdeen Growth VCT I and Talisman First Venture Capital Trust.

Energy Services Investment Company (ESIC) Limited

Aberdeen — No website available

Cost (£'000)	745	**Year ended**[B]	
Valuation (£'000)	745		
Basis of valuation	Cost	**Sales**	
Equity held	28.5%	**Profit/(loss) before tax**	
Income received (£'000)	Nil	**Retained profit/(loss)**	
First invested	November 2007	**Net assets**	

Provider of services to the energy sector

Other AAMPE Clients invested: Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2 and Aberdeen Growth VCT I.

Atlantic Foods Group Limited

Hook, Hampshire — www.atlanticfoods.co.uk

Cost (£'000)	522	**Year ended 30 September**	**2008**
Valuation (£'000)	664		**£'000**
Basis of valuation	Earnings	**Sales**[C]	
Equity held	2.9%	**Profit/(loss) before tax**	165
Income received (£'000)	75	**Retained profit/(loss)**	128
First invested	January 2007	**Net assets**	1,389

Value-added food services supplier

Other AAMPE Clients invested: Aberdeen Growth Opportunities VCT and Aberdeen Growth Opportunities VCT 2.

[A] Period from 1 November 2007 to December 2008.
[B] These companies have not yet produced their first report and accounts.
[C] This company does not reveal its turnover, as permitted under the Companies Act for medium-sized companies.

Your Board

The Board of four Directors, all of whom are non-executive and are considered by the Board to be independent of the Manager, supervises the management of Aberdeen Income and Growth VCT PLC and looks after the interests of its Shareholders.

Fiona Wollocombe
Chairman and Independent Non-executive Director

Relevant experience and other directorships: Fiona spent eighteen years in the City providing market related advice on corporate finance, specifically for UK small cap companies. From 1997 to 2003, she was managing director responsible for the European mid and small cap equities team at Deutsche Bank (formerly Natwest Markets), which involved overseeing the marketing of smaller companies, including unquoted investments. She was also an active member of the corporate finance team. She is chairman of Artemis VCT plc.
Length of service: She was appointed a Director on 20 May 2004 and as Chairman on 7 July 2005.
Last re-elected to the Board: 3 July 2008
Age: 45
Committee membership: Audit, Management Engagement (Chairman), Nomination (Chairman) and Remuneration.
Employment by the Manager: None
Other connections with Manager: None
Shared directorships with other Directors: None
Shareholding in Company: 50,000 Ordinary Shares

John Pocock
Independent Non-executive Director

Relevant experience and other directorships: John has extensive experience in the information technology and financial sectors and was formerly a director and chief executive of Druid Group plc, a FTSE 250 Company that was acquired by Xansa plc in March 2000. Currently non-executive chairman of software companies Cognito Limited, Vamosa Limited and Presence Networks Limited, he is also a non-executive director of Electric & General Investment Trust plc and a director of a number of other smaller companies.
Length of service: He was appointed a Director on 1 March 2007.
Last re-elected to the Board: 17 July 2007
Age: 49
Committee membership: Audit, Management Engagement, Nomination and Remuneration.
Employment by the Manager: None
Other connections with Manager: None
Shared directorships with other Directors: None
Shareholding in Company: 40,000 Ordinary Shares

Arthur MacMillan
Independent Non-executive Director

Relevant experience and other directorships: For over 10 years prior to December 2005, Arthur was chief executive of Clyde Marine plc, a group which manufactures deck equipment for sail and power boats, under the Lewmar and Navtec brands. Prior to that, he was a corporate financier with West Merchant Bank and Samuel Montagu & Co Limited in London. He is non-executive chairman of Dalglen 1148 Limited, the holding company for a debt counselling business, in which he and the Company both have an investment. He is also a director of a number of other smaller businesses.
Length of service: He was appointed a Director on 19 January 2000.
Last re-elected to the Board: 3 July 2008
Age: 46
Committee membership: Audit (Chairman), Management Engagement, Nomination and Remuneration.
Employment by the Manager: None
Other connections with Manager: None
Shared directorships with other Directors: None
Shareholding in Company: 30,000 Ordinary Shares

Sir Charles Stuart-Menteth Bt
Independent Non-executive Director

Relevant experience and other directorships: Charles was founder and chief executive of Datavault plc, the largest independent records management company in the UK until it was sold in February 1999. Prior to that he was managing director of a venture capital company and has also worked in the engineering and banking sectors. He is now a business angel investing in, and assisting, early stage businesses.
Length of service: He was appointed a Director on 19 January 2000.
Last re-elected to the Board: 17 July 2007
Age: 58
Committee membership: Audit, Management Engagement, Nomination and Remuneration (Chairman).
Employment by the Manager: None
Other connections with Manager: None
Shared directorships with other Directors: None
Shareholding in Company: 100,000 Ordinary Shares

Directors' Report

The Directors submit their Annual Report together with the Financial Statements of the Company for the year ended 28 February 2009.

Results and dividends

The Net Asset Value per share at 28 February 2009 was 63.3p (2008: 72.8p). The Net Asset Value per share has been calculated using the number of shares in issue at 28 February 2009 of 35,355,071 (2008: 35,463,992).

For the year ended 28 February 2009, the revenue profit on ordinary activities after taxation amounted to £1,067,000 (2008: £994,000). The net loss on ordinary activities after taxation for the year was £2,229,000 (2008: gain of £707,000). During the year, an amount of £1,170,000 (2008: £3,650,000) was recognised in respect of distributions made to Equity Shareholders. The Directors recommend a final dividend for the year ended 28 February 2009 of 2.0p per share (2008: 2.3p), payable on 24 July 2009 to Shareholders on the register at close of business on 26 June 2009 and a Resolution to this effect will be proposed at the Annual General Meeting.

Business review

A full review of the Company's activities is given in the Chairman's Statement and in the Investment Manager's Review. In addition, this Directors' Report includes a summary of the business objectives, the Board's strategy for achieving them, the key performance indicators and the principal risks and uncertainties faced by the Company.

Investment objective

The Company aims to achieve long term capital appreciation and generate maintainable levels of income for Shareholders.

Statement of investment policy

The Company intends to achieve its objective by:

- investing the majority of its funds in a diversified portfolio of shares and securities of smaller, unquoted UK companies and in AIM/PLUS companies which meet the criteria for VCT qualifying investments and have strong growth potential;
- investing in line with VCT regulations, no more than £1 million in any company in one year and no more than 15% of the Company's assets by cost in one business at any time;
- maintaining a qualifying investment level of at least 70% according to VCT regulations;
- borrowing up to 10% of Net Asset Value, on a selective basis, in pursuit of investment strategy; and
- retaining the services of a Manager that can provide the breadth and depth of resources required to achieve the investment objective.

The Company manages and minimises investment risk by:

- diversifying across a large number of companies;
- diversifying across a range of economic sectors;
- actively and closely monitoring the progress of investee companies;
- seeking to appoint a non-executive director to the board of each private investee company, provided from the Manager's investment management team or from its pool of experienced independent directors;
- co-investing with other funds run by the Manager in larger deals, which tend to carry less risk;
- not investing in hostile public to private transactions; and
- retaining the services of a Manager that can provide the breadth and depth of resources required to meet the criteria stated above.

Other risks are managed as follows:

- VCT qualifying status is monitored continuously and risk is minimised by retaining the services of a Manager with the resources to provide sufficient flow of investment opportunities and integrated administrative and management systems to ensure continuing compliance with regulations; and
- risks of political change, exchange controls, taxation or other regulations that might affect investee companies are monitored and taken account of before investments are made and when determining the valuations of unlisted investments.

Statement of compliance with investment policy

That the Company is adhering to its stated investment policy and managing the risks arising from it can be seen in various tables and charts throughout the Annual Report, from figures provided in the Chairman's Statement and in the Investment Manager's Review.

The management of the investment portfolio has been delegated to Aberdeen Asset Managers Limited (the Manager), which also provides administrative and financial management services and, through its parent company, company secretarial services to the Company. The Board is satisfied with the depth and breadth of the Manager's resources and its network of offices, which both supply new deals and enables it to monitor the geographically widespread portfolio companies effectively.

The Investment Portfolio Summary shows the number of investments in the portfolio and the degree of co-investing with other clients of the Manager. The tabular analyses of unlisted and AIM/PLUS portfolio by FTSE industrial sector and deal type show that the portfolio is diversified across a variety of economic sectors and deal types. The level of qualifying investments is monitored by the Manager on a daily basis and reported to the Board quarterly.

Key performance indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators are as follows:

- NAV total return; and
- dividends per share.

The NAV total return is a measure of Shareholder value that includes both the current NAV per share and the sum of dividends paid to date. The dividends per share measure shows how much of that Shareholder value has been returned to original investors in the form of dividends. A historical record of these measures is shown in the Financial Highlights.

In addition, the Board considers peer group comparative performance. The Company is a member of the Association of Investment Companies (AIC) and it is hoped that the AIC's performance statistics will be developed to provide a useful standard measure of comparative performance in future.

Principal risks and uncertainties

The principal risks facing the Company relate to its investment activities and include market price, interest rate and liquidity risk. An explanation of these risks and how they are managed is contained in Note 18 to the Financial Statements.

Additional risks faced by the Company, and the mitigation approach adopted by the Board, are as follows:

- investment objective: the Board's aim is to maximise absolute returns to Shareholders while managing risk by ensuring an appropriate diversification of investments;
- investment policy: inappropriate stock selection leading to underperformance in absolute and relative terms is a risk which the Manager mitigates by operating within investment guidelines and regularly monitoring performance against the peer group. The regulations affecting Venture Capital Trusts are central to the Company's investment policy;
- discount volatility: due to the lack of liquidity in the secondary market, venture capital trust shares tend to trade at discounts to net asset values; and
- regulatory risk: the Company operates in a complex regulatory environment and faces a number of related risks. A breach of Section 274 of the Income Tax Act 2007 could result in the Company being subject to capital gains tax on the sale of its investments. A breach of the VCT Regulations could result in the loss of VCT status and consequent loss of tax reliefs currently available to Shareholders. A serious breach of other regulations, such as the UKLA Listing Rules or the Companies Act, would lead to suspension of its shares from the Stock Exchange, loss of VCT status and reputational damage. The Board receives quarterly reports from the Manager in order to monitor compliance with regulations.

At least twice each year the Board considers all of the above risks and the measures in place to manage them.

Directors

Biographies of the Directors who held office at the year end are shown in the Your Board section of the Annual Report along with their interests in the shares of the Company, which are also shown below. No contract or arrangement significant to the Company's business and in which any of the Directors is interested has subsisted during the year.

In accordance with the Articles of Association, Directors must offer themselves for re-election at least once every three years and, accordingly, Mr John Pocock and Sir Charles Stuart-Menteth Bt retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Resolutions to this effect will be proposed at the Annual General Meeting.

The interests of the Directors in the share capital of the Company are as follows:

	28 February 2009 Ordinary Shares of 10p each	29 February 2008 Ordinary Shares of 10p each
Fiona E Wollocombe (Chairman)	50,000	40,000
Arthur G MacMillan	30,000	30,000
John D W Pocock	40,000	40,000
Sir Charles G Stuart-Menteth Bt	100,000	100,000

All of the interests shown above are beneficial and there have been no further changes to the above share interests since the end of the Company's financial year.

Manager and Company Secretary

As stated in the Annual Report for the year ended 29 February 2008, with effect from 29 May 2008, the responsibility for the management of the Company's investment portfolio was transferred from Murray Johnstone Limited, a wholly-owned subsidiary of Aberdeen Asset Management PLC, to Aberdeen Asset Managers Limited, which is also a wholly-owned subsidiary of Aberdeen Asset Management PLC and which became responsible for the provision of accounting, administrative and company secretarial services to the Company. These changes moved the Company into line with the other venture capital trusts managed by the Aberdeen Asset Management group and there were no related changes to the individuals involved in the management of the Company's portfolio or in the provision of accounting, administrative and company secretarial services.

The management and secretarial fees payable to the Aberdeen Asset Management Group in respect of the year ended 28 February 2009 have been calculated and charged on the following basis:

(a) to Murray Johnstone Limited and Aberdeen Asset Managers Limited, pro-rata to their respective periods of office over the six month period to 31 August 2008, an investment management fee of 20% of the uplift in the Net Asset Value of the Company, before taking account of the effects of dividends payable, subject to a maximum fee of £1.25 million per annum and a minimum fee of 1.0% per annum of the Net Asset Value of the Company;

(b) to Aberdeen Asset Managers Limited for the six month period to 28 February 2009, a performance related management fee calculated as 27.5% of the increase in the Net Asset Value of the Company over the period, before taking into account the effects of distributions and subject a minimum of 1.4% per annum of the Net Asset Value of the Company; and

(c) a fixed secretarial fee of £50,000 (2008: £50,000) per annum payable to Murray Johnstone Limited and Aberdeen Asset Managers Limited, pro-rata to their respective periods of office.

The effects of the investment management and secretarial fees for the year ended 28 February 2009 are detailed in Notes 3 and 4 to the Financial Statements respectively.

The principal terms of the Management and Administration Deed and the separate Co-investment Agreement include:

- the Company will pay to the Manager a performance related management fee subject to a maximum and minimum amount being payable. With effect from 1 September 2008, the fee is calculated as 27.5% of the increase in the Net Asset Value of the Company, over the six-month periods to 28 February and 31 August in each year, before taking into account the effects of distributions and purchases of the Company's own shares effected during that period. The fee is subject to a maximum amount payable of £1.25 million in any year to 28 February and a minimum of 1.4% per annum of the Net Asset Value of the Company. The Net Asset Value from which the fee is measured is rebased to a higher level whenever a performance fee becomes payable;
- in order to ensure that the Manager's staff are appropriately incentivised in relation to the management of the portfolio, a co-investment scheme requires individuals nominated by the Manager to participate Company. All such investments are made through a nominee and under terms previously agreed by the Board. The terms of the scheme ensure that all investments are made on identical terms to those of the Company and that no selection of investments will be allowed. Total investment by participants in the co-investment scheme is set at 5% of the aggregate amount of ordinary shares subscribed for by the Company and the co-investing executives, except where the only securities to be acquired by the Company are ordinary shares or are securities quoted on AIM, in which case the co-investment percentage will be 1.5%. Any dilution of the Company's interests is, therefore, minimal and the Directors believe that the scheme provides a useful incentive which closely aligns the interests of key individuals within the Manager's staff with those of the Shareholders; and
- the investment management agreement is terminable, by either party, on the expiry of six months' notice. The appointment may be terminated without compensation if, inter alia, a receiver, liquidator or administrator of the Manager or the Company is appointed, or if the Manager or the Company commits a material breach of the relevant Management Agreement (and if such a breach is capable of remedy and is not remedied within 28 days), or if the Manager ceases to be authorised to carry on investment business under the Financial Services Act 1986.

In light of investment performance provided by the Manager, together with the standard of company secretarial and administrative services provided, the Board considers that the continued appointment of the Manager on the stated terms is in the best interests of the Company and its Shareholders.

Following the statement by the Chancellor of the Exchequer in the March 2008 Budget, Her Majesty's Revenue and Customs (HMRC) announced that, from 1 October 2008, all VCTs would be exempt from VAT on management fees and, in addition, VCTs would be able to be able to claim back VAT paid in the previous three years. The Manager has been in negotiations with HMRC in relation to the amount of VAT that may be reclaimed, which will then be repaid to the Company. However, this amount has still to be quantified and, therefore, the Board has not considered it appropriate to make a related accrual in the Financial Statements for the year ended 28 February 2009.

Auditors

So far as the Directors are aware, there is no relevant audit information (as defined by section 234ZA of the Companies Act 1985) of which the Company's Auditors are unaware, and each of the Directors has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

During the year ended 28 February 2009, Deloitte & Touche LLP changed its name to Deloitte LLP. Resolution 6, to re-appoint Deloitte LLP as Auditors, will be proposed at the forthcoming Annual General Meeting, along with Resolution 7, to authorise the Directors to fix their remuneration.

Purchase of Ordinary Shares

During the year ended 28 February 2009, the Company bought back 108,921 of its own shares (2008: nil), representing 0.31% of the issued share capital at 29 February 2008, at a weighted average price of 29.2p per share and an aggregate cost, including expenses, of £32,000.

A Special Resolution, numbered 8 in the Notice of Meeting, will be put to Shareholders at the Annual General Meeting for their approval to renew the Company's authority to purchase in the market a maximum of 14.99% of the shares in issue (5,299,725 Ordinary Shares) at 28 February 2009. Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing of the Resolution, whichever is the earlier. This means, in effect, that the authority will have to be renewed at the Annual General Meeting of the Company to be held in 2010.

Purchases of shares will be made within guidelines established from time to time by the Board, but only if it is considered that such purchases would be to the advantage of the Company and its Shareholders when taken as a whole. Purchases will be made in the market for cash at prices below the prevailing Net Asset Value per share. Under the Listing Rules of the UK Listing Authority, the maximum price that may be paid on the exercise of this authority must not exceed 105 per cent of the average of the middle-market quotations for the shares over the five business days immediately preceding the date of purchase. The minimum price that may be paid is 10p per share. In making purchases, the Company will deal only with member firms of the London Stock Exchange. Shares which are purchased will be held in Treasury until either being re-issued or cancelled.

Purchases of shares by the Company will be made from distributable reserves and will normally be paid out of cash balances held by the Company from time to time. As any purchases will be made at a discount to Net Asset Value at the time of purchase, the Net Asset Value of the remaining Ordinary Shares in issue should increase as a result of any such purchase.

Shares will not be purchased by the Company in the period of 60 days immediately preceding the notification of the Company's Interim Report and the 60 days immediately preceding the announcement of the Annual Report or, if shorter, the period from the end of the Company's relevant financial period up to and including the time of the relevant announcement.

Issue of new Ordinary Shares

Resolution numbered 9 in the Notice of Meeting will be put to Shareholders at the Annual General Meeting for their approval for the Company to issue up to an aggregate nominal amount of £353,550 (equivalent to 3,535,500 Ordinary Shares or 10% of the total issued share capital at 28 February 2009). Further issues of new Ordinary Shares may only be made at a premium to Net Asset Value per share, thus ensuring existing investors will not be disadvantaged by such issues. The proceeds of any issue may be used to purchase the Company's shares in the market or to fund further investments in accordance with the Company's investment policy. This authority shall expire either at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur. This means, in effect, that the authority will have to be renewed at the Annual General Meeting of the Company to be held in 2010.

When shares are to be allotted for cash, Section 89(1) of the Companies Act 1985 provides that existing Shareholders have pre-emption rights and that the new shares are offered first to such Shareholders in proportion to their existing shareholdings. However, Shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro-rata issue to existing Shareholders. Resolution 10 will, if passed, give the Directors power to allot for cash, Ordinary Shares up to an aggregate nominal amount of £353,550 (equivalent to 3,535,500 Ordinary Shares or 10% of the total issued share capital at 28 February 2009) as if Section 89(1) does not apply. This is the same amount of share capital that the Directors are seeking the authority to allot pursuant to Resolution 9. The authority will also expire either at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur. This means, in effect, that the authority will have to be renewed at the Annual General Meeting of the Company to be held in 2010. The Company will not use this authority in connection with a rights issue.

Share capital

As at 28 February 2009 the Company's share capital amounted to 35,355,071 Ordinary Shares of 10p each. Further details are included in Note 12 to the Financial Statements.

Principal activity and status

The Company is no longer an investment company within the meaning of Section 266 of the Companies Act 1985, having revoked such status with effect from 23 October 2001 in order to effect the payment of capital dividends. However, its affairs have been conducted, and will continue to be conducted, in a manner to satisfy the conditions to enable it to continue to obtain approval as a Venture Capital Trust under Section 274 of the Income Tax Act 2007. HM Revenue and Customs will grant Section 274 status, if requested, provided that the Company's affairs have been conducted in such a manner as to satisfy the conditions of that Section of the Act. Such approval was last granted in respect of the year ended 29 February 2008.

Corporate governance

The Statement of Corporate Governance is shown on pages 22 to 26.

Political and charitable donations

The Company did not make any political or charitable donations during the year ended 28 February 2009 (2008: nil).

Creditor payment policy

The Company's creditor payment policy is to agree terms of payment before business is transacted, to ensure suppliers are aware of these terms and to settle bills in accordance with them. The Company did not have any material trade creditors at the year end.

Financial instruments

The Company's financial instruments comprise its investment portfolio, cash balances and debtors and creditors that arise directly from its operations, including accrued income and purchases and sales awaiting settlement. The main risks that the Company faces arising from its financial instruments are disclosed in Note 18 to the Financial Statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in this Directors' Report, and the financial position of the Company is described in the Chairman's Statement. In addition, Note 18 to the Financial Statements includes the Company's objectives, policies and processes for managing its financial risks; details of its financial instruments; and its exposures to market price risk, interest rate risk, liquidity risk and credit risk. The Directors believe that, despite the current economic outlook, the Company is well placed to manage its business risks.

Having made suitable enquiries, the Directors have a reasonable expectation that the Company has adequate financial resources to enable it to continue in operational existence for the foreseeable future and, accordingly, they have continued to adopt the going concern basis when preparing the Annual Report and Financial Statements.

Annual General Meeting

The Annual General Meeting will be held on 7 July 2009, and the Notice of Meeting is contained on pages 42 to 44.

149 St Vincent Street
Glasgow
G2 5NW
8 June 2009

By order of the Board
Aberdeen Asset Management PLC
Secretary

Directors' Remuneration Report

The Board has prepared this report, in accordance with the requirements of Schedule 7A to the Companies Act 1985 but, where relevant, additional information has been provided in line with the requirements of the Companies Act 2006 that came into effect for financial years beginning on or after 6 April 2008, even although the Company does not yet have to comply with these new requirements. An Ordinary Resolution for the approval of this report will be put to the Members of the Company at the forthcoming Annual General Meeting.

The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report on page 28.

Remuneration Committee

At 28 February 2009, the Company had four non-executive Directors and their biographies are shown in the Your Board section of the Annual Report. The whole Board fulfils the function of a Remuneration Committee, which is chaired by Sir Charles Stuart-Menteth Bt. The names of the Directors who served during the year together with the fees paid during the year are shown in the table opposite.

During the year ended 28 February 2009, the Board was not provided with advice or services by any person in respect of its consideration of the Directors' remuneration. However, in the application of the Boards policy on Directors' remuneration, as defined below, the Committee expects, from time to time, to review the fees paid to the directors of other venture capital trust companies.

Policy on Directors' remuneration

The Board's policy is that the remuneration of the Directors, all of whom are non-executive, should reflect the experience of the Board as a whole and be fair and comparable to that of other venture capital trusts with a similar capital structure and similar investment objectives. It is intended that this policy will continue for the year ended 28 February 2010 and subsequent years.

The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears, to the Director personally or to a third party specified by him or her. The fees for the Directors are determined within the limits set out in the Company's Articles of Association, which limit the aggregate of the fees payable to the Directors to £100,000 per annum. The Company's policy is that fees payable to the Directors should reflect the time spent by them on the Company's affairs and should be sufficient to enable candidates of a high quality to be recruited. Non-executive Directors do not receive bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

During the year ended 29 February 2008, the Remuneration Committee carried out a review of the remuneration policy and the level of Directors' fees and concluded that, with effect from 1 March 2008, the amounts payable per annum should increase to £17,000 (previously £16,000) for the Chairman and £14,000 (previously £12,000) for each other Director, with an additional increment of £1,000 (previously £500) per annum payable to reflect the additional work undertaken by the Chairman of the Audit Committee. It was also agreed that the policy would be to continue to review these rates from time to time.

Directors' and Officers' liability insurance

The Company purchases and maintains liability insurance covering the Directors and Officers of the Company. This insurance is not a benefit in kind, nor does it form part of the Directors' remuneration.

Directors' service contracts

None of the Directors has a contract of service or contract for services and a Director may resign by giving notice in writing to the Board at any time; there are no set notice periods. All Directors are appointed for an initial period of three years; this period may be varied by mutual consent.

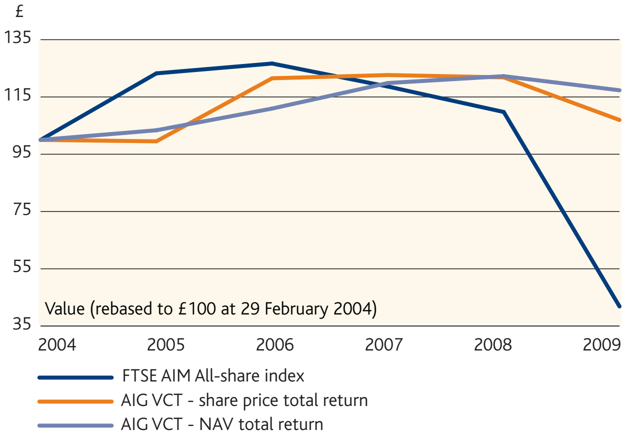
The Articles of Association provide that, at the Annual General Meeting each year, one third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to one third) shall be subject to retirement by rotation. Directors, therefore, shall retire and be subject to re-election at the first Annual General Meeting following their appointment and, thereafter, shall be obliged to retire by rotation, with the option to offer themselves for re-election, at least once every three years.

No compensation is payable for loss of office, save any arrears of fees which may be due.

Company performance

The graph opposite compares the total return on an investment of £100 in the Ordinary Shares of the Company, for each annual accounting period for the five years to 28 February 2009, assuming all dividends are reinvested, with the total shareholder return on a notional investment of £100 made up of shares of the same kinds and number as those by reference to which the FTSE AIM All-share index is calculated. This index was chosen for comparison purposes as it is the most relevant to the Company's investment portfolio.

Total return performance



Source: Aberdeen Asset Management PLC/Factset

Please note that past performance is not necessarily a guide to future performance.

Directors' emoluments for the year (audited)

The Directors who served during the year received the following emoluments in the form of fees:

	Year ended 28 February 2009 £	Year ended 29 February 2008 £
Chairman:		
Fiona E Wollocombe	17,000	16,000
Directors:		
Arthur G MacMillan	15,000	12,500
John D W Pocock	14,000	12,000
Sir Charles G Stuart-Menteth Bt	14,000	12,000
Anthony E Whitworth (retired 17 July 2007)	–	4,545
Total	60,000	57,045

No Director has received any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 28 February 2009 (2008: £nil).

Approval

The Directors' Remuneration Report was approved by the Board of Directors and signed on its behalf by:

Fiona E Wollocombe
Director

8 June 2009

Statement of Corporate Governance

The Company is committed to a high standard of corporate governance. The Board has put in place a framework for corporate governance that it believes is appropriate for a venture capital trust and which enables it to comply with the Combined Code, published in July 2006. The Listing Rules of the UK Listing Authority require the Board to report on compliance with the provisions of the Combined Code and this statement describes how the principles and supporting principles identified in the Combined Code have been applied by the Company during the year ended 28 February 2009, except where disclosed below.

The exception to Compliance with the Combined Code was that a senior non-executive Director has not been appointed (Code requirement A3.3) as the Board considers that each of the Directors has different qualities and areas of expertise on which they may lead. Consequently, no individual has unfettered powers of decision.

In addition, it should be noted that Mr MacMillan has declared an interest as non-executive Chairman of MoneyPlus Group Limited, and its successor company Dalgen 1148 Limited, a business in which both he and the Company have an investment.

The Board

The Board currently consists of four Directors, all of whom are considered to be independent of the investment manager (Aberdeen Asset Managers, or the Manager) and free of any relationship which could materially interfere with the exercise of their independent judgement. The biographies of the Directors appear in the Your Board section of this report and indicate their high level and range of investment, industrial, commercial and professional experience.

The Board sets the Company's values and objectives and ensures that its obligations to Shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. These matters include:

- the appointment and removal of the Manager and the terms and conditions of any management and administration agreements;
- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company;
- Companies Act requirements such as the approval of the Interim and Annual Financial Statements and the approval and recommendation of interim and final dividends;
- major changes relating to the Company's structure, including share buy-backs and share issues;
- Board appointments and related matters;
- terms of reference and membership of Board Committees; and
- Stock Exchange, UK Listing Authority and Financial Services Authority matters, such as approval of all circulars, listing particulars and releases concerning matters decided by the Board.

As required by the Companies Act 2006 and permitted by the Articles of Association, Directors notify the Company of any situation which might give rise to a potential for a conflict of interest, so that the Board may consider and, if appropriate, approve such situations. A register of potential conflicts of interest for Directors has been created, which will be reviewed regularly by the Board. Directors notify the Company whenever there is a change in the nature of a registered conflict, or whenever a new conflict situation arises.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense.

The Directors have access to the advice and services of the corporate Company Secretary through its appointed representatives who are responsible to the Board for:

- ensuring that Board procedures are complied with;
- under the direction of the Chairman, ensuring good information flows within the Board and its Committees; and
- advising on corporate governance matters.

An induction meeting will be arranged by the Manager on the appointment of any new Director, covering details about the Company, the Manager, legal responsibilities and venture capital industry matters. Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise.

The Chairman of the Company is a non-executive Director and is Chairman of the Management Engagement and Nomination Committees as the other Directors considers that she has the skills and experience relevant to these roles.

The Board meets at least four times each year and, between Meetings, maintains regular contact with the Manager. The primary focus of quarterly Board Meetings is a review of investment performance and related matters including asset allocation, peer group information and industry issues. During the year ended 28 February 2009, the Board held four quarterly Board Meetings and two Meetings by telephone. In addition, there were two Meetings of the Audit Committee and one each of the Management Engagement, Nomination and Remuneration Committees.

Directors have attended Board and Committee Meetings during the year ended 28 February 2009 as follows:

Director	Board	Audit Committee	Management Engagement Committee	Nomination Committee	Remuneration Committee
Fiona E Wollocombe (Chairman)	6	2	1	1	1
Arthur G MacMillan	6	2	1	1	1
John D W Pocock	6	2	1	1	1
Sir Charles G Stuart-Menteth Bt	5	2	1	1	1

Meetings of the Management Engagement Nomination and Remuneration Committees were held on 22 January 2009 to review, among other things, the performance of the Manager and the effectiveness of the Board and its Committees.

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including the Manager's review and discussion documents regarding specific matters. The Directors make further enquiries when necessary.

The Board and its Committees have undertaken a process for their annual performance evaluation, using questionnaires and discussion to ensure that Directors have devoted a sufficient time and contribute adequately to the work of the Board and its Committees. The Chairman is subject to evaluation by her fellow Directors.

Directors' terms of appointment

All non-executive Directors are appointed for an initial term of three years, subject to re-election and Companies Act provisions, and in accordance with the Articles of Association stand for election at the first Annual General Meeting following their appointment. The Articles of Association also state that Directors must offer themselves for re-election at least once every three years.

Policy on tenure

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make and, therefore, the length of service will be determined on a case by case basis.

Committees

Each of the Committees has been established with written terms of reference and comprise the full Board, the members of which are all independent and free from any relationship that would interfere with important judgement in carrying out their responsibilities. The terms of reference of each of the Committees, which are available on request from the Registered Office of the Company, are reviewed and re-assessed for their adequacy at each Meeting.

Audit Committee

The Audit Committee, chaired by Mr MacMillan, held two Meetings during the year ended 28 February 2009. The Board is satisfied that at least one member of the Committee has recent and relevant financial experience.

The terms of reference of the Audit Committee include:

- the review of the effectiveness of the internal control environment of the Company, including the receiving of reports from internal and external auditors on a regular basis;
- the review of the Interim and Annual Reports and Financial Statements;
- the review of the terms of appointment of the Auditors, together with their remuneration, including any non-audit services provided by the Auditors;
- the review of the scope and results of the audit and the independence and objectivity of the Auditors;
- the review of the Auditors' Board Report and any required response;
- meetings with representatives of the Manager; and
- making appropriate recommendations to the Board.

At each Meeting, the Audit Committee examined the Annual or Interim report and Financial Statements, reviewed the Company's internal controls and reviewed the scope of the audit and the Auditor's management report to the Board. No significant weaknesses in the control environment were identified.

Statement of Corporate Governance continued

The Company has in place a policy governing and controlling the provision of non-audit services by the external Auditors, so as to safeguard their independence and objectivity. Shareholders are asked to approve the re-appointment, and the Directors' responsibility for the remuneration, of the Auditors at each Annual General Meeting. Any non-audit work, other than interim reviews, requires the specific approval of the Audit Committee in each case. Non-audit work, where independence may be compromised or conflicts arise, is prohibited and the Audit Committee considers the external Auditors, Deloitte LLP which also provides tax services to the Company, to be independent.

Details of the amounts paid to the Auditors during the year for audit and other services are set out in Note 4 to the Financial Statements.

Management Engagement Committee

The Management Engagement Committee is chaired by the Chairman of the Company and annually reviews the management contract with Aberdeen Asset Managers Limited, details of which are shown in the Directors' Report. There was one Meeting held during the year ended 28 February 2009, at which the Committee considered the management contract and recommended the continued appointment of the Manager.

Nomination Committee

The Chairman of the Company is Chairman of the Nomination Committee and one Meeting was held during the year ended 28 February 2009.

The Committee makes recommendations to the Board on the following matters:

- the evaluation of the performance of the Board and its Committees;
- succession planning;
- the identification and nomination of candidates to fill Board vacancies, as and when they arise, for the approval of the Board;
- the re-appointment of any non-executive Director at the conclusion of their specified term of office;
- the re-election by Shareholders of any Director under the retirement by rotation provisions in the Company's Articles of Association;
- the continuation in office of any Director at any time; and
- the appointment of any Director to another office, such as Chairman of the Audit Committee, other than to the position of Chairman.

At its Meeting in January 2009, the Nomination Committee recommended to the Board the re-election of Mr Pocock and Sir Charles G Stuart-Menteth Bt at the Annual General Meeting for the following reasons:

- Mr Pocock has extensive experience in the information technology, financial services and investment trust sectors and displays a committed and independent approach to the business of the Company; and
- Sir Charles G Stuart-Menteth Bt has considerable knowledge of corporate finance and also displays a committed and independent approach to the business of the Company.

The Board has endorsed these recommendations and, accordingly, Resolutions 4 and 5 will be put to the Annual General Meeting.

Remuneration Committee and Directors' Remuneration

Where a venture capital trust has only non-executive directors, the Combined Code principles relating to directors' remuneration do not apply. However, the Company does have a Remuneration Committee, comprising the full Board and which is chaired by Sir Charles G Stuart-Menteth Bt. The Committee held one meeting during the year ended 28 February 2009 to review the policy for, and the level of, Directors' Remuneration.

The level of remuneration for the Directors has been set in order to attract and retain individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' Remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report.

Internal control

The Board of Directors of Aberdeen Income and Growth VCT PLC has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. As the Directors have delegated the investment management, company secretarial and administrative functions of the Company to Aberdeen Asset Managers Limited and Aberdeen Asset Management PLC, the Board considers that it is appropriate for the Company's internal controls to be monitored by the internal audit team of Aberdeen Asset Management PLC, rather than by the Company itself. The Directors confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company, which has been in place for the full year under review and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board and accords with the guidance for directors on internal control "Internal Control: Guidance for Directors on the Combined Code" (the Turnbull Guidance).

The Board has reviewed the effectiveness of the system of internal control and, in particular, it has reviewed the process for identifying and evaluating the significant risks affecting the Company and the policies and procedures by which these risks are managed. The Directors have delegated the management of the Company's assets to the Manager and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the internal audit function of Aberdeen Asset Management PLC, which undertakes periodic examination of business processes, including compliance with the terms of the Management and Administration Deed, and ensures that recommendations to improve controls are implemented.

Risks are identified through a risk management framework by each function within the Manager's and Secretary's activities. Risk is considered in the context of the Turnbull Guidance and includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk model identify those functions most appropriate for review. Any errors or weaknesses identified are reported to the Company and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The key components designed to provide effective internal control for the year under review and up to the date of this report are:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted regularly to the Board;
- the Manager's evaluation procedure and financial analysis of the companies concerned include detailed appraisal and due diligence;
- as a matter of course, the compliance and internal audit teams of Aberdeen Asset Management PLC continually review the Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers; and
- the Board carries out a six-monthly assessment of internal controls by considering reports from the internal audit and compliance functions of Aberdeen Asset Management PLC, taking account of events since the relevant period end.

In addition, the Manager ensures that clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations. The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business goals and, by their nature, can provide reasonable, but not absolute, assurance against material misstatement of loss.

External agencies

The Board has contractually delegated to external agencies, including the Manager, certain services: the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the registration services and the day to day accounting and company secretarial requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers reports from the Manager and other external agencies on a regular basis. In addition, ad hoc reports and information are supplied to the Board as requested.

Accountability and audit

The Statement of Directors' Responsibilities in Relation to the Financial Statements is on page 27 and a statement of going concern is included in the Directors' Report on page 19. The Independent Auditors' Report is on page 28 and it should be noted that the Auditors, Deloitte LLP, rotate the partner responsible for the Company's audit every five years.

Exercise of voting powers

The Directors believe that the exercise of voting rights lies at the heart of regulation and the promotion of corporate governance and, therefore, the Board has given discretionary voting powers to the Manager to vote in respect of the holdings in the Company's investment policy.

Socially responsible investment policy

The Directors are aware of their duty to act in the interests of the Company. They acknowledge that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner and the Directors, therefore, ensure that they take regular account of the social environment and ethical factors that may affect the performance or value of the Company's investments.

Communication with Shareholders

The Company places a great deal of importance on communication with its Shareholders. The Annual General Meeting is an event at which all Shareholders are welcome to attend and participate. The Notice of Meeting sets out the business of the Annual General Meeting and the Resolutions are explained more fully in the Directors' Report and in the Directors' Remuneration Report. Separate Resolutions are proposed for each substantive issue and Shareholders have the opportunity to put questions to the Board and to the Manager. The results of proxy voting are relayed to Shareholders after each Resolution has been voted on by a show of hands. Nominated persons, often the beneficial owners of shares held for them by nominee companies, may attend Shareholder Meetings and are invited to contact the registered shareholder, the nominee company, in the first instance in order to be nominated to attend the Meeting and to vote in respect of the shares held for them. It is in the nature of a venture capital trust that it generally has no major shareholders.

As required under the Combined Code, the Annual Report is normally posted to Shareholders at least twenty business days before the Annual General Meeting. Annual and Interim Reports and Financial Statements are distributed to Shareholders and other parties who have an interest in the Company's performance. Shareholders and investors may obtain up-to-date information on the Company through the Manager and the Company responds to letters from Shareholders on a wide range of issues. Shareholders also have direct access to the Company via the telephone service run by the Manager, and the Company and the Manager will respond to letters from Shareholders. In order to ensure that the Directors develop an understanding of the views of Shareholders, correspondence between the Manager or the Chairman and Shareholders is copied to the Board. The Company's web pages are hosted on Aberdeen's website, and can be visited at www.aigvct.co.uk from where Annual and Interim Reports, Stock Exchange Announcements and other information can be viewed, printed or downloaded. Access to further information about the Manager can be gained from www.aberdeenasset.com/privateequity.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, Directors' Remuneration 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. Under that law 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). The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the net return 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that 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 1985. 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the Annual Report and Financial Statements

The Directors believe that, to the best of their knowledge:

- the Financial Statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities and financial position of the Company as at 28 February 2009 and for the year to that date; and
- the Directors' Report includes a fair review of the development and performance of the Company, together with a description of the principal risks and uncertainties that it faces.

By order of the Board
Aberdeen Asset Management PLC
Secretary
8 June 2009

Independent Auditors' Report to the Members of Aberdeen Income and Growth VCT PLC

We have audited the Financial Statements of Aberdeen Income and Growth VCT PLC for the year ended 28 February 2009 which comprise the Income Statement, Reconciliation of Movements in Shareholders' Funds, Balance Sheet, Cash Flow Statement and the related Notes 1 to 18.

These Financial Statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Financial Statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the Financial Statements give a true and fair view and whether the Financial Statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the Financial Statements. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement and the Investment Manager's Review that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited Financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Financial Statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 28 February 2009 and of its return for the year then ended;
- the Financial Statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Financial Statements.

Deloitte LLP
Chartered Accountants and Registered Auditors
Glasgow
United Kingdom
8 June 2009

Income Statement

For the year ended 28 February 2009

	Notes	Year ended 28 February 2009 Revenue £'000	Capital £'000	Total £'000	Year ended 29 February 2008 Revenue £'000	Capital £'000	Total £'000
Investment income and deposit interest	2	1,509	–	1,509	1,677	–	1,677
Investment management fees	3	(62)	(250)	(312)	(67)	(270)	(337)
Other expenses	4	(204)	–	(204)	(221)	–	(221)
Losses on investments	8	–	(3,000)	(3,000)	–	(360)	(360)
Profit/(loss) on ordinary activities before taxation		1,243	(3,250)	(2,007)	1,389	(630)	759
Tax on ordinary activities	5	(176)	(46)	(222)	(395)	343	(52)
Profit/(loss) on ordinary activities after taxation		**1,067**	**(3,296)**	**(2,229)**	**994**	**(287)**	**707**
Earnings per share (pence)	7	**3.0**	**(9.3)**	**(6.3)**	**2.8**	**(0.8)**	**2.0**

A Statement of Total Recognised Gains and Losses has not been prepared, as all gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

The total column of this Statement is the Profit and Loss Account of the Company.

Reconciliation of Movements in Shareholders' Funds

For the year ended 28 February 2009

	Notes	Year ended 28 February 2009 £'000	Year ended 29 February 2008 £'000
Opening Shareholders' funds		25,802	28,745
Total (loss)/profit for year		(2,229)	707
Repurchase and cancellation of shares	13	(32)	–
Dividends paid - revenue	6	(1,170)	(461)
Dividends paid - capital	6	–	(3,189)
Closing Shareholders' funds		**22,371**	**25,802**

The accompanying Notes are an integral part of the Financial Statements.

Balance Sheet

As at 28 February 2009

	Notes	28 February 2009 £'000	28 February 2009 £'000	29 February 2008 £'000	29 February 2008 £'000
Investments at fair value through profit or loss	8		20,832		25,002
Current assets					
Debtors	10	802		617	
Cash and overnight deposits		1,110		272	
		1,912		889	
Creditors					
Amounts falling due within one year	11	373		89	
Net current assets			1,539		800
Net assets			**22,371**		**25,802**
Capital and reserves					
Called up share capital	12		3,535		3,546
Share premium account	13		17,235		17,235
Realised capital reserve	13		(568)		2,287
Unrealised capital reserve	13		(7,833)		(7,392)
Capital redemption reserve	13		350		339
Profit and loss account	13		9,652		9,787
Net assets attributable to Ordinary Shareholders			**22,371**		**25,802**
Net Asset Value per Ordinary Share (pence)	14		**63.3**		**72.8**

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

Fiona E Wollocombe
Director

8 June 2009

The accompanying Notes are an integral part of the Financial Statements.

Cash Flow Statement

For the year ended 28 February 2009

	Notes	Year ended 28 February 2009 £'000	£'000	Year ended 29 February 2008 £'000	£'000
Operating activities					
Investment income received		1,314		1,355	
Deposit interest received		23		74	
Investment management fees paid		(232)		(789)	
Secretarial fees paid		(44)		(50)	
Directors expenses paid		(60)		(57)	
Other cash payments		(74)		(112)	
Net cash inflow from operating activities	15		927		421
Taxation					
Corporation tax		(43)		–	
			(43)		–
Financial investment					
Purchase of investments		(5,349)		(15,640)	
Sale of investments		6,505		12,219	
Net cash inflow/(outflow) from financial investment			1,156		(3,421)
Equity dividends paid			(1,170)		(3,650)
Net cash inflow/(outflow) before financing			870		(6,650)
Financing					
Repurchase of Ordinary Shares		(32)		–	
Net cash outflow from financing			(32)		–
Increase/(decrease) in cash	16		**838**		**(6,650)**

The accompanying Notes are an integral part of the Financial Statements.

Notes to the Financial Statements

For the year ended 28 February 2009

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1 Accounting Policies - UK Generally Accepted Accounting Practice

(a) Basis of preparation

The Financial Statements have been prepared under the historical cost convention, modified to include the revaluations, eg investments, and in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (the SORP) issued in 2005. The disclosures on going concern in the Directors' Report form part of these Financial Statements.

(b) Income

Dividends receivable on equity shares and unit trusts are treated as revenue for the period on an ex-dividend basis. Where no ex-dividend date is available dividends receivable on or before the year end are treated as revenue for the period. Provision is made for any dividends not expected to be received. The fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective interest rate on the debt securities and shares. Provision is made for any fixed income not expected to be received. Interest receivable from cash and short term deposits and interest payable are accrued to the end of the year.

(c) Expenses

All expenses are accounted for on an accruals basis and charged to the Income Statement. Expenses are charged through the revenue account except as follows:

- expenses which are incidental to the acquisition and disposal of an investment are charged to capital; and
- expenses are charged to realised capital reserves where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect, the investment management fee has been allocated 20% to revenue and 80% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.

(d) Taxation

Deferred taxation 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 right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the Financial Statements which are capable of reversal in one or more subsequent periods.

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

The tax effect of different items of income/gain and expenditure/loss is allocated between capital reserves and revenue account on the same basis as the particular item to which it relates using the Company's effective rate of tax for the period.

(e) Investments

In valuing unlisted investments the Directors follow the criteria set out below. These procedures comply with the revised International Private Equity and Venture Capital Valuation Guidelines for the valuation of private equity and venture capital investments. Investments are recognised at their trade date and are valued at fair value, which represent the Directors' view of the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. This does not assume that the underlying business is saleable at the reporting date or that its current shareholders have an intention to sell their holding in the near future..

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

1. For investments completed within the 12 months prior to the reporting date and those at an early stage in their development, fair value is determined using the Price of Recent Investment Method, except that adjustments are made when there has been a material change in the trading circumstances of the company or a substantial movement in the relevant sector of the stock market.

2. Whenever practical, recent investments will be valued by reference to a material arm's length transaction or a quoted price.

3. Mature companies are valued by applying a multiple to their fully taxed prospective earnings to determine the enterprise value of the company.

   3.1 To obtain a valuation of the total ordinary share capital held by management and the institutional investors, the value of third party debt, institutional loan stock, debentures and preference share capital is deducted from the enterprise value. The effect of any performance related mechanisms is taken into account when determining the value of the ordinary share capital.

   3.2 Preference shares, debentures and loan stock are valued using the Price of Recent Investment Method. When a redemption premium has accrued, this will only be valued if there is a reasonable prospect of it being paid. Preference shares which carry a right to convert into ordinary share capital are valued at the higher of the Price of Recent Investment Method basis and the price/earnings basis, both described above.

4. Where there is evidence of impairment, a provision may be taken against the previous valuation of the investment.

5. In the absence of evidence of a deterioration, or strong defensible evidence of an increase in value, the fair value is determined to be that reported at the previous balance sheet date.

6. All unlisted investments are valued individually by the Portfolio Management Team of the Manager. The resultant valuations are subject to detailed scrutiny and approval by the Directors of the Company.

7. In accordance with normal market practice, investments listed on the Alternative Investment Market or a recognised stock exchange are valued at their bid market price.

(f) Gains and losses on investments
When the Company revalues its investments during the year, any gains or losses arising are credited/charged to the Income Statement.

2 Investment income and deposit interest	**Year ended 28 February 2009 £'000**	**Year ended 29 February 2008 £'000**
Income from investments:		
UK franked investment income	50	60
UK unfranked investment income	944	1,440
Income from unlisted participating interests	461	87
	1,455	1,587
Interest receivable and similar income:		
Deposit interest	25	72
Other income	29	18
	54	90
Total income	**1,509**	**1,677**

		Year ended 28 February 2009			Year ended 29 February 2008		
		Revenue	Capital	Total	Revenue	Capital	Total
3	**Investment management fees**	£'000	£'000	£'000	£'000	£'000	£'000
	Minimum investment management fees	60	241	301	57	230	287
	Performance based investment management fees	–	–	–	–	–	–
		60	241	301	57	230	287
	Irrecoverable VAT	2	9	11	10	40	50
		62	**250**	**312**	**67**	**270**	**337**

Details of the fee basis are contained in the Directors' Report.

With effect from 1 October 2008, VAT is no longer payable on investment management fees and HMRC has confirmed that VAT paid in the previous three years may be reclaimed by the Manager for repayment to the Company. At the balance sheet date, discussions are underway between the Company, the Manager and HMRC to confirm the amount which will be repaid to the Company. As the amount to be recovered has not yet been measured accurately, no asset has been recognised in the Financial Statements.

		Year ended 28 February 2009			Year ended 29 February 2008		
		Revenue	Capital	Total	Revenue	Capital	Total
4	**Other expenses**	£'000	£'000	£'000	£'000	£'000	£'000
	Secretarial fees	58	–	58	50	–	50
	Directors' remuneration	60	–	60	57	–	57
	Fees to Auditors - audit services	13	–	13	11	–	11
	Fees to Auditors - tax services	3	–	3	2	–	2
	Irrecoverable VAT	–	–	–	17	–	17
	Miscellaneous expenses	70	–	70	84	–	84
		204	**–**	**204**	**221**	**–**	**221**

		Year ended 28 February 2009			Year ended 29 February 2008		
		Revenue	Capital	Total	Revenue	Capital	Total
5	**Tax on ordinary activities**	£'000	£'000	£'000	£'000	£'000	£'000
	Corporation tax	(176)	(46)	(222)	(395)	343	(52)

Factors affecting the tax charge for the year

The tax charge for the year shown in the Profit and Loss Account is lower than the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are explained below:

	Year ended 28 February 2009 £'000	Year ended 29 February 2008 £'000
Profit on ordinary activities before tax	**1,243**	**1,389**
Profit on ordinary activities multiplied by standard rate of corporation tax	348	417
Smaller companies relief	(4)	(3)
Adjustment from 2008	(9)	–
Effect of income not subject to taxation	(39)	(19)
Relief from capital	(74)	(343)
	222	**52**

No provision for deferred tax has been made in the current or prior accounting period.

The Company has not recognised a deferred tax asset of £nil (2008: £nil) arising as a result of having unutilised management expenses.

6 Dividends	Year ended 28 February 2009 £'000	Year ended 29 February 2008 £'000
Amounts recognised as distributions to equity Shareholders in the year:		
Revenue dividends		
Final revenue dividend for the year ended 29 February 2008 of 2.3p (2007: 0.8p) paid on 25 July 2008	816	284
Interim revenue dividend for the year ended 28 February 2009 of 1.0p (2008: 0.5p) paid on 12 December 2008	354	177
	1,170	**461**
Capital dividends		
Interim capital dividend for the year ended 29 February 2008 of Nil (2007: 4.0p)	–	1,419
Final capital dividend for the year ended 29 February 2008 of Nil (2007: 2.0p)	–	709
Interim capital dividend for the year ended 28 February 2009 of Nil (2008: 3.0p)	–	1,061
	–	**3,189**

We set out below the total revenue dividends paid and proposed 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.

Revenue dividends		
Revenue available for distribution by way of dividends for the year	**1,067**	**994**
Final revenue dividend proposed for the year ended 28 February 2009 of 2.0p (2008: 2.3p) payable on 24 July 2009.	**709**	**816**

7 Earnings per share	Year ended 28 February 2009	Year ended 29 February 2008
The returns per share have been based on the following figures:		
Weighted average number of Ordinary Shares	35,461,258	35,463,992
Revenue return	£1,067,000	£994,000
Capital return	(£3,296,000)	(£287,000)
Total return	**(£2,229,000)**	**£707,000**

Notes to the Financial Statements continued

8 Investments	Listed £'000	Year ended 28 February 2009 Unlisted and AIM/PLUS £'000	Total £'000
Valuation at 1 March 2008	2,492	22,510	25,002
Unrealised (gain)/loss	(7)	8,074	8,067
Cost at 1 March 2008	2,485	30,584	33,069
Purchases	2,622	2,727	5,349
Sales	(2,267)	(4,238)	(6,505)
Realised gains	11	(2,570)	(2,559)
Amortisation of book cost	(14)	–	(14)
Cost at 28 February 2009	2,837	26,503	29,340
Unrealised gain/(loss)	84	(8,592)	(8,508)
Valuation at 28 February 2009	**2,921**	**17,911**	**20,832**

	28 February 2009 £'000	29 February 2008 £'000
Realised (losses)/gains on historical basis	(2,559)	1,762
Realised provision for investment guarantee	–	45
Net movement in unrealised loss	(441)	(2,167)
Losses on investments	**(3,000)**	**(360)**

9 Participating Interests

The principal activity of the Company is to select and hold a portfolio of investments in unlisted securities. Although the Company will, in some cases, be represented on the board of an investee company, it will not take a controlling interest or become involved in its management. The size and structure of the companies with unlisted securities may result in certain holdings in the portfolio representing a participating interest without there being any partnership, joint venture or management consortium agreement.

9 Participating Interests (continued)

At 28 February 2009 the Company held shares amounting to 20% or more of the nominal value of the equity capital of the following undertakings:

Investment	% of class held	% of equity held	Total cost £'000	Carrying value £'000	Latest accounts period end	Aggregate capital and reserves £'000	Profit/(loss) after tax for period £'000
	28 February 2009						
Energy Services Investment Group Limited							
71,250 A ordinary shares	35.6	28.5	745	745	N/A	N/A	N/A
£656,250 loan stock	37.5						
House of Dorchester Holdings Limited							
975 A ordinary shares	32.5	44.2	910	1,725	31/12/08	1,009	221
1,235 B ordinary shares	61.8						
650 preference shares	65.0						
£454,350 secured loan stock 2009	65.0						
£260,000 secured loan stock 2012	65.0						
Transys Holdings Limited							
27,205,705 B ordinary shares	44.1	31.7	2,721	2,100	31/12/08	377	(482)
4,487 preference shares	44.9						
1,361,443 redeemable preference shares	100.0						
£1,082,571 loan stock	26.4						

The results of the above companies have not been incorporated in the Income Statement except to the extent of any income received and receivable.

Other funds managed by members of the Aberdeen Asset Management group are also invested in the above companies.

No audited accounts are yet available in respect of Energy Services Investment Group Limited.

The Company also holds shares or units amounting to 3% or more of the nominal value of the alloted shares or units of any class of certain investee companies.

Details of the equity percentages held are shown in the Investment Portfolio Summary.

10 Debtors

	28 February 2009 £'000	29 February 2008 £'000
Current taxation	2	7
Prepayments and accured income	800	610
	802	**617**

11 Creditors

	28 February 2009 £'000	29 February 2008 £'000
Amounts falling due within one year:		
Accruals	142	37
Corporation tax payable	231	52
	373	**89**

Notes to the Financial Statements continued

12 Share capital	28 February 2009 Number	28 February 2009 £'000	29 February 2008 Number	29 February 2008 £'000
At end February the authorised share capital comprised:				
allotted, issued and fully paid:				
Ordinary Shares of 10p each				
Balance brought forward	35,463,992	3,546	35,463,992	3,546
Repurchased and cancelled in year	(108,921)	(11)	–	–
Balance carried forward	35,355,071	3,535	35,463,992	3,546
Unissued unclassified shares of 10p each	24,644,929	2,465	24,536,008	2,454
	60,000,000	**6,000**	**60,000,000**	**6,000**

During the year, 108,921 Ordinary Shares (2008: nil) of 10p each were repurchased by the Company at a total cost of £32,001 (2008: £nil) and cancelled.

	Year ended 28 February 2009				
13 Movement in reserves	Share premium account £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 March 2008	17,235	2,287	(7,392)	339	9,787
Losses on sales of investments	–	(2,559)	–	–	–
Tax effect of capital items	–	(46)	–	–	–
Investment management fees	–	(250)	–	–	–
Net increase in value of investments	–	–	(441)	–	–
Dividends paid	–	–	–	–	(1,170)
Repurchase and cancellation of shares	–	–	–	11	(32)
Profit on ordinary activities after taxation	–	–	–	–	1,067
At 28 February 2009	**17,235**	**(568)**	**(7,833)**	**350**	**9,652**

14 Net Asset Value per Ordinary Share

The Net Asset Value per Ordinary Share and the Net Asset Value attributable to the Ordinary Shares at the year end calculated in accordance with the Articles of Association were as follows:

	28 February 2009		29 February 2008	
	Net Asset Value per share p	Net Asset Value attributable £'000	Net Asset Value per share p	Net Asset Value attributable £'000
Ordinary Shares	**63.3**	**22,371**	**72.8**	**25,802**

The number of Ordinary Shares used in this calculation is set out in Note 12.

15 Reconciliation of net return before taxation to net cash inflow from operating activities	Year ended 28 February 2009 £'000	Year ended 29 February 2008 £'000
(Loss)/gain on ordinary activities before taxation	(2,007)	759
Losses on investments	3,000	360
Increase in debtors	(191)	(302)
Decrease in prepayments	1	3
Increase in accruals	105	(453)
Amortisation of fixed income investment book cost	14	(16)
Tax on unfranked income	5	70
Net cash inflow from operating activities	**927**	**421**

16 Analysis of changes in net funds	At 1 March 2008 £'000	Cash flows £'000	At 28 February 2009 £'000
Cash and overnight deposits	**272**	**838**	**1,110**

	At 1 March 2007 £'000	Cash flows £'000	At 29 February 2008 £'000
Cash and overnight deposits	**6,922**	**(6,650)**	**272**

17 Capital commitments, contingencies and financial guarantees	28 February 2009 £'000	29 February 2008 £'000
Financial guarantees	**885**	**885**

These financial guarantees represent potential further investment in unlisted securities.

18 Derivatives and other financial instruments

The Company's financial instruments comprise securities and other investments, financial commitments and guarantees, cash balances, overnight deposits and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company may not enter into derivative transactions in the form of forward foreign currency contracts, futures and options without the written permission of the Directors. It is not the Company's policy to enter into derivatives transactions. The purpose of these financial instruments is efficient portfolio management.

The main risks the Company faces from its financial instruments are (i) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement; (ii) interest rate risk; (iii) liquidity risk; and (iv) credit risk. In line with the Company's investment objective, the portfolio comprises UK securities and, therefore, has no exposure to foreign currency risk.

The Manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures below exclude short-term debtors and creditors which are included in the Balance Sheet at fair value.

(i) Market price risk

The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager in pursuance of the investment objective. Adherence to investment guidelines and to investment and borrowing powers set out in the Management Agreement mitigates the risk of excessive exposure to any particular type of security or issuer and, in particular, no purchase can be made in any one company where this would result in a holding that would exceed 7.5% of the Company's investments at the time the investment is made.

These powers and guidelines include the requirement to invest in a number of companies across a range of industrial and service sectors at varying stages of development but with the emphasis on well established businesses. The Company complied with the stated investment guidelines and borrowing powers throughout the year ended 28 February 2009.

Further information on the investment portfolio (including sector analysis, concentration and deal type analysis) is set out in the Analysis of Unlisted and AIM/PLUS Portfolio, the Investment Manager's Review, the Summary of Investment Changes, the Investment Portfolio Summary and the Ten Largest Unlisted and AIM/PLUS Investments.

(ii) Interest rate risk

28 February 2009	Fixed interest £'000	Floating rate £'000	Non-interest bearing £'000
Sterling			
Listed	2,921	–	–
Unlisted and AIM/PLUS	11,982	–	5,929
Cash	–	1,110	–
	14,903	**1,110**	**5,929**

29 February 2008	Fixed interest £'000	Floating rate £'000	Non–interest bearing £'000
Sterling			
Listed	2,492	–	–
Unlisted and AIM/PLUS	12,052	–	10,458
Cash	–	272	–
	14,544	**272**	**10,458**

The listed fixed interest assets have a weighted average life of 0.99 years (2008: 1.2 years) and weighted average interest rate of 5.32% (2008: 4.65%) per annum. These assets are held to provide liquidity for the unlisted investments. The floating rate assets consist of cash deposits on call. These assets are earning interest at prevailing money market rates. The unlisted assets have a weighted average life of 3.7 years (2008: 4.1 years) and a weighted average interest rate of 10.3% (2008: 10.2%). The non-interest bearing assets represent the equity element of the portfolio. All assets and liabilities of the Company are included in the Balance Sheet at fair value.

Maturity profile

The maturity profile of the Company's financial assets at the balance sheet date was as follows:

At 28 February 2009	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
Fixed interest							
Listed	1,663	1,258	–	–	–	–	2,921
Unlisted	134	1,074	5,043	1,271	1,969	2,491	11,982
	1,797	**2,332**	**5,043**	**1,271**	**1,969**	**2,491**	**14,903**

Within "more than 5 years" there is a figure of £1,363,000 in respect of preference shares which have no redemption date.

It is the Directors' opinion that the carrying amounts of these financial assets represent the maximum credit risk exposure at the balance sheet date.

At 29 February 2008	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
Fixed interest							
Listed	400	2,092	–	–	–	–	2,492
Unlisted	454	515	1,204	5,081	1,806	2,992	12,052
	854	**2,607**	**1,204**	**5,081**	**1,806**	**2,992**	**14,544**

Within "more than 5 years" there is a figure of £1,602,000 in respect of preference shares which have no redemption date.

It is the Directors' opinion that the carrying amounts of these financial assets represent the maximum credit risk exposure at the balance sheet date.

(iii) Liquidity risk

Due to their nature, unlisted investments may not be readily realisable; a portfolio of listed assets and cash is held to mitigate this liquidity risk.

Credit risk and interest rate risk are minimised by acquiring high-quality treasury stocks or other bonds which have a relatively short time to maturity (see Investment Portfolio Summary).

The Company, generally, does not hold significant cash balances and any cash held is with reputable banks with high-quality, external credit ratings.

(iv) Credit risk

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

The Company's financial assets exposed to credit risk amounted to the following:

	28 February 2009 £'000	29 February 2008 £'000
Investments in listed fixed interest instruments	2,921	2,492
Investments in unlisted debt securities	11,982	12,052
Cash and cash equivalents	1,110	272
	16,013	**14,816**

Credit risk arising on fixed interest instruments is mitigated by investing in UK Government Stock.

All fixed interest assets which are traded on a recognised exchange and all the Company's cash balances are held by JP Morgan Chase (JPM), the Company's custodian. Should the credit quality or the financial position of JPM deteriorate significantly the Manager will move these assets to another financial institution. The disclosures on going concern in the Directors' Report form part of these Financial Statements.

The Manager evaluates credit risk on unlisted debt securities and financial commitments and guarantees prior to investment, and as part of the ongoing monitoring of investments. In doing this, it takes into account the extent and quality of any security held. Typically, unlisted debt securities have a fixed charge over the assets of the investee company in order to mitigate the gross credit risk. The Manager receives management accounts from investee companies and members of the investment management team sit on the boards of investee companies; this enables the close identification, monitoring and management of investment specific credit risk.

There were no significant concentrations of credit risk to counterparties at 28 February 2009 or 29 February 2008.

(v) Price risk sensitivity

The following details the Company's sensitivity to a 10% increase or decrease in the market prices of AIM/PLUS quoted securities, with 10% being the Manager's assessment of a reasonable possible change in market prices.

At 28 February 2009, if market prices of listed or AIM/PLUS quoted securities had been 10% higher or lower and with all other variables held constant, the increase or decrease in net assets attributable to Ordinary Shareholders for the year would have been £494,000 (2008: £763,000) due to the change in valuation of financial assets at fair value through profit or loss.

Notice of Annual General Meeting

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your shares in Aberdeen Income and Growth VCT PLC, please forward this document, together with any accompanying documents, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Notice is hereby given that the Annual General Meeting of Aberdeen Income and Growth VCT PLC will be held on Tuesday 7 July 2009 at 2.15p.m. at Sutherland House, 149 St Vincent Street, Glasgow G2 5NW, to transact the following business:

Ordinary business

1. To receive the Directors' Report and audited Financial Statements for the year ended 28 February 2009.
2. To approve the Directors' Remuneration Report.
3. To declare a final dividend of 2.0p per Ordinary Share for payment on 24 July 2009 to Shareholders on the Register at close of business on 26 June 2009.
4. To re-elect Mr John D W Pocock[A] as a Director.
5. To re-elect Sir Charles G Stuart-Menteth Bt[A] as a Director.
6. To re-appoint Deloitte LLP as Auditors.
7. To authorise the Directors to fix the remuneration of the Auditors.

Special business

8. To consider and, if thought fit, pass the following Resolution as a Special Resolution:

   THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 166 of the Companies Act 1985 (the Act) to make one or more market purchases (within the meaning of Section 163(3) of the Act) of Ordinary Shares of 10p each in the capital of the Company (either for cancellation or for retention in Treasury for future re-issue or transfer) provided always that:

   (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 5,299,725 representing 14.99 per cent of the Company's issued Ordinary Share capital as at 28 February 2009;

   (b) the minimum price which may be paid for an Ordinary Share shall be 10p per share;

   (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be not more than the lower of: (i) Net Asset Value per share; and (ii) 105 per cent of the average of the middle market quotations for an Ordinary Share taken from, and calculated by reference to, the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date on which the Ordinary Shares are purchased; and

   (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on the expiry of 15 months from the passing of this Resolution, save that the Company may before such expiry enter into a contract to purchase Ordinary Shares which will or may be completed wholly or partly after such expiry.

9. To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

   THAT the Directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (as defined in that Section) up to an aggregate nominal amount of £353,550 (representing 10 per cent of the total Ordinary Share capital in issue on 28 February 2009) during the period expiring (unless previously revoked, varied or extended by the Company in general meeting) on the date of the next Annual General Meeting or on the expiry of 15 months from the passing of this Resolution, whichever is the first to occur, save that the Company may make offers or agreements before such expiry which would or might require relevant securities to be allotted after such expiry.

10. To consider and, if thought fit, pass the following Resolution as a Special Resolution:

THAT, subject to passing of Resolution 9 set out above, the Directors be and are hereby empowered, pursuant to Section 95 of the Companies Act 1985 (the Act), to allot equity shares (as defined in Section 94 of the Act) pursuant to the authority given in accordance with Section 80 of the Act by the said Resolution 9 as if Section 89(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities:

(a) during the period expiring on the earlier of the date of the Company's next Annual General Meeting or on the expiry of 15 months from the passing of this Resolution, whichever is the first to occur, but so that this power shall enable the Company to make offers or agreements which would or might require equity securities to be allotted after the expiry of this power; and

(b) up to an aggregate nominal amount of £353,550 (representing 10 per cent of the total Ordinary Share capital in issue on 28 February 2009).

149 St Vincent Street
Glasgow
G2 5NW
8 June 2009

By order of the Board
Aberdeen Asset Management PLC
Secretary

Notes:

1. As a member, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Meeting. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share. **A reply-paid form of proxy for your use is enclosed**.

2. To be valid, any proxy form or other instrument of proxy and any power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to **Capita Registrars, Proxy Department, PO Box 25, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4BR** so as to arrive not later than 2.15 p.m. on Friday 3 July 2009.

3. The return of a completed proxy form, or other instrument of proxy, will not prevent you attending the Meeting and voting in person if you wish to do so.

4. In accordance with Regulation 41 of the Uncertified Securities Regulations 2001, to have the right to attend and vote at the Meeting a member must first have his or her name entered in the Company's register of members by not later than 48 hours before the time fixed for the Meeting (or, in the event that the Meeting is adjourned, 48 hours before the time of the adjourned Meeting). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the Meeting referred to above.

5. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

Notice of Meeting continued

7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specifications, and must contain the information required for such instruction, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (Capita; ID: RA10) not later than 48 hours before the time fixed for the Meeting. For this purpose, the time of receipt will be taken to be 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.
8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo 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 Instruments. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. 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.
10. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that:
    (i) if a corporate Shareholder has appointed the Chairman of the Meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that Shareholder at the Meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
    (ii) if more than one corporate representative for the same corporate Shareholder attends the Meeting but the corporate Shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure.
11. Except as provided above, members who have general queries about the Meeting should write to the Company Secretary or the Registrar at appropriate address, as shown under Corporate Information in the Annual Report. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Annual Report and proxy form) to communicate with the Company for any purpose other than those expressly stated.
12. No Director has a service contract with the Company, but copies of Directors' letters of appointment will be available for inspection for at least 15 minutes prior to the Meeting and during the Meeting.

A reply-paid form of proxy for your use is enclosed.

[A] The biographies of the Directors are detailed on page 14.

The Directors' Remuneration Report, referred to in Resolution 2, is on pages 20 and 21.

Details of Resolutions 3 to 10 are contained in the Directors' Report on pages 15 to 19 as follows:

Resolution 3	Results and dividends
Resolutions 4 and 5	Directors
Resolutions 6 and 7	Auditors
Resolution 8	Purchase of Ordinary Shares
Resolutions 9 and 10	Issue of new Ordinary Shares

Registered in England and Wales - Company Number 3908220

Corporate Summary

Company profile

Aberdeen Income and Growth VCT PLC (formerly Murray VCT 4 PLC) is a venture capital trust (VCT) and a constituent of the FTSE All-Share Index. It has one class of share and was incorporated on 12 January 2000.

Investment objective

The Company aims to achieve long term capital appreciation and generate maintainable levels of income for Shareholders.

Benchmark

There is no meaningful venture capital trust index against which to compare the performance of the Company. However, for reporting to the Board and Shareholders, the Manager uses comparisons with appropriate indices and the Company's peer group.

Capital structure

The Company's issued share capital as at 28 February 2009 consisted of 35,355,071 Ordinary Shares of 10p each.

Total assets and Net Asset Value per share

At 28 February 2009, the Company had total assets of £22,371,000 and a Net Asset Value per share of 63.3p.

Dividend

A final dividend of 2.0p per share has been proposed in respect of the year ended 28 February 2009 to be paid on 24 July 2009 to Shareholders on the register at close of business on 26 June 2009.

Continuation date

The Articles of Association require the Directors to put a proposal for the continuation of the Company, in its then form, to Shareholders at the Company's tenth Annual General Meeting to be held in 2010, and thereafter at five yearly intervals.

Risks and uncertainties

Investments in smaller unlisted and AIM or PLUS quoted companies carry substantially greater risk, in terms of price and liquidity, than investments in larger companies or in companies listed on the Official List. In addition, many of the businesses in which the Company invests may be exposed to the risk of political change, exchange controls, tax or other regulations that may affect their value and marketability.

The levels and bases of tax reliefs may change.

As the volume of the Company's shares traded on the market is likely to be small, the shares may trade at a significant discount to Net Asset Value.

In order to qualify as a VCT, within the accounting period beginning not more than three years after the receipt of applications, the Company must have at least 70% by value of its investments in qualifying holdings. The Company may invest in a number of companies which are not considered to be qualifying investments for a VCT.

Further details of the Company's risk profile are contained in the Directors Report and Note 18 to the Financial Statements.

Management agreement

The Company has an agreement with Aberdeen Asset Managers Limited, a subsidiary of Aberdeen Asset Management PLC, for the provision of management, company secretarial and administrative services. Please refer to the Directors' Report and Notes 3 and 4 to the Financial Statements for details of the management and secretarial fees payable.

Share dealing

Shares in the Company can be purchased and sold in the open market through a stockbroker. Seymour Pierce Limited is stockbroker to Aberdeen Income and Growth VCT PLC.

For qualifying investors buying shares on the open market:

- dividends are free of income tax;
- no capital gains tax is payable on a disposal of shares;
- there is no minimum holding period;
- the value of shares, and income from them, can fall as well as rise;
- tax regulations and rates of taxation may be subject to change;
- VCTs tend to be invested in smaller, unlisted companies with a higher risk profile; and
- the secondary market for VCT shares can be illiquid.

Corporate Information

Directors

Fiona E Wollocombe (Chairman)
Arthur G MacMillan
John D W Pocock
Sir Charles G Stuart-Menteth Bt

Manager

Aberdeen Asset Managers Limited
Customer Services Department: 0845 300 2830
email: vcts@aberdeen-asset.com

Secretary

Aberdeen Asset Management PLC
Sutherland House
149 St Vincent Street
Glasgow G2 5NW

Points of Contact

The Chairman and/or the Company Secretary at:
Sutherland House
149 St Vincent Street
Glasgow G2 5NW

Registered Office

One Bow Churchyard
Cheapside
London EC4M 9HH

Registered in England and Wales Company Registration Number: 3908220

Registrars

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

Shareholder Helpline: 0870 162 3100
(Calls cost 10p per minute plus network extras)

Auditors

Deloitte LLP

Bankers

J P Morgan Chase Bank

Solicitors

S J Berwin

Stockbrokers

Seymour Pierce Limited

Website

www.aigvct.co.uk

Aberdeen Asset Managers Limited
10 Queen's Terrace
Aberdeen AB10 1YG
Tel 01224 631999 Fax 01224 647010

149 St. Vincent Street
Glasgow G2 5NW
Tel 0141 306 7400 Fax 0141 306 7401

Aberdeen