

INGENIOUS LIVE VCT 1

HALF-YEARLY FINANCIAL REPORT
For the six months ended
30 June 2009



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THE COMPANY AND ITS ADVISERS

The Company	Ingenious Live VCT 1 plc
Directors	Patrick McKenna (Chairman) Paul Gregg* Piers Gregson* Andrew Morris*
Company Secretary	Sarah Cruickshank
Registered Office	15 Golden Square London W1F 9JG
Company Number	5943513
Investment Manager & Administrator	Ingenious Ventures 15 Golden Square London W1F 9JG
Auditors	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP
Taxation Advisers	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Registrar	SLC Registrars Thames House Portsmouth Road Esher Surrey KT10 9AD Tel: 01372 467 308
Sponsor and Stockbroker	Brewin Dolphin Securities Limited 34 Lisbon Street Leeds LS1 4LX

* Independent director

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INTERIM MANAGEMENT REPORT

I am delighted to present the half-yearly financial report of Ingenious Live VCT 1 plc (the **Company**) covering the six months ended 30 June 2009 (the **Reporting Period**).

Overview of Activities

The Company has continued to actively source and review investment propositions during the Reporting Period. As outlined in the Annual Financial Report published in April 2009, the Company made an investment to back new television format, Let's Dance in January 2009. In addition, I am pleased to report that a new investment has been made to co-promote the Taste food and drink festivals in Edinburgh and London and the Company has also committed further funds to support the growth of the Underage and Field Day Festivals.

A number of exciting opportunities are in the later stages of negotiation and we therefore look forward to reporting on these investments in due course.

Underage and Field Day Festivals

Following two consecutive years of sell out events, the Company agreed in June 2009 to provide further funding of £175,000 to co-promote the third year of the festivals. This brings the total investment in both festivals to date to £500,000 (£1 million across both the Company and Ingenious Live VCT 2 plc).

The festivals returned for another weekend of exceptional music in early August in Victoria Park, London. The Underage festival moved from strength to strength as it increased its capacity to an unprecedented 8,000. Headlined by *The Pigeon Detectives* and Mercury Award nominees *The Horrors*, the event is firmly establishing its market niche as the summer music event for under 18 year olds.

Meanwhile, over 20,000 people enjoyed a fantastic atmosphere at Field Day which was helped by electric performances from *Mogwai* and *Little Boots* to create its distinctive indie folk/alternative rock ambience. I am pleased to report the event has made a significant return which will be reported in the Company's full year accounts.

Creamfields

Arguably the world's leading dance festival, Creamfields will celebrate its 11th year on the August 2009 bank holiday weekend with a two day electronic music festival. The Cheshire based event boasts a line up that includes world famous *DJs Tiesto* and *Mylo* playing alongside electronic house duo *Basement Jaxx*.

Ticket sales for this year's event have exceeded all expectations and the promoters fully expect that both days will sell out in advance. This should generate a significant return to the Company in the full year accounts.

Powderham Castle

Following the debut year of music concerts at Powderham Castle in 2008, the event returned for the weekend of the 25 - 26 July 2009. The Greatest Eighties Party returned on the Saturday night and featured classic 80s artists such as *Marc Almond*, *Kid Creole* and *The Coconuts*, *ABC* and *Go West*. Legendary British rockers *Status Quo* headlined the Sunday having now played over 6,000 live shows to over 25 million people in their 40 year career.

Attendance for the 2 nights was however disappointing at just over 6,000 for the Greatest Eighties Party and 2,500 for *Status Quo* and it is therefore anticipated that the Company will make a small loss on its investment for 2009. In light of this, the strategy for 2010 will undergo a thorough review.

Brand Events - Taste of Christmas and the Taste Festivals

Taste of Christmas, the festive food and drink event, returns to the Excel Centre in London during December 2009 after its impressive first year in 2008. Due to the Company's strong relationship with the event organiser, Brand Events, the Company invested £1 million in April to co-promote the Taste Festivals with Brand Events in both London and Edinburgh (£2 million across both the Company and Ingenious Live VCT 2 plc).

The Taste Festivals are established and successful outdoor food and wine events featuring a number of famous chefs including Gary Rhodes and Anthony Worrell Thompson who serve up their signature dishes for the public to taste. They are currently held throughout the world in 18 different locations including Cape Town, Sydney and Dubai. The London event took place in Regent's Park from 18 to 21 June, whilst the Edinburgh event was held in Inverleith Park from 29 to 31 May 2009. Both enjoyed an increase in ticket sales to the previous year, with the Taste of London sessions selling out capacity on Saturday 20 June.

80s Rewind Festival

We are pleased to report that the 80s Rewind Festival, a two day music festival to be held in Henley on Thames on 21 - 22 August 2009, is proving very popular. Over 20,000 tickets have already been sold across both days of the event which is a great achievement for a festival in its first year. The 80s Rewind Festival promises the biggest line up of 80s acts since Live Aid and includes *Kim Wilde, Rick Astley, Bananarama, Billy Ocean, Belinda Carlisle, Kid Creole, Heaven 17, Dr & The Medics, Cutting Crew* and *Toyah*.

Let's Dance

The second co-investment between the Company, Ingenious Live VCT 2 plc, Ingenious Entertainment VCT 1 plc and Ingenious Entertainment VCT 2 plc saw the Company invest £500,000 (£2 million across both the Ingenious Live VCTs and the Ingenious Entertainment VCTs) in January 2009 to back an exciting new entertainment format, Let's Dance, which was commissioned by the BBC for Comic Relief.

Following the huge ratings success of the UK series of new entertainment format Let's Dance, we are delighted to announce that the format has been sold to ABC in the US. The deal is for 5 x 60min episodes and will air in the US in November 2009, being co-produced by American Idol producer Fremantle Media. In addition, the Manager is in discussions in a number of other territories around the world regarding licensing the format and we have confirmation from both Germany and Holland that they wish to take the show. We are therefore confident that the format will generate a profit for the Company.

VCT Qualifying Status

The Company is managed as a venture capital trust, enabling shareholders to benefit from both the Income and Capital Gains Tax relief available. Shareholders will be aware that in order to qualify for this tax relief 70% of net funds raised must be invested in VCT qualifying companies within three years. Two years since the close of fundraising, the Manager has confirmed to the board that it remains confident the Company will meet this condition given the number of investment opportunities concluded and those being pursued.

Results

The Company made a loss on ordinary activities of £108,000 in the period to 30 June 2009 (30 June 2008 £15,000 loss; 31 December 2008 £33,000 profit). The results in the period have been materially impacted by the fall in interest rates from 3% as at 31 December 2008 to 0.5% as at 30 June 2009. The negative impact to revenues for the Company of a 2.5% decrease in interest rates is £55,000 in the half yearly accounts.

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Outlook

It was noted in our review of the market in the last Annual Report and Accounts that the challenging economic environment would be likely to adversely affect the live events sector as consumers became more cautious about their discretionary spending. However, I am pleased to report that the live events sector has performed resiliently in the downturn. 2009 has seen an increase in live ticket sales, which are up 13% from 2008 at £1.4 billion¹.

Our investment strategy of underpinning investments with contractual minimum guarantees, as well as working with only the very best event partners in the industry, has ensured exposure to risks from the economic environment have been minimised. In fact, the portfolio has performed strongly in 2009 with investments such as Let's Dance, Underage and Field Day and Creamfields indicating that there continues to be a strong market for live events.

I intend to report further on such activity in my full statement to accompany the Annual Report and Accounts for the year ending 31 December 2009.



Patrick McKenna

Chairman

19 August 2009

¹ PRS for Music "Economic Insight" - July 2009.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the half yearly financial report and the condensed set of financial statements in accordance with the Accounting Standards Board's Statement 'Half-Yearly Financial Reports'.

In preparing these condensed financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed; and
- prepare the condensed 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 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 the condensed financial statements may differ from legislation in other jurisdictions.

To the best of my knowledge:

- the condensed financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the interim management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.



Patrick McKenna

Chairman

19 August 2009

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INCOME STATEMENT (UNAUDITED)

for the six months ended 30 June 2009

	Note	Six months ended 30 June 2009 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000
Profit/(loss) on disposal of investments		-	105	105
(Decrease)/increase in fair value of investments held		-	(69)	(69)
Investment income		4	-	4
Investment management fees		(44)	(44)	(88)
Other expenses		(55)	(5)	(60)
(Loss)/profit on ordinary activities before taxation		(95)	(13)	(108)
Tax on ordinary activities		-	-	-
(Loss)/profit attributable to equity shareholders		(95)	(13)	(108)
Basic and diluted return per share (pence)	2	(1.0)	(0.1)	(1.1)

The Company has no recognised gains and losses other than those disclosed above.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS (UNAUDITED)

as at 30 June 2009

	30 June 2009 £'000	30 June 2008 £'000	31 December 2008 £'000
Opening shareholders' funds	8,869	8,836	8,836
(Loss)/profit for the period	(108)	(15)	33
Closing shareholders' funds	8,761	8,821	8,869

INCOME STATEMENT (UNAUDITED) continued

Six months ended 30 June 2008 (unaudited)			Year ended 31 December 2008 (audited)		
Revenue	Capital	Total	Revenue	Capital	Total
£'000	£'000	£'000	£'000	£'000	£'000
-	(21)	(21)	-	87	87
-	109	109	-	141	141
4	60	64	8	76	84
(52)	(52)	(104)	(80)	(80)	(160)
(63)	-	(63)	(106)	(13)	(119)
(111)	96	(15)	(178)	211	33
-	-	-	-	-	-
(111)	96	(15)	(178)	211	33
(1.2)	1.0	(0.2)	(1.9)	2.3	0.4

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BALANCE SHEET (UNAUDITED)

as at 30 June 2009

	30 June 2009 (unaudited)	30 June 2008 (unaudited)	31 December 2008 (audited)
Note	£'000	£'000	£'000
Fixed assets			
Qualifying investments	4,427	565	2,752
Current assets			
Debtors	9	8	6
Non-Qualifying investments	3 4,286	8,192	6,045
Cash at bank and in hand	68	76	92
Creditors: amounts falling due within one year	(29)	(20)	(26)
Net current assets	4,334	8,256	6,117
Net assets	8,761	8,821	8,869
Capital and reserves			
Called-up share capital	92	92	92
Share premium account	4,383	4,383	4,383
Other reserves	4,382	4,383	4,382
Capital reserves			
realised	115	(24)	59
unrealised	258	295	327
Revenue reserve	(469)	(308)	(374)
Shareholders' funds	8,761	8,821	8,869
Net asset value (pence per share)	4 94.8	95.4	96.0

CASH FLOW STATEMENT (UNAUDITED)

for the six months ended 30 June 2009

	Six months ended 30 June 2009 (unaudited) £'000	Six months ended 30 June 2008 (unaudited) £'000	Year ended 31 December 2008 (audited) £'000
Net cash outflow from operating activities	(144)	(106)	(190)
Capital expenditure			
Purchase of qualifying investments	(1,675)	(402)	(2,589)
Net cash outflow from capital expenditure	(1,675)	(402)	(2,589)
Management of liquid resources			
Purchase of non-qualifying investments	-	(1,220)	(2,536)
Disposal of non-qualifying investments	1,795	1,630	5,233
Net cash inflow from liquid resources	1,795	410	2,697
Decrease in cash	(24)	(98)	(82)
Reconciliation of (Loss)/Profit Before Taxation to Net Cash Flow from Operating Activities			
	£'000	£'000	£'000
(Loss)/profit on ordinary activities before tax	(108)	(15)	33
(Gain)/loss on investments	(105)	21	(87)
Decrease/(increase) in fair value of investments held	69	(109)	(141)
(Increase)/decrease in receivables	(3)	7	9
Increase/(decrease) in payables	3	(10)	(4)
Net cash outflow from operating activities	(144)	(106)	(190)
Reconciliation of Net Cash Flow to Movement in Net Funds			
	£'000	£'000	£'000
Opening cash balances	92	174	174
Net cash outflow	(24)	(98)	(82)
Closing cash balances	68	76	92

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

for the six months ended 30 June 2009

1. Accounting Policies

(a) Basis of Accounting

The financial statements for the Reporting Period have been prepared in compliance with UK Generally Accepted Accounting Practice and with the Statement of Recommended Practice (the SORP) entitled "Financial Statements of Investment Trust Companies" which was issued in January 2003 and revised in December 2005.

These financial statements have been drawn up adopting the accounting policies set out in the statutory accounts for the year ended 31 December 2008.

(b) Valuation of Investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. As set out in the prospectus (published on 7 November 2006 in connection with the offer) all investments are designated at fair value.

Investee Companies

Unquoted investments including equity and loan investments are stated at fair value in accordance with the International Private Equity and Venture Capital Guidelines and Financial Reporting Standard 26 "Financial Instruments: Recognition and Measurement" (FRS 26). They are designated at fair value through profit and loss in accordance with FRS 26.

The guidelines set out six permissible valuation methodologies, of these the two methodologies most applicable to the Company's investments are:

1. Price of recent investment. Where the investment being valued was made recently, its cost will generally provide a good indication of value. It is generally considered that this would only apply for a limited period, in practice a period of up to a year is often applied as the long stop date for such a valuation.
2. Discounted cash flows/earnings of the underlying business, calculating the net present value of expected future cashflows of the Investee Companies. In relation to the Company's investments, anticipating future cashflows in excess of the guaranteed amounts would clearly require highly subjective judgements to be made in the early stage of each investment and therefore would not be an appropriate methodology to apply in the early stage of the investment.

The adopted approach fair values the investments upon initial recognition at the "price of recent investment" (i.e. cost) in their first year of investment. Subsequently, the portfolio of investments is fair valued on the discounted cash flow/earnings basis using the latest available information on the performance of the live event.

Open Ended Investment Companies

The Company's non qualifying investments in interest bearing money market open ended investment companies (OEICs) are valued at fair value, this is bid price. They have been designated at fair value through profit and loss for the purposes of FRS 26.

Gains and losses arising from changes in fair value of qualifying and non-qualifying investments are recognised as part of the capital return within the income statement and allocated to the realised or unrealised capital reserve as appropriate. Transaction costs attributable to the acquisition or disposal of investments are charged to capital within the income statement.

(c) Investment Income

Interest income is recognised in the income statement as it accrues.

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged to the revenue account within the income statement except that:

- expenses which are incidental to the acquisition or disposal of an investment are charged to capital in the income statement as incurred; and
- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated.

2. Basic and Diluted Return per Share

The calculation of basic return per share is based on the return on ordinary activities after tax for the period and on a weighted average of 9,242,845 ordinary shares in issue for the six months ended 30 June 2009 (3 December 2008: 9,242,845; 30 June 2008: 9,242,845).

There are no dilutive elements and therefore the basic return per share is the same as the diluted return per share.

3. Non-Qualifying Investments

In order to safeguard the capital available for investment in VCT qualifying investments and balance this with the need to provide good returns to investors, available funds from the net proceeds are invested in appropriate securities (money market securities and cash funds) until required for Qualifying Investment purposes.

4. Net Asset Value per Share

The net asset value per share has been calculated based on 9,242,845 ordinary shares being the number of ordinary shares in issue as at 30 June 2009 (31 December 2008: 9,242,845; 30 June 2008: 9,242,845).

5. Related Party Transactions

Ingenious Ventures Limited was the manager until 1 March 2008, when the investment management agreement was novated to Ingenious Asset Management Limited, and Ingenious Ventures became a trading name of Ingenious Asset Management Limited. Patrick McKenna is a director of Ingenious Asset Management Limited and was a director of Ingenious Ventures Limited until 1 June 2009, which are both wholly owned subsidiaries within the Ingenious Media Holdings plc group of companies, which is controlled by Patrick McKenna.

The funds invested in OEICs, are also managed by Ingenious Asset Management Limited.

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During the year the Company has carried out a number of transactions with the above-mentioned related parties in the normal course of the business and on an arm's length basis:

Entity	30 June 2009 Income/ (Expenditure) £'000	30 June 2008 Income/ (Expenditure) £'000	31 December 2008 Income/ (Expenditure) £'000	30 June 2009 Amounts due £'000	30 June 2008 Amounts due £'000	31 December 2008 Amounts due £'000
<i>Ingenious Ventures Limited</i>						
- Investment management fee	-	(52)	(52)	-	-	-
- Administration fee	-	(5)	(5)	-	-	-
- VAT reclaimed on Management and Administration fee	-	-	26	-	-	-
<i>Ingenious Asset Management Limited</i>						
- Investment management fee	(88)	(52)	(140)	-	-	-
- Administration fee	(9)	(4)	(14)	-	-	-
- Irrecoverable VAT	(10)	-	-	(10)	-	-
- VAT reclaimed on Management and Administration fee	-	-	8	-	-	-

Further information regarding related party transactions is given below:

Ingenious Media Consulting Limited, a company of which Patrick McKenna was a director until 1 June 2009, has entered into consultancy agreements with each of the investee companies to provide management services. For the provision of such services, consulting fees totalling £108,245 excluding VAT (31 December 2008: £151,000; 30 June 2008: £36,498), have been invoiced for the period, £8,000 of which remains outstanding as at 30 June 2009 (31 December 2008: £10,000; 30 June 2008: nil).

Brand Events Limited which holds 49.9% of the equity of Taste Xmas Live Limited and 49.9% of the equity of Brand Events Live Limited is a subsidiary of Brand Events Holdings Limited which is a subsidiary of Ingenious Media Active Capital Limited (IMAC), a company of which Patrick McKenna is a director. Ingenious Media Limited is also a shareholder of IMAC. The Company has invested £902,000 in Taste Xmas Live Limited and £1,000,000 in Brand Events Live Limited.

Cream Holdings Limited, a company of which Patrick McKenna is a director, holds 49.9% of the equity of CFDT Limited. Cream Holdings Limited is 46.9% owned by Ingenious Ventures Limited Partnership (IVLP).

IVLP is a limited partnership; the limited partners are IMAC which owns 90% and Ingenious Media Limited which holds 10%. Patrick McKenna is a director of IMAC. Ingenious Media Limited is a wholly owned subsidiary of Ingenious Media Holdings plc which is controlled by Patrick McKenna. Ingenious Media Limited is also a shareholder of IMAC. The Company has invested £850,000 in CFDT Limited.

Whizz Kid Entertainment Limited which holds 49.9% of the equity of Dance Floor Limited is a subsidiary of IMAC, a company of which Patrick McKenna is a director. The Company has invested £500,000 in Dance Floor Limited.

Patrick McKenna is a director of The Young Vic (a registered charity) which holds 0.2% of the equity in each of the investee companies.

6. The unaudited half-yearly financial report for the period ended 30 June 2009 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and has not been delivered to the Registrar of Companies.
7. Copies of the half-yearly financial report are being sent or made available electronically to all shareholders. Further copies can be downloaded from the Company's website: www.ingeniousvcts.co.uk.

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