
PHOENIX VCT

INTERIM REPORT AND ACCOUNTS
FOR THE SIX MONTHS ENDED 30 APRIL 2007



OCTOPUS
INVESTMENTS

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About Phoenix VCT plc

Phoenix VCT plc (“Phoenix” or “Company”) is a venture capital trust (“VCT”) which aims to provide shareholders with attractive tax-free dividends and long-term capital growth.

The Investment Manager is Octopus Investments Limited (“Octopus” or “Manager”). The Company was launched in November 2002 and raised over £11.3 million (£10.8 million net of expenses) through an offer for subscription.

Phoenix raised more money in 2005 in the form of a ‘C’ Share issue (i.e. the issue for subscription of a new class of share referred to as ‘C’ shares”). In total, Phoenix raised £5.1 million (£5.0 million net of expenses) by the closing date of the offer on 30 June 2005.

Financial Highlights

	Ord Shares Six months to 30 April 2007	Ord Shares Six months to 30 April 2006	Ord Shares Year to 31 October 2006
Net assets	£13,456,000	£11,547,000	£11,211,000
Net profit before tax	£2,352,000	£726,000	£712,000
Net asset value per share	122.4p	104.6p	103.8p
Dividend per share	6.0p	1.0p	4.35p
Cumulative dividends since launch	17.00p	7.65p	11.00p
	'C' Shares 6 months to 30 April 2007	'C' Shares 6 months to 30 April 2006	'C' Shares Year to 31 October 2006
Net assets	£6,584,000	£5,248,000	£5,495,000
Net profit before tax	£967,000	£307,000	£567,000
Net asset value per share	122.6p	100.1p	105.1p
Dividend per share	3.0p	–	1.0p
Cumulative dividends since launch	4.0p	–	1.0p

17.9% ↑

NAV per Ordinary share increased from 103.8p to 122.4p net of dividends

16.7% ↑

NAV per 'C' share increased from 105.1p to 122.6p net of dividends

33.4% ↑

Total return (inclusive of dividends but excluding all tax relief) to Ordinary shareholders since launch in November 2002

23.6% ↑

Total return (inclusive of dividends but excluding all tax relief) to 'C' shareholders since launch in February 2005

Chairman's Statement

I am delighted to be reporting a substantial uplift in the Net Asset Value ("NAV") of both the Ordinary share portfolio and the 'C' share portfolio during the six-month period to 30 April 2007.

Results Review

In the six months to 30 April 2007, the NAV per Ordinary share increased 17.9% from 103.8p to 122.4p net of dividends. The Company realised a profit of £910,000 in the period from the disposal, either wholly or partially, of a number of investments which are discussed below. Consequently, the Board has declared an interim dividend of 6p per Ordinary share to be paid on 31 August 2007 to shareholders on the register on 10 August 2007. This will take cumulative dividends to 17.0p per Ordinary share since the Company's launch. The total return to Ordinary shareholders since launch is some 53.4%, inclusive of 20% up-front tax relief.

The table below shows the movement in NAV of the Ordinary shares and lists the dividends that have been paid since the launch of the Company:

Period Ended	NAV	Dividend*	NAV + Cumulative Dividends
31 October 2003	100.7p	0.15p	100.9p
30 April 2004	111.7p	–	111.9p
31 October 2004	110.9p	2.50p	113.6p
30 April 2005	118.2p**	4.00p	124.9p
31 October 2005	97.9p**	–	104.6p
30 April 2006	104.6p	1.00p	112.3p
31 October 2006	103.8p	3.35p	114.8p
30 April 2007	122.4p	–	133.4p

* dividend shown from point when proposed/declared by board (except April 2007)

** restated NAV to reflect changes in accounting policies

In respect of the 'C' share portfolio, I am pleased to announce an uplift in NAV of 16.7% from 105.1p to 122.6p net of dividends. The Company realised a profit of £193,000 in the period from the disposal, either wholly or partially, of a number of investments which are discussed below. This has resulted in the Board declaring an interim dividend of 3p per 'C' share to be paid on 31 August 2007 to shareholders on the register on 10 August 2007. This will take cumulative dividends to 4.0p per 'C' share since the Company's launch in February 2005. The total return to Ordinary shareholders since launch is some 63.6%, inclusive of 40% up-front tax relief.

Chairman's Statement (continued)

The table below shows the movement in NAV of the 'C' shares and lists the dividends that have been paid since the launch of the Company:

Period Ended	NAV	Dividend*	NAV + Cumulative Dividends
30 April 2005	94.9p**	–	94.9p
31 October 2005	94.2p**	–	94.2p
30 April 2006	100.1p	–	100.1p
31 October 2006	105.1p	1.0p	106.1p
30 April 2007	122.6p	–	123.6p

* dividend shown from point when proposed/declared by board (except April 2007)

** restated NAV to reflect changes in accounting policies

Due to the performance of the Ordinary shares, the Investment Manager is now entitled to a performance fee as set-out in the prospectus. This is equal to 20% of the amount by which the NAV of the Company, after adding back all distributions, exceeds an amount equal to the gross proceeds raised by the Company at a hurdle rate of HSBC base rate plus 3%. The same principles apply to the 'C' shares from its launch, but will not become payable until 31 October 2008. Provisions for each performance fee have been made in the accounts.

Ordinary Share Portfolio

At 30 April 2007, the Ordinary share portfolio comprised investments in 36 AIM-quoted companies with a total value of £10.7 million and was 79.8% (by net assets) invested in qualifying holdings.

During the period, we sold, either partially or wholly, nine holdings, generating a net realised profit of £910,000. Our most successful realisation came from a reduction in our holding in Tanfield Group plc, generating £758,000 of net profit and we currently remain shareholders in the company. As at the period end, our remaining holding was valued at £1.3 million over an initial cost of £100,000, and we are currently in the process of selling more of the holding. Worthington Nicholls Group plc was another successful partial realisation returning £415,000 of net profit. This has now been sold down completely.

Five new investments were made in the period totalling some £1.5 million. Details of these investments are set-out in the Investment Manager's Review.

At 30 April 2007, the share price was 108.0p. During the period, 203,268 Ordinary shares were bought back at an average price of 107.0p. In addition, 395,532 Ordinary shares were issued at a price of 126.0p.

'C' Share Portfolio

At 30 April 2007, the 'C' share portfolio contained investments in 21 AIM-quoted companies, with a total value of £3.9 million and was 55.3% (by net assets) invested in qualifying holdings.

Chairman's Statement (continued)

During the period, we sold, either partially or wholly, five holdings, generating a net realised profit of £193,000. Details of a number of these realisations are set-out in the Investment Manager's Review. Our most successful realisation came from a reduction in the holding in Worthington Nicholls Group plc, generating £193,000 of net profit. Tanfield Group plc was another successful partial realisation returning £100,000 of net profit.

Five new investments were made in the period totalling some £782,000. Details of these are set-out in the Investment Manager's Review.

At 30 April 2007, the price per 'C' share was 110.0p. During the period, no 'C' shares were bought back. However, 142,360 'C' shares were issued at a price of 129.1p.

VCT Status

PricewaterhouseCoopers LLP provides the Board and Investment Manager with advice on the ongoing compliance with HM Revenue & Customs rules and regulations concerning VCTs. The Board has been advised that Phoenix VCT plc is in compliance with the conditions laid down by HM Revenue & Customs for maintaining approval as a VCT.

A key requirement is for 70% of the portfolio (for each of the Ordinary shares and 'C' shares) to be invested in qualifying investments by the end of the third accounting period following that in which new share capital was subscribed. As at 30 April 2007, nearly 80% of the Ordinary share capital raised at launch was invested in VCT qualifying investments, and 55% of the 'C' share capital raised from its launch in February 2005. The Board does not anticipate any issues in achieving and maintaining the required investment level.

Outlook

Despite the flow of new entrants to the AIM market having slowed during the first quarter of 2007, 1,639 companies were listed on the junior market of the London Stock Exchange as at 30 April 2007. More stringent rules for Nominated Advisors were also introduced over the period, which we expect contributed to the deceleration in new entrants.

The Manager deliberately positioned the portfolio to focus on companies with a niche or proprietary product or service providing solutions to businesses and thus avoiding exposure to the UK consumer. This strategy has resulted in a strong performance over the period under review and Octopus believes the current portfolio remains well positioned to continue to provide investors with both capital growth and a tax-free dividend stream.

Stephen Hazell-Smith
Chairman
26 July 2007

Investment Manager's Review

Personal Service

At Octopus, we pride ourselves not only on our team's track record but also on our personalised customer service. We believe in open communication and our regular updates are designed to keep you involved and informed.

If you have any questions about this review, or if it would help to speak to one of the fund managers, please do not hesitate to contact us on 020 7710 2800.

The AIM Market

The success of AIM in attracting a diverse range of growing companies and investors from around the globe has meant that the number of companies listed on AIM has increased from 753 companies in December 2003, when Phoenix was making its initial investments, to over 1,600 companies today. This has resulted in an increased variety of investment opportunities available to us over the last few years.

We have set out below a review of the Ordinary share and 'C' share portfolios, including details of the investments completed during the period, realisations made, and a list of all of the holdings in both portfolios.

Investment Portfolio

AIM-listed Qualifying Investments	Cost of Investment		Valuation as at 30 April 2007	
	Ord Shares £'000	'C' Shares £'000	Ord Shares £'000	'C' Shares £'000
Tanfield Group plc	100	120	1,340	804
Cello Group plc	500	–	705	–
Worthington Nicholls Group plc	200	150	696	522
BBI Holdings plc	189	112	568	176
Staffline Recruitment Group plc	300	–	563	–
Vertu Motors plc	400	200	547	273
Hasgrove plc	400	200	517	258
Zetar plc	158	–	458	–
Bond International Software plc	80	–	442	–
Clarity Commerce Solutions plc	367	183	384	192
Augean plc	500	–	365	–
Access Intelligence plc	500	150	338	169
Autoclenz Holdings plc	425	169	330	131
Hexagon Human Capital plc	315	157	324	162
Brooks Macdonald Group plc	156	–	304	–
Inditherm plc	400	100	276	115
Real Good Food Co plc	500	–	274	–
Media Square plc	251	–	202	–
SectorGuard plc	200	100	200	100
fountains plc	240	–	190	–
Jelf Group plc	77	51	189	125
AssetCo plc	95	–	183	–
Concateno plc	–	85	–	175

Investment Manager's Review (continued)

AIM-listed Qualifying Investments	Cost of Investment		Valuation as at 30 April 2007	
	Ord Shares £'000	'C' Shares £'000	Ord Shares £'000	'C' Shares £'000
Cohort plc	135	85	172	107
Brulines (Holdings) plc	123	111	170	153
Public Recruitment Group plc	500	–	162	–
Sovereign Oilfield Group plc	132	55	146	60
InterQuest Group plc	–	75	–	143
Top Ten Holdings plc	200	–	132	–
Screen FX plc	419	125	128	98
Strategic Thought Group plc	194	68	126	44
Invocas Group plc	80	50	101	63
Plethora Solutions Holdings plc	122	81	86	57
Tissue Science Laboratories plc	161	–	72	–
Baydonhill plc	200	–	42	–
Bright Futures Group plc	125	–	24	–
Total qualifying investments	8,743	2,426	10,756	3,927
Non-qualifying investments	228	15	344	29
Total AIM-listed investments	8,970	2,442	11,100	3,956
Fixed income securities	2,056	2,756	2,050	2,681
Total investments	11,026	5,198	13,150	6,637
Net current assets			306	(53)
Total net assets	11,026	5,198	13,456	6,584

Review of Ordinary Share Portfolio

As at 30 April 2007, the Ordinary share portfolio comprised investments in 36 AIM-quoted companies, accounting for 79.8% of the Ordinary share portfolio by net assets. During the period, three holdings were disposed of; Dawmed Systems plc and Disperse Group plc were both disposed of having proved disappointing performers. Ovum plc received a cash offer from Datamonitor plc at a 58% premium to the purchase price. In addition, we reduced the holdings in six further companies. Profits were taken in Tanfield Group plc, Worthington Nicholls Group plc, Bond International Software plc and Concateno plc, all of which have performed exceptionally well within the portfolio. Since the period end we have sold the remaining holdings in both Worthington Nicholls and Concateno plc. The holdings in Sovereign Oilfield Group plc and Tissue Science Laboratories plc were also reduced during the period.

In total, the Ordinary share portfolio generated a net realised profit of £910,000, or 60% return, from the disposal of investments during the six-month period to 30 April 2007.

Investment Manager's Review (continued)

A summary of these realisations is shown below:

Ordinary share realisations	Initial investment date	Cost of investment realised £'000	Proceeds of investment £'000	Total gain/(loss) £'000
Tanfield Group plc	20 December 2004	100	858	758
Worthington Nicholls Group plc	12 June 2006	260	675	415
Concateno plc	07 April 2005	300	455	155
Bond International Software plc	15 March 2004	24	118	94
Ovum plc	09 March 2006	150	237	87
Sovereign Oilfield Group plc	28 September 2005	8	12	4
Tissue Science Laboratories plc	22 March 2005	86	33	(53)
DawMed Systems plc	15 November 2003	79	22	(57)
Disperse Group plc	26 July 2004	500	7	(493)
		1,507	2,418	910

Review of 'C' Share Portfolio

As at 30 April 2007, the 'C' share portfolio comprised investments in 21 AIM-quoted companies, accounting for 55.3% of the 'C' share portfolio by net assets. During the period, two holdings were disposed of; Disperse Group plc was disposed of having proved a disappointing performer and Ovum plc received a cash offer from Datamonitor plc at a 58% premium to the purchase price. In addition, we reduced the holdings in three further companies. Profits were taken in Tanfield Group plc and Worthington Nicholls Group plc which have both performed exceptionally well within the portfolio. Since the period end we have sold the remaining holding in Worthington Nicholls plc. The holding in Sovereign Oilfield Group plc was also reduced during the period.

In total, the 'C' share portfolio generated a net realised profit of £193,000, or 46% return, from the disposal of investments during the six-month period to 30 April 2007.

Ordinary share realisations	Initial investment date	Cost of investment realised £'000	Proceeds of investment £'000	Total gain/(loss) £'000
Tanfield Group plc	26 May 2005	40	140	100
Ovum plc	09 March 2006	94	148	54
Sovereign Oilfield Group plc	28 September 2005	8	11	3
Disperse Group plc	20 June 2005	160	3	(157)
		417	610	193

Investment Manager's Review (continued)

New Investments

Hasgrove plc

Investment date:	November 2006
Cost:	£400,000 (Ord), £200,000 ('C')
Valuation:	£516,666 (Ord), £258,333 ('C')

Hasgrove plc is a pan European marketing and communications services group. Hasgrove, which is currently valued at £29.8 million, is expected to achieve a pre-tax profit of £3.4 million on turnover of £15.1 million for the year ending December 2007.

Vertu Motors plc

Investment date:	December 2006
Cost:	£400,000 (Ord), £200,000 ('C')
Valuation:	£546,666 (Ord), £273,333 ('C')

Vertu Motors plc is a consolidator of the UK motor retail sector. The company has completed a number of transactions since its float and is expected to achieve a pre-tax profit of £ 1.7 million on turnover of £531 million for the year ending February 2008. Vertu Motors is currently valued at £65.9 million.

Screen FX plc

Investment date:	December 2006
Cost:	£75,000 (Ord), £75,000 ('C')
Valuation:	£85,714, (Ord), £85,714 ('C')

Screen FX plc is a digital advertising and communications specialist focused on the shopping mall and transport sectors. This is an additional investment in our portfolio. Screen FX raised additional capital in order to commercialise its existing estate, and as such we took the decision to increase our holding.

Hexagon Human Capital plc

Investment date:	February 2007
Cost:	£314,667 (Ord), £157,332 ('C')
Valuation:	£324,202 (Ord), £162,101 ('C')

Hexagon Human Capital plc is the UK's leading provider of interim executive management and one of the UK's leading executive search businesses. Hexagon, which is currently valued at £34.6 million, is expected to achieve a pre-tax profit of £4.5 million on turnover of £17.1 million for the year ending March 2008.

Investment Manager's Review (continued)

Inditherm plc

Investment date:	January 2007
Cost:	£200,000 (Ord), £100,000 ('C')
Valuation:	£230,000 (Ord), £115,000 ('C')

Inditherm plc is a provider of innovative heating solutions. Following a £1.1 million loss in 2006, Inditherm, which is currently valued at £5.4 million, is expected to reach a break even position by December 2007. For the Ordinary share portfolio, this is an additional investment into Inditherm plc.

Profit and Loss Account

	Six months to 30 April 2007			Six months to 30 April 2006			Year to 31 October 2006		
	Ord Shares £'000	'C' Shares £'000	Total £'000	Ord Shares £'000	'C' Shares £'000	Total £'000	Ord Shares £'000	'C' Shares £'000	Total £'000
Gain on disposal of investments held at fair value	910	193	1,103	138	6	144	844	43	887
Unrealised gain on fair value of investments	1,848	947	2,795	712	248	960	183	480	663
Investment income	49	88	137	92	143	235	126	238	364
Investment management fees	(131)	(64)	(195)	(133)	(59)	(192)	(262)	(116)	(378)
Other expenses	(324)	(197)	(521)	(83)	(31)	(114)	(179)	(78)	(257)
Profit on ordinary activities before taxation	2,352	967	3,319	726	307	1,033	712	567	1,279
Taxation on profit on ordinary activities	-	-	-	-	-	-	-	-	-
Profit on ordinary activities after taxation	2,352	967	3,319	726	307	1,033	712	567	1,279
Earnings per share	21.8p	18.4p		6.5p	6.5p		6.4p	12.0p	

Note of Historical Cost Profits and Losses

	Six months to 30 April 2007			Six months to 30 April 2006			Year to 31 October 2006		
	Ord Shares £'000	'C' Shares £'000	Total £'000	Ord Shares £'000	'C' Shares £'000	Total £'000	Ord Shares £'000	'C' Shares £'000	Total £'000
Profit on ordinary activities before taxation	2,352	967	3,319	726	307	1,033	712	567	1,279
Realisation of prior years' net unrealised gains on investment	362	137	499	18	2	20	321	11	332
Historical cost profit on ordinary activities before taxation	2,714	1,104	3,818	744	309	1,053	1,033	578	1,611

Balance Sheet

	As at 30 April 2007			As at 30 April 2006			As at 31 October 2006		
	Ord Shares £'000	'C' Shares £'000	Total £'000	Ord Shares £'000	'C' Shares £'000	Total £'000	Ord Shares £'000	'C' Shares £'000	Total £'000
Fixed asset investments	11,097	3,957	15,054	9,740	1,784	11,524	9,356	2,666	12,022
Current assets:									
Investments	2,050	2,681	4,731	1,665	2,976	4,641	417	2,189	2,606
Debtors	77	95	172	252	136	388	155	159	314
Cash	504	50	554	(96)	385	289	1,299	586	1,885
	2,631	2,826	5,457	1,821	3,497	5,318	1,871	2,934	4,805
Creditors: amounts falling due within one year	(272)	(199)	(471)	(14)	(33)	(47)	(16)	(105)	(121)
Net current assets	2,359	2,627	4,986	1,807	3,464	5,271	1,855	2,829	4,684
Total assets less current liabilities	13,456	6,584	20,040	11,547	5,248	16,795	11,211	5,495	16,706
Capital and reserves:									
Share capital	1,099	537	1,636	1,104	524	1,628	1,080	523	1,603
Share premium	757	4,596	5,353	323	4,550	4,873	323	4,436	4,759
Special distributable reserve	8,628	–	8,628	9,168	–	9,168	8,846	–	8,846
Capital redemption reserve	96	12	108	52	10	62	76	12	88
Revaluation reserve	2,125	1,410	3,535	806	229	1,035	277	463	741
Profit and loss account	751	29	780	94	(65)	29	609	61	670
Shareholders' funds	13,456	6,584	20,040	11,547	5,248	16,795	11,211	5,495	16,706
Net asset value per share	122.4p	122.6p		104.6p	100.1p		103.8p	105.1p	

Cash Flow Statement

	Six months to 30 April 2007			Six months to 30 April 2006			Year to 31 October 2006		
	Ord Shares £'000	'C' Shares £'000	Total £'000	Ord Shares £'000	'C' Shares £'000	Total £'000	Ord Shares £'000	'C' Shares £'000	Total £'000
Net cash outflow from operating activities	(72)	(15)	(87)	(452)	(139)	(591)	(544)	(182)	(726)
Financial investment:									
Purchase of listed securities	(1,398)	(737)	(2,841)	(1,356)	(806)	(2,162)	(2,101)	(1,531)	(3,632)
Sale of listed securities	2,416	610	3,026	889	22	911	2,194	160	2,354
Net cash inflow/ (outflow) from financial investment	946	(142)	98	(467)	(784)	(1,251)	93	(1,371)	(1,278)
Management of liquid resources:									
Sale/(purchase) of cash investments	(1,633)	(515)	(2,127)	199	996	1,195	1,448	1,841	3,289
Dividends paid	(362)	(52)	(414)	-	-	-	(110)	-	(110)
Financing:									
Issue of own shares	481	179	660	308	125	433	308	125	433
Purchase of own shares	(218)	-	(218)	(420)	(100)	(520)	(632)	(114)	(746)
Share issue expenses	(9)	(6)	(12)	(9)	-	(9)	(9)	-	(9)
Increase/ (decrease) in cash resources	(795)	(536)	(2,013)	(841)	98	(743)	554	299	853

Reconciliation of Operating Profit to Cash Flow from Operating Activities

	Six months to 30 April 2007			Six months to 30 April 2006			Year to 31 October 2006		
	Ord Shares £'000	'C' Shares £'000	Total £'000	Ord Shares £'000	'C' Shares £'000	Total £'000	Ord Shares £'000	'C' Shares £'000	Total £'000
Profit on ordinary activities before tax	2,352	967	3,319	726	307	1,033	712	567	1,279
Gain on disposal of fixed asset investments	(910)	(193)	(1,103)	(138)	(6)	(144)	(844)	(43)	(887)
Unrealised gain on fair value of investments	(1,848)	(947)	(2,795)	(712)	(248)	(960)	(183)	(562)	(745)
(Increase)/decrease in debtors	78	64	141	(233)	(131)	(364)	(136)	(154)	(290)
Increase/(decrease) in creditors	256	94	351	(95)	(61)	(156)	(93)	10	(83)
Net cash (outflow)/inflow from operating activities	(72)	(15)	(87)	(452)	(139)	(591)	(544)	(182)	(726)

Reconciliation of Movements in Shareholders' Funds

	Ord Shares £'000	'C' Shares £'000	Total £'000
Shareholders' funds as at 1 November 2006	11,211	5,495	16,706
Return on ordinary activities after tax	2,352	967	3,319
Net proceeds of share issue	473	174	647
Shares purchased for cancellation	(218)	–	(218)
Dividends recognised in period	(362)	(52)	(414)
Shareholders' funds at 30 April 2007	13,456	6,584	20,040

	Ord Shares £'000	'C' Shares £'000	Total £'000
Shareholders' funds as at 1 November 2005	11,299	4,946	16,175
Prior year adjustment:			
Adjustment in valuation of quoted investments to bid price	(287)	(29)	(316)
As restated	10,942	4,917	15,859
Return on ordinary activities after tax	726	307	1,015
Net proceeds of share issue	299	124	423
Shares purchased for cancellation	(420)	(100)	(520)
Shareholders' funds at 30 April 2006	11,547	5,248	16,795

	Ord Shares £'000	'C' Shares £'000	Total £'000
Shareholders' funds as at 1 November 2005	11,299	4,946	16,175
Prior year adjustment:			
Adjustment in valuation of quoted investments to bid price	(287)	(29)	(316)
As restated	10,942	4,917	15,859
Return on ordinary activities after tax	712	567	1,279
Net proceeds of share issue	299	125	424
Shares purchased for cancellation	(632)	(114)	(746)
Dividends recognised in period	(110)	–	(110)
Shareholders' funds at 31 October 2006	11,211	5,495	16,706

Notes to the Interim Financial Statements

1. Basis of preparation

The interim financial information has been prepared in accordance with applicable accounting standards and under the historical cost convention except for the revaluation of investments. The principal accounting policies of the Company have remained unchanged from those set out in its 2006 annual report and financial statements.

2. Publication of non-statutory accounts

The unaudited interim results for the six months ended 30 April 2007 and the six months ended 30 April 2006 do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 and have not been audited or delivered to the Registrar of Companies.

3. Earnings per share

The earnings per Ordinary share is based on a profit from ordinary activities after tax of £2,352,000 and on 10,809,884 shares, being the weighted-average number of shares in issue during the period (30 April 2006: £727,000 and 11,116,657 shares and 31 October 2006: £712,000 and 11,049,006 shares).

The earnings per 'C' share is based on a profit from ordinary activities after tax of £967,000 and on 5,248,048 shares, being the weighted-average number of shares in issue during the period (30 April 2006: £307,000 and 4,699,457 shares and 31 October 2006: £567,000 and 4,716,824 shares).

There are no potentially dilutive capital instruments in issue and, therefore, no diluted return per share figures are relevant.

4. Net asset value per share

The calculation of net asset value per Ordinary share is based on the net assets at 30 April 2007 and on 10,994,037 shares being the number of shares in issue at the same date (30 April 2006: 11,036,298 and 31 October 2006: 10,801,773).

The calculation of net asset value per 'C' share is based on the net assets at 30 April 2007 and on 5,370,745 shares being the number of shares in issue at the same date (30 April 2006: 5,244,505 and 31 October 2006: 5,228,385).

5. Dividends

The interim dividend of 6p per Ordinary share and 3p per 'C' share for the six months ending 30 April 2007 will be paid on 31 August 2007 to shareholders on the register at the close of business on 10 August 2007.

6. Copies of this statement are being sent to all shareholders. Copies are also available from the registered office of the Company at 8 Angel Court, London, EC2R 7HP.

