

Maven Income and Growth VCT PLC

Interim Report

Six months ended 31 August 2010

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Financial Highlights

Financial history

	31 August 2010	28 February 2010	31 August 2009
Net assets	£23,245,000	£21,797,000	£21,498,000
Net asset value (NAV) per Ordinary Share	61.2p	62.3p	60.8p
Dividends paid to date	38.1p	35.1p	34.1p
NAV total return (without initial tax relief) ¹	99.3p	97.4p	94.9p
NAV total return (with initial tax relief) ²	119.3p	117.4p	114.9p
Share price ³	50.0p	48.0p	37.5p
Discount to NAV	18.3%	23.0%	38.3%
Ordinary Shares in issue	37,998,258	34,976,983	35,345,071

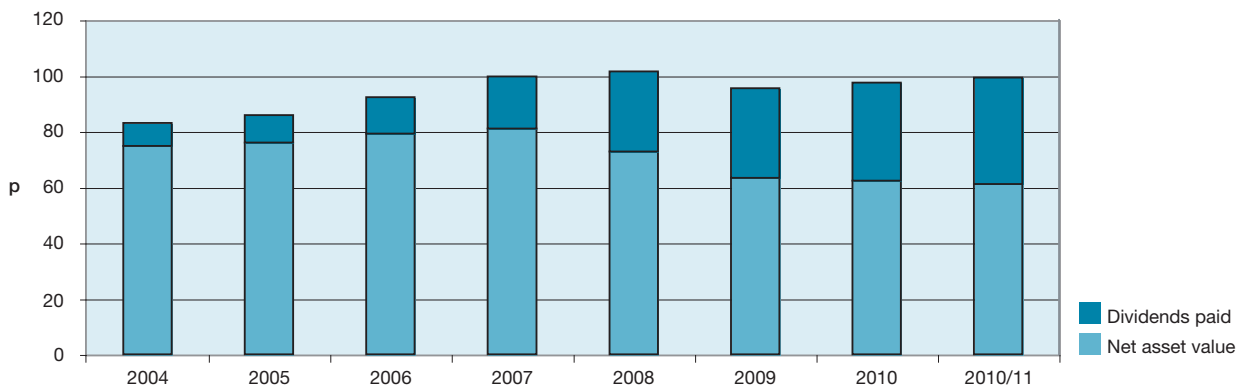
¹ Sum of current net asset value and dividends paid since launch.

² Sum of current net asset value, initial income tax relief at 20% and dividends paid since launch.

³ Mid-market price.

Source: Maven Capital Partners UK LLP, except share price (Bloomberg).

NAV total return performance



The chart shows the NAV total return per share as at the last day of February in each year, except for 2010/11 which is at 31 August 2010.

Financial Highlights (continued)

Dividend history

Year ended February	Payment date	Revenue/capital/ special	Interim/final	Rate (p)
2001	8 December 2000	Revenue	Interim	1.00
	13 July 2001	Revenue	Final	1.80
2002	7 December 2001	Revenue	Interim	1.00
	22 July 2002	Revenue	Final	1.50
2003	10 December 2002	Revenue	Interim	1.00
	18 July 2003	Revenue	Final	1.50
2004	12 December 2003	Revenue	Interim	0.50
	16 July 2004	Revenue	Final	1.20
2005	10 December 2004	Revenue	Interim	0.50
	22 July 2005	Revenue	Final	0.60
2006	9 December 2005	Capital	Interim	2.00
	9 December 2005	Revenue	Interim	0.50
	28 July 2006	Revenue	Final	0.80
	28 July 2006	Capital	Final	1.60
2007	15 December 2006	Capital	Interim	3.00
	23 March 2007	Capital	Interim	4.00
	27 July 2007	Revenue	Final	0.80
	27 July 2007	Capital	Final	2.00
2008	7 December 2007	Revenue	Interim	0.50
	7 December 2007	Capital	Interim	3.00
	25 July 2008	Revenue	Final	2.30
2009	12 December 2008	Revenue	Interim	1.00
	24 July 2009	Revenue	Final	2.00
2010	11 December 2009	Revenue	Interim	1.00
	23 July 2010	Revenue	Final	0.50
	23 July 2010	Capital	Final	2.00
	23 July 2010	Special	Final	0.50
Total dividends paid				38.10
2011	10 December 2010	Capital	Interim	1.00
Total dividends paid or declared				39.10

Analysis of Unlisted and AIM/PLUS Portfolio

As at 31 August 2010

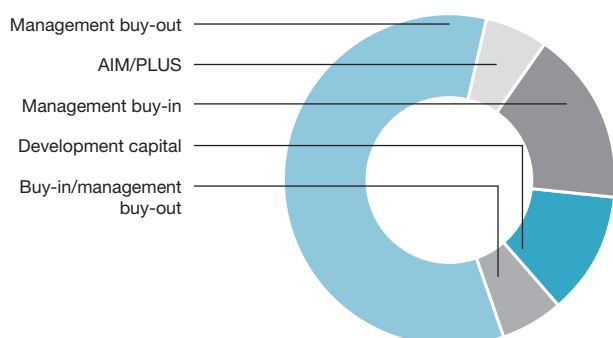
Industrial sector	Unlisted valuation		AIM/PLUS valuation		Total valuation	
	£'000	%	£'000	%	£'000	%
Support Services	3,020	16.4	205	1.1	3,225	17.5
Oil & Gas	2,804	15.3	-	-	2,804	15.3
Food Producers & Processors	2,174	11.8	14	0.1	2,188	11.9
Engineering & Machinery	1,600	8.7	34	0.2	1,634	8.9
Leisure & Hotels	1,102	6.0	66	0.4	1,168	6.4
Household Goods & Textiles	1,034	5.6	104	0.6	1,138	6.2
Insurance	1,040	5.7	-	-	1,040	5.7
Aerospace & Defence	942	5.1	-	-	942	5.1
Telecommunications	884	4.8	16	0.1	900	4.9
Electronic & Electrical Equipment	875	4.8	-	-	875	4.8
Chemicals	623	3.4	-	-	623	3.4
Media & Entertainment	154	0.8	282	1.5	436	2.3
Transport	402	2.2	-	-	402	2.2
Speciality & Other Finance	300	1.6	64	0.3	364	1.9
Software & Computer Services	-	-	259	1.4	259	1.4
Utilities (ex-electricity)	137	0.7	-	-	137	0.7
Finance (general)	84	0.6	-	-	84	0.6
Electricity	-	-	90	0.5	90	0.5
Health	-	-	43	0.2	43	0.2
Pharmaceuticals & Biotechnology	-	-	10	0.1	10	0.1
Total	17,175	93.5	1,187	6.5	18,362	100.0

Analysis of Unlisted and AIM/PLUS Portfolio (continued)

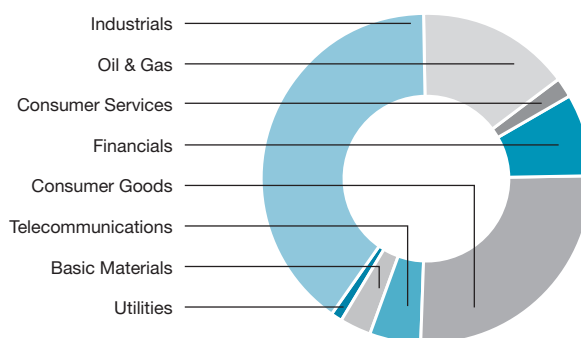
As at 31 August 2010

Deal type	Number	Valuation £'000	%
Unlisted			
Management buy-out	20	10,852	59.1
Management buy-in	4	3,074	16.7
Development capital	10	2,175	11.8
Buy-in/management buy-out	2	1,074	5.9
Total unlisted	36	17,175	93.5
AIM/PLUS	29	1,187	6.5
Total unlisted and AIM/PLUS	65	18,362	100.0

Valuation by deal type



Valuation by industrial classification



Interim Management Report

Manager's review

The first half of 2010 was characterised by significant fluctuations in the UK financial markets. Uncertainty over the general election, sovereign debt concerns and the fear of a 'double dip' recession all contributed to an unpredictable environment for investors.

Nevertheless, in the reporting period to 31 August 2010, your Company continued to make steady progress and achieved an increase in NAV total return in tandem with a continuation of the successful investment strategy, focused on investing in later stage and income producing private companies.

Two new unlisted and four follow-on investments were completed and a total of £1.35 million was invested. At 31 August 2010, the portfolio stood at 65 unlisted and AIM/PLUS quoted investments at a total combined cost of £25.1 million.

The following investments were completed during the reporting period:

Investment	Date	Sector	Investment cost £'000	Website
Unlisted				
Beckford Capital	May 2010	Leisure & Hotels	640	No website available
Camwatch	June 2010	Communications	98	www.camwatch.co.uk
Countcar	May 2010	Oil & Gas	101	www.atrgroup.co.uk
Lawrence Recycling & Waste Management	April 2010	Support Services	104	www.lawrenceskiphire.co.uk
TC Communications Holdings	June 2010	Support Services	50	www.tccommunications.co.uk
Venmar (trading as XPD8 Solutions)	June 2010	Oil & Gas	358	www.xpd8solutions.com
Total investment			1,351	

Two new substantial investments were added to the portfolio during the six months ended 31 August 2010. These were Beckford Capital, a company established to look at acquisitions in the Leisure and Hotels industry; and Venmar (trading as XPD8 Solutions), which operates in the fast growing condition monitoring and asset integrity segment of the oil and gas industry. The continuation of this later stage and yield based investment strategy should ensure that the Company is well placed to be able to support its long term dividend policy.

Realisations

In line with the strategy of reducing exposure to the quoted markets in favour of later stage private equity transactions, the Manager has continued to pursue the structured realisation of the AIM/PLUS portfolio.

The table below gives details of realisations made during the reporting period:

	Date first invested	Complete/partial exit	Cost of shares disposed of £'000	Sales proceeds £'000	Realised gain/(loss) £'000	Realised gain/(loss) over February 2010 valuation £'000
Unlisted						
Cyclotech	2007	Complete	-	15	15	15
Driver Hire Investments Group	2004	Partial	21	1	(20)	(20)
House of Dorchester	2002	Partial	76	76	-	-
Torridon Capital (LitComp)	2010	Partial	505	505	-	-
Total unlisted disposals			602	597	(5)	(5)
AIM						
Animalcare Group	2008	Partial	72	155	83	82
Avanti Communications Group	2007	Partial	31	82	51	51
Brookwell	2008	Partial	44	20	(24)	(24)
Melorio	2007	Complete	99	152	53	53
SDI Group	2007	Complete	96	5	(91)	(91)
Total AIM disposals			342	414	72	71
Total disposals			944	1,011	67	66

Performance

The NAV total return per Ordinary Share at 31 August 2010 was 99.3p, an increase of 1.9p or 2.0% over the equivalent figure at 28 February 2010. The NAV per Ordinary share at 31 August 2010, after payment of the final dividend of 3.0p in respect of the year ended 28 February 2010, was 61.2p compared with 62.3p at 28 February 2010.

Recovery of VAT

The Company received an offer from Aberdeen Asset Managers Limited (Aberdeen), to refund all VAT charged on investment management fees for the period from 1 October 2005 to 1 October 2008. This offer was accepted by the Directors subject to reserving the Company's rights in respect of sums not repaid for earlier periods. The amount of £256,926 was received during the period but had already been recognised within the Financial Statements for the year ended 28 February 2010 and allocated to revenue and capital in accordance with the underlying accounting policy. The Board will continue its dialogue with Aberdeen with a view to making further recovery of amounts due to the Company.

Special distributable reserve

In the Annual Report for the year ended 28 February 2010, the Board highlighted that its proposals for the cancellation of the share premium account and the capital redemption reserve of the Company had been approved by Shareholders at a General Meeting held on 17 March 2010. The Companies Court has sanctioned these proposals and, as highlighted in Note 2 on page 16, the special distributable reserve has been increased accordingly from the amount standing at the year end.

Dividend policy

The Board continues to target regular annual dividend payments subject to the availability of distributable reserves. The Board has declared an interim capital dividend of 1.0p per Ordinary share to be paid on 10 December 2010 to Shareholders on the Register at 12 November 2010.

The Company paid dividends totalling 4.0p per Ordinary Share in respect of the year ended 28 February 2010, which represents a yield of 5.0% per annum on the Ordinary Shares based on their net cost after initial tax relief and is equivalent to 5.33p gross from a UK equity share for a 40% rate tax payer. Based on the mid-market price of 50.0p at 31 August 2010, the annualised equivalent yield is 8.0%, which is paid tax-free and is equivalent to 10.7% for a 40% rate tax payer.

Principal risks and uncertainties

The Board has reviewed the principal risks and uncertainties facing the Company in the second half of its financial year: these are unchanged from those it faced at the start of the year, which are set out in the Annual Report and are the risks involved in investment in small and unquoted companies.

In order to reduce its exposure to investment risk, the Company has invested in a broadly-based portfolio of investments in unlisted and AIM/PLUS quoted companies in the United Kingdom. The VCT qualifying level of the portfolio is reviewed regularly by your Board and monitored on a continuous basis by the Manager in order to ensure that the Company consistently satisfies all of the criteria for VCT status.

Constitution of the Board

As indicated in the Annual Report for the year ended 28 February 2010, John Pocock assumed the role of Chairman of the Company after the conclusion of AGM on 8 July 2010. He replaced Fiona Wollocombe, who will remain as a Director of the Company until 28 February 2011, by which time it is anticipated that the Directors will have been able to identify another candidate to join the Board.

Outlook

Whilst there is a range of opinions on the general economic outlook in the UK, what appears to be in evidence is that both low growth and low interest rates are likely to persist for at least the medium term. Government spending cuts are yet to fully impact on the economy and consumer confidence, which gives further credence to this view. Bank debt will also remain scarce for private companies and, where available, will be significantly more expensive.

In these conditions, opportunities will continue to emerge for well managed, private equity focussed VCTs to take advantage of any dislocation or shortfall in the market for funding good quality private companies. The market has shifted noticeably in recent years, with private and public capital increasingly available to satisfy the funding gap experienced by many established companies across the UK. However, notwithstanding the wider opportunity to invest, competition for the better quality assets has increased markedly over the past 12 months with the emergence of alternative providers of capital to smaller companies, and this trend is expected to continue.

Maven Capital Partners UK LLP

Manager

22 October 2010

Summary of Investment Changes

For the six months ended 31 August 2010

	Valuation 28 February 2010 £'000		Net investment/ (disinvestment) £'000		Valuation 31 August 2010 £'000	
		%		Appreciation/ (depreciation) £'000		%
Unlisted investments						
Equities	4,516	20.7	122	585	5,223	22.5
Preference shares	1,062	4.9	-	(2)	1,060	4.6
Loan stock	10,203	46.8	632	57	10,892	46.8
Total unlisted investments	15,781	72.4	754	640	17,175	73.9
AIM/PLUS investments	1,565	7.2	(414)	36	1,187	5.1
Listed fixed income investments	1,218	5.6	(1,205)	(13)	-	-
Total investments	18,564	85.2	(865)	663	18,362	79.0
Other net assets	3,233	14.8	1,650	-	4,883	21.0
Total assets	21,797	100.0	785	663	23,245	100.0

Investment Portfolio Summary

As at 31 August 2010

Investments	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients ¹
Unlisted					
THL Midlands (formerly Transys Holdings)	1,600	2,771	6.9	31.7	40.1
House of Dorchester	1,498	683	6.4	44.2	-
Homelux Nenplas	1,034	391	4.4	7.9	32.1
Oliver Kay Holdings	1,003	771	4.3	4.9	15.1
ELE Advanced Technologies	942	192	4.0	11.3	-
Westway Services	927	523	4.0	4.9	17.0
Camwatch	884	884	3.8	14.6	28.5
Martel Instruments Holdings	807	807	3.5	14.9	29.3
Torridon Capital (LitComp)	790	341	3.4	3.7	29.4
Lawrence Recycling & Waste Management	750	750	3.2	9.7	48.3
Atlantic Foods Group	677	522	2.9	2.9	5.9
Steminic	656	656	2.8	8.8	42.8
Dalglen 1150 (trading as Walker Technical Resources)	647	527	2.8	11.3	51.7
Beckford Capital	640	640	2.8	46.1	53.9
Adler & Allan Holdings	623	623	2.7	2.2	4.8
Nessco Group Holdings	472	472	2.0	6.2	31.6
Training for Travel Group	462	446	2.0	5.1	24.9
Intercede (Scotland) 1 (trading as Electro-Flow Controls)	428	428	1.8	4.7	23.8
PLM Dollar Group	402	402	1.7	4.7	25.5
Venmar (trading as XPD8 Solutions)	358	358	1.5	5.4	29.6
Dalglen 1148 (trading as PSP/AHC)	300	1,075	1.3	17.5	57.5
TC Communications Holdings	256	248	1.1	8.4	53.0
Tosca Penta Investments (esure Holdings)	250	250	1.1	0.1	0.2
Countcar	244	123	1.0	13.8	39.3
PSCA International	154	154	0.7	-	-
Enpure Holdings	137	100	0.6	0.4	2.2
Driver Hire Investments Group	79	203	0.4	1.1	1.4
Other unlisted investments	155	4,972	0.8		
Total unlisted investments	17,175	20,312	73.9		

Investment Portfolio Summary (continued)

As at 31 August 2010

Investments	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients ¹
AIM/PLUS					
System C Healthcare	196	311	0.9	0.5	0.5
Cello Group	136	310	0.6	0.8	0.3
Avanti Communications Group	111	42	0.5	0.1	0.1
Plastics Capital	104	281	0.4	1.0	2.7
Animalcare Group	92	53	0.4	0.5	1.1
OPG Power Ventures	90	78	0.4	0.1	0.4
Hasgrove	70	168	0.3	0.6	1.1
Betbrokers	60	132	0.3	0.4	1.5
Neutrahealth	43	91	0.2	0.6	1.3
AMZ Holdings	41	251	0.2	0.8	1.4
Fuse 8 (formerly Award International Holdings)	35	366	0.1	0.1	0.2
Brulines Group	35	37	0.1	0.1	0.3
Chime Communications	29	26	0.1	-	0.3
Mount Engineering	25	35	0.1	0.2	2.3
Tangent Communications	23	98	0.1	0.4	0.8
Other AIM/PLUS investments	97	2,493	0.4		
Total AIM/PLUS investments	1,187	4,772	5.1		
Total investments	18,362	25,084	79.0		

¹ Other clients of Maven Capital Partners UK LLP.

Income Statement

For the six months ended 31 August 2010

	Six months ended 31 August 2010 (unaudited)			Six months ended 31 August 2009 (unaudited)			Year ended 28 February 2010 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income and deposit interest	376	-	376	586	-	586	1,047	-	1,047
Investment management fees	(32)	(128)	(160)	(32)	(127)	(159)	(11)	(42)	(53)
Other expenses	(136)	-	(136)	(85)	-	(85)	(287)	-	(287)
Gains/(losses) on investments	-	663	663	-	(412)	(412)	-	114	114
Net return on ordinary activities before taxation	208	535	743	469	(539)	(70)	749	72	821
Tax on ordinary activities	(27)	18	(9)	(127)	35	(92)	(186)	11	(175)
Return attributable to Equity Shareholders	181	553	734	342	(504)	(162)	563	83	646
Earnings per share (pence)	0.48	1.48	1.96	0.97	(1.43)	(0.46)	1.61	0.24	1.85

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

	Six months ended 31 August 2010 (unaudited) £'000	Six months ended 31 August 2009 (unaudited) £'000	Year ended 28 February 2010 (audited) £'000
Opening Shareholders' funds	21,797	22,371	22,371
Net Return for period	734	(162)	646
Proceeds of share issue	1,864	-	-
Repurchase and cancellation of shares	(10)	(4)	(160)
Dividends paid - revenue	(228)	(707)	(1,060)
Dividends paid - capital	(912)	-	-
Closing Shareholders' funds	23,245	21,498	21,797

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

Balance Sheet

As at 31 August 2010

	31 August 2010 (unaudited) £'000	31 August 2009 (unaudited) £'000	28 February 2010 (audited) £'000
Fixed assets			
Investments at fair value through profit or loss	18,362	20,325	18,564
Current assets			
Debtors	568	1,000	765
Cash and overnight deposits	4,343	514	2,775
	4,911	1,514	3,540
Creditors			
Amounts falling due within one year	28	341	307
Net current assets	4,883	1,173	3,233
Net assets	23,245	21,498	21,797
Capital and reserves			
Called up share capital	3,799	3,535	3,497
Share premium account	159	17,235	17,235
Capital reserve - realised	(2,790)	(1,269)	(1,835)
Capital reserve - unrealised	(5,887)	(7,636)	(6,483)
Special distributable reserve	27,791	8,933	8,777
Capital redemption reserve	2	350	388
Revenue reserve	171	350	218
Net assets attributable to Equity Shareholders	23,245	21,498	21,797
Net Asset Value per Ordinary Share (pence)	61.2	60.8	62.3

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

J D W Pocock
Director

22 October 2010

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

Cash Flow Statement

For the six months ended 31 August 2010

	Six months ended		Six months ended		Year ended	
	31 August 2010		31 August 2009		28 February 2010	
	(unaudited)		(unaudited)		(audited)	
	£'000	£'000	£'000	£'000	£'000	£'000
Operating activities						
Investment income received	324		415		1,347	
Deposit interest received	7		-		25	
Investment management fees paid	97		(239)		(390)	
Secretarial fees paid	(30)		(43)		(72)	
Directors' fees paid	(30)		(30)		(60)	
Other cash payments	(103)		(65)		(178)	
Net cash inflow from operating activities		265		38		672
Taxation						
Corporation tax	(174)		-		(232)	
		(174)		-		(232)
Financial investment						
Purchase of investments	(1,447)		(1,733)		(3,288)	
Sale of investments	2,210		1,810		5,733	
Net cash inflow from financial investment		763		77		2,445
Equity dividends paid		(1,140)		(707)		(1,060)
Net cash (outflow)/inflow before financing		(286)		(592)		1,825
Financing						
Issue of Ordinary Shares	1,864		-		-	
Repurchase of Ordinary Shares	(10)		(4)		(160)	
Net cash inflow/(outflow) from financing		1,854		(4)		(160)
Increase/(decrease) in cash		1,568		(596)		1,665

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

Notes to the Financial Statements

1 Accounting Policies

The financial information for the six months ended 31 August 2010 and the six months ended 31 August 2009 comprises non-statutory accounts within the meaning of the Companies Act 2006. The financial information contained in this report has been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 28 February 2010, which have been filed at Companies House and which contained an Auditors' Report which was not qualified and did not contain a statement under s498 (2) or s498 (3) of the Companies Act 2006.

2 Movement in reserves

	Share premium account £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000
At 28 February 2010	17,235	(1,835)	(6,483)	8,777	388	218
Gains on sales of investments	-	67	-	-	-	-
Net increase in value of investments	-	-	596	-	-	-
Investment management fees	-	(128)	-	-	-	-
Dividends paid	-	(912)	-	-	-	(228)
Tax effect of capital items	-	18	-	-	-	-
Repurchase and cancellation of shares	-	-	-	(10)	2	-
Share issue - 1 April 2010	1,154	-	-	-	-	-
Share issue - 5 April 2010	247	-	-	-	-	-
Cancellation of share premium account	(18,636)	-	-	18,636	-	-
Cancellation of capital redemption reserve	-	-	-	388	(388)	-
Share issue - 30 April 2010	159	-	-	-	-	-
Net return on ordinary activities after taxation	-	-	-	-	-	181
As at 31 August 2010	159	(2,790)	(5,887)	27,791	2	171

3 Return per Ordinary Share

Six months ended
31 August 2010
£'000

The returns per share have been based on the following figures:

Weighted average number of Ordinary Shares	37,429,973
Revenue return	£181,000
Capital return	£553,000

Directors' Responsibility Statement

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

- the Financial Statements for the six months ended 31 August 2010 have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' issued in January 2009;
- the Interim Management Report includes a fair review of the information required by DTR 4.2.7R in relation to the indication of important events during the first six months, and of the principal risks and uncertainties facing the Company during the second six months, of the year ending 28 February 2011; and
- the Interim Management Report includes adequate disclosure of the information required by DTR 4.2.8R in relation to related party transactions and any changes therein.

By order of the Board

Maven Capital Partners UK LLP

Secretary

22 October 2010

Corporate Information

Directors

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

Manager and Secretary

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Points of Contact

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149 St Vincent Street
Glasgow G2 5NW

Registered Office

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Company Number 3908220

Registrar

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Fenay Bridge
Huddersfield
West Yorkshire HD8 0GA

Shareholder Helpline: 0871 664 0300

(Calls cost 10p per minute plus network extras and lines are open from 8.30am until 5.30pm, Monday to Friday)

Auditors

Deloitte LLP

Bankers

J P Morgan Chase Bank

Stockbroker

Shore Capital Stockbrokers Limited

Website

www.mavencp.com/migvct



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