

INGENIOUS LIVE VCT 2

HALF-YEARLY FINANCIAL REPORT
For the six months ended
30 June 2011



WE ARE **INGENIOUS**

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INGENIOUS LIVE VCT 2

CORPORATE INFORMATION

The Company	Ingenious Live VCT 2 plc
Directors	Gavin Hamilton-Deeley (Chairman)* Patrick McKenna Steve Lewis *
Company Secretary	Sarah Cruickshank
Registered Office	15 Golden Square London W1F 9JG
Company Number	5943531
Investment Manager and 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 (a director who is independent of the Investment Manager)

** Ingenious Ventures is a trading division of Ingenious Asset Management Limited

INTERIM MANAGEMENT REPORT

We are delighted to present the half-yearly financial report of Ingenious Live VCT 2 plc (the **Company**) covering the six months ended 30 June 2011 (the **Reporting Period**).

Overview of Activities

The Company has now completed its investment strategy and is fully invested under the VCT regulations. It will now continue to focus upon maximising the returns from the investments made. The Company is pleased to announce that 2011 is set to be another successful year with a number of the summer events already estimating record attendances.

For example, *Creamfields* is sold out for the third year in a row with its increased capacity of 50,000 per day. *Rewind Festival* (19 to 21 August) and *Field Day* (6 August), were also complete sellouts.

Investment Objective

The Company's main objective is to invest in companies established to create and bring to market live events and premium entertainment content which will provide shareholders with an attractive return. This strategy will aim to maximise the opportunities for making tax-free dividends to shareholders from both the actual income received and capital profits on the sale of the Investee Companies or their assets.

The Company has been fully invested since December 2009 and the Manager continues to focus solely on the portfolio of investments in order to deliver strong annual profits and, crucially, target exceptional back-end values as the Company exits its investments after the qualifying five-year period.

Results

The Company made a loss on ordinary activities of £114,000 for the six months ended 30 June 2011 (31 December 2010: profit of £89,000; 30 June 2010: loss of £137,000).

The net asset value per share is 82.8 pence (31 December 2010: 91.0 pence; 30 June 2010: 88.6 pence), although this is after the deduction of the interim dividend of 7.0 pence per share in the Reporting Period, as well as after the deduction of an interim dividend of 7.0 pence per share in the period to 30 June 2010.

Festivals

Creamfields

Ingenious Live VCT 2 Investment amount: £850,000

(£1,700,000 across the Ingenious Live VCTs)

The success of *Creamfields* as the country's leading dance festival has been highlighted through the numerous awards that it has earned over the past few years. In 2011 *Creamfields* was awarded 'Best Dance Event' at the prestigious *UK Festival Awards* for the second year running and it was also honoured as 'Best Festival' at the 2010 *Music Week Awards*, beating festivals such as *Glastonbury*, *V Festival*, *Reading* and *Leeds*.

The 2010 event delivered record profits for the second year in a row. The 2011 event, which will take place between 26 and 28 August, has been extended to open on a Friday for the first time and, with its increased capacity of 50,000 per day, *Creamfields* is once again set to deliver significantly increased profits.

This year's event will be headlined by *The Chemical Brothers*, *Swedish House Mafia*, *Tiësto* and *David Guetta* and boasts an array of electronic artists that has clearly once more struck a strong chord with its audience.

Rewind Festival & 80s Rewind Tour

Ingenious Live VCT 2 Investment amount (*80s Rewind Festival*): £346,598

(£693,196 across the Ingenious Live VCTs)

INGENIOUS LIVE VCT 2

INTERIM MANAGEMENT REPORT (CONTINUED)

Festivals (continued)

Rewind Festival & 80s Rewind Tour (continued)

(£545,196 across the Ingenious Entertainment VCTs)

Ingenious Live VCT 2 Investment amount (*80s Rewind Tour*): £328,350

(£656,700 across the Ingenious Live VCTs)

In December 2008, the Company, alongside The Rival Organisation, co-promoted the *Rewind Festival*, a two-day music event in Henley-Upon-Thames. The 2010 event, held in August experienced an impressive increase in attendance figures, with a total audience of over 35,000 across both days. Highlights included performances by *Boy George* and *Tony Hadley*.

This year's event was held between 19 and 21 August and was a complete sell out (20,000 per day capacity). Highlights this year included *Village People* and *The Human League* and we are delighted that *Rewind* has very quickly established itself as the country's leading celebration of 80s music.

The brand creation strategy that the Manager very much focuses upon is further supported by the fact that in July 2011 a licence was granted for a *Rewind Festival* to be held in Australia. This event will take place in late October 2011.

Underage & Field Day Festivals

Ingenious Live VCT 2 Investment amount: £500,000

(£1,000,000 across the Ingenious Live VCTs)

Field Day Festival has become the festival of choice for those hoping to see 'the next big thing'. Over the years leading artists such as *Florence and the Machine*, *Mumford and Sons* and *Laura Marling* have all played at *Field Day* before making their big break. The 2010 event gave the impression that the *Field Day* brand had finally arrived and this has been borne out by the fact that the attendance for this year's event far exceeded the previous year.

Underage, the sister festival to *Field Day*, is equally unique in that it is the only festival in the country dedicated to 13 to 17 year olds. As in 2010, *Underage* was broadcast live on BBC Radio One and continues to hold its market niche as the key summer music festival for under 18 year olds.

We believe that the *Underage* and *Field Day* brands still have strong potential to be 'rolled out', both in the UK and overseas, although they continue to make a good level of profit solely based upon the UK festival.

Field Day and *Underage* are held each year in Victoria Park, London. This year, *Underage* was held on 5 August and *Field Day* on 6 August 2011.

Exhibitions

Brand Events - Taste of Christmas & The Taste Festivals

Ingenious Live VCT 2 Investment amount (*Taste of Christmas*): £902,489

(£1,804,978 across the Ingenious Live VCTs)

Ingenious Live VCT 2 Investment amount (*The Taste Festivals*): £1,000,000

(£2,000,000 across the Ingenious Live VCTs)

Taste of Christmas, the festive food and drink event returned for the third year to the ExCel Centre in London during December 2010 and attracted over 20,000 people. Despite the severe weather conditions, the exhibition was extremely well attended and as a result, the event became profitable for the first time. A high proportion of exhibitors and sponsors have already signed up for the next exhibition to be held in December 2011, which will once again inspire and educate consumers while offering them the very best in food shopping, fine wines and access to celebrity chefs.

INTERIM MANAGEMENT REPORT (CONTINUED)**Exhibitions (continued)***Brand Events - Taste of Christmas & The Taste Festivals (continued)*

The Taste Festivals are established as successful outdoor food and wine events featuring a number of famous chefs including *Gary Rhodes, Michel Roux Jr., Giorgio Locatelli* and *Theo Randall* who serve up their signature dishes for the public to taste. The London event took place in Regent's Park in June 2011, whilst the Edinburgh event was held in Inverleith Park in May 2011.

Taste of London is the jewel in *The Taste Festivals'* crown, attracting 50,000 visitors to Regent's Park every year. *The Taste Festivals* have set a new benchmark for food and drink events worldwide with 12 *Taste Festivals* now being hosted around the world including Dublin, Cape Town, Sydney and Dubai. The investment generated a small profit to the Company.

Golf Live

Ingenious Live VCT 2 Investment amount: £275,000

(£550,000 across the Ingenious Live VCTs)

(£550,000 across the Ingenious Entertainment VCTs)

Golf Live is a three day interactive golf event which was staged at The London Golf Club between 18 and 20 May 2011. IMG, managers to a large number of leading golfers, has also invested into the event. The long term aim is to roll the event out to further prestigious golf courses around the world and it has already attracted sponsorship partners of the quality of O2, Jaguar, Turkish Airlines and the European Golf Tour. The event represents a highly creative way of bringing the sports and exhibition markets closely together.

In 2011 *Golf Live* was hosted by last year's Ryder Cup captain, Colin Montgomerie, alongside many other stars from within the world of golf. The event was extremely well received by both the corporate partners as well as the paying public and its audience satisfaction rating was the highest that Brand Events had ever received for one of their events.

The partners were delighted with the financial performance of the event in year two whereby it broke even and they feel very confident that *Golf Live* is poised to move into profitability for 2012. The anticipated international roll-out of the brand is also likely to commence next year.

Live Venues*Scarborough Open Air Theatre*

Ingenious Live VCT 2 Investment amount: £1,000,000

(£2,000,000 across the Ingenious Live VCTs)

(£2,000,000 across the Ingenious Entertainment VCTs)

In December 2009, the Ingenious Live VCTs entered into an arrangement to exclusively co-promote a variety of live events at *Scarborough Open Air Theatre*, the largest open air theatre in Europe. The theatre, which is situated on the Yorkshire coast, seats over 6,000 people and is a major venue in the North East of England for theatrical performances, concerts, opera and dance.

The venue was built by Scarborough Council, who has granted a twenty five year license to operate the venue when it was opened by HRH the Queen in May 2010. The co-promoters of the venue are the Apollo Theatre Group, a very experienced live event promoter and the Manager feels that the venue has a great deal of potential.

INGENIOUS LIVE VCT 2

INTERIM MANAGEMENT REPORT (CONTINUED)

Live Venues (continued)

Scarborough Open Air Theatre (continued)

The 2011 season was opened with a performance by the legendary *Sir Elton John*, who sold out the venue in a record breaking three hours. Other major shows to be staged this season include *Rewind* (returning after last year's sold out performance), *Last Night of the Proms* (featuring *Kiri Te Kanawa* who also sold out the venue during 2010's Gala Opening), as well as popular chart stars *N-Dubz*.

The 2010 season generated a trading loss but, as already stated, the Manager remains confident that the venue will deliver longer-term profits to the shareholders.

Television Format

Let's Dance

Ingenious Live VCT 2 Investment amount: £500,000

(£1,000,000 across the Ingenious Live VCTs)

(£1,000,000 across the Ingenious Entertainment VCTs)

In January 2009, £2,000,000 was invested across both the Live and Entertainment VCTs to back the television dance format *Let's Dance*. This was the second co-investment between the Ingenious Live and Entertainment VCTs.

For the past three years BBC One has commissioned Whizz Kid Entertainment to produce this hugely popular celebrity-led series for both *Comic Relief* and *Sports Relief*. In 2011 the programme was aired to over 8.3 million viewers and enjoyed the prime time Saturday night slot on BBC One. Following the ratings success of the UK series, the *Let's Dance* format has been sold and aired in a number of different countries including Germany, the Netherlands, Sweden, Russia, Slovakia and Indonesia.

The series has also been re-commissioned for a fourth UK series to be aired in 2012 and, as a result of this success, the international sales agents for both the US (*William Morris*) and the Rest of the World (*Fremantle*) are continuing to push forward with the international sale of the format. Our financial forecasts show that the format revenues generated will already at least cover the investment made and the Manager fully expects that there will be some significant upside in the investment in future years.

Outlook

The economic environment continues to display challenges for the Company as a whole, however the Manager is extremely pleased to report that its portfolio is proving highly robust in the current climate. We remain confident that we are developing a number of brands that have strong international potential and which will create significant asset values in addition to ongoing annual trading profits.

Some of these event opportunities will take time to develop, but we firmly believe that the Company will deliver strong shareholder value within each five year investment cycle.

The Manager's focus remains very firmly upon maximising the returns from investments made. In addition, we believe that the Company's strategy, which aims to successfully balance equity risk with a strong level of downside protection through minimum revenue arrangements of at least 75% in respect of each investment, is perfectly suited to the current economic environment whereby shareholders are very much focused upon capital preservation.



Ingenious Ventures

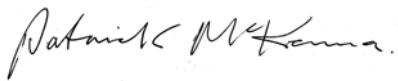
22 August 2011

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement "Half-yearly Financial Reports";
- as required by 4.2.7R of the FSA's Disclosure and Transparency Rules, the Interim Management Report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
- the Interim Management Report includes a fair review of the information concerning related party transactions required by Disclosure and Transparency Rule 4.2.8R.

The half-yearly financial report was approved by the Board on 22 August 2011 and the above responsibility statement was signed on its behalf by



Patrick McKenna

Director

22 August 2011

INGENIOUS LIVE VCT 2

CONDENSED INCOME STATEMENT (UNAUDITED)

for the six months ended 30 June 2011

	Note	Six months ended 30 June 2011 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000
Gain on disposal of investments		-	71	71
Decrease in fair value of investments held		-	(169)	(169)
Investment income		115	-	115
Investment management fees		(40)	(40)	(80)
Other expenses		(51)	-	(51)
Profit/(loss) on ordinary activities before taxation		24	(138)	(114)
Tax on ordinary activities		-	-	-
Profit/(loss) attributable to equity shareholders		24	(138)	(114)
Basic and diluted return per share (pence)	2	0.3	(1.5)	(1.2)

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

The total column is the income statement of the Company for the six months ending 30 June 2011. The supplementary capital and revenue columns are prepared with guidance published by the Association of Investment Companies (AIC).

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS (UNAUDITED)

for the six months ended 30 June 2011

	30 June 2011 (unaudited) £'000	30 June 2010 (unaudited) £'000	31 December 2010 (audited) £'000
Opening shareholders' funds	8,415	8,973	8,973
Dividends	(647)	(647)	(647)
(Loss)/profit for the period	(114)	(137)	89
Closing shareholders' funds	7,654	8,189	8,415

The accompanying notes form an integral part of these financial statements.

CONDENSED INCOME STATEMENT (UNAUDITED) (CONTINUED)

for the six months ended 30 June 2011

Six months ended 30 June 2010 (unaudited)			Year ended 31 December 2010 (audited)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	57	57	-	63	63
-	(214)	(214)	-	(111)	(111)
162	-	162	410	-	410
(45)	(45)	(90)	(86)	(86)	(172)
(52)	-	(52)	(101)	-	(101)
65	(202)	(137)	223	(134)	89
-	-	-	-	-	-
65	(202)	(137)	223	(134)	89
0.7	(2.2)	(1.5)	2.4	(1.4)	1.0

INGENIOUS LIVE VCT 2

CONDENSED BALANCE SHEET (UNAUDITED)

as at 30 June 2011

	Note	30 June 2011 (unaudited) £'000	30 June 2010 (unaudited) £'000	31 December 2010 (audited) £'000
Fixed assets				
Qualifying investments		6,521	6,242	6,521
Current assets				
Debtors		158	68	138
Non-qualifying investments	3	971	1,776	1,717
Cash at bank and in hand		24	127	63
		1,153	1,971	1,918
Creditors: amounts falling due within one year		(20)	(24)	(24)
Net current assets		1,133	1,947	1,894
Net assets		7,654	8,189	8,415
Capital and reserves				
Called-up share capital		92	92	92
Share premium account		4,383	4,383	4,383
Other reserves		3,088	3,735	3,735
Capital reserve		344	414	482
Revenue reserve		(253)	(435)	(277)
Equity shareholders' funds		7,654	8,189	8,415
Net asset value (pence per share)	4	82.8	88.6	91.0

The accompanying notes form an integral part of these financial statements.

CONDENSED CASH FLOW STATEMENT (UNAUDITED)

for the six months ended 30 June 2011

	Six months ended 30 June 2011 (unaudited) £'000	Six months ended 30 June 2010 (unaudited) £'000	Year ended 31 December 2010 (audited) £'000
Net cash outflow from operating activities	(71)	(89)	(211)
Financial investment			
Purchase of qualifying investments	-	(74)	(74)
Disposal of qualifying investments	-	74	74
Net cash flow from financial investment	-	-	-
Management of liquid resources			
Disposal of non-qualifying investments	679	770	828
Net cash inflow from liquid resources	679	770	828
Financing			
Dividends	(647)	(647)	(647)
Net cash outflow from financing	(647)	(647)	(647)
(Decrease)/increase in cash	(39)	34	(30)

Reconciliation of (loss)/profit before taxation to net cash flow from operating activities

	£'000	£'000	£'000
(Loss)/profit on ordinary activities before tax	(114)	(137)	89
Decrease in fair value of investments held	169	214	111
Investment income	(102)	(162)	(337)
Increase in receivables	(20)	-	(70)
Decrease in payables	(4)	(4)	(4)
Net cash outflow from operating activities	(71)	(89)	(211)

Reconciliation of net cash flow to movement in net funds

	£'000	£'000	£'000
Opening cash balances	63	93	93
Net cash (outflow)/inflow	(39)	34	(30)
Closing cash balances	24	127	63

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

for the six months ended 30 June 2011

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 and Venture Capital Trusts" which was issued in January 2009.

These financial statements have been drawn up adopting the accounting policies set out in the Annual Report and Accounts for the year to 31 December 2010.

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 all investments are designated at fair value.

International Private Equity and Venture Capital Valuation Guidelines

Unquoted investments, including equity and loan investments are designated at fair value and valued in accordance with the International Private Equity and Venture Capital Guidelines and Financial Reporting Standard 26 "Financial Instruments: Recognition and Measurement" (**FRS 26**). Investments are initially recognised at fair value. The investments are subsequently re-measured at fair value, as estimated by the Directors with prudence and good faith. Investment holding gains or losses arising from the revaluation of investments are taken directly to the income statement. Fair value is determined as follows:

- Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
- In estimating fair value for an investment, the Investment Manager will apply a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio and will use reasonable assumptions and estimations.
- An appropriate methodology incorporates available information about all factors that are likely to materially affect the fair value of the investment. The valuation methodologies are applied consistently from period to period, except where a change would result in a better estimate of fair value. Any changes in valuation methodologies will be clearly disclosed in the financial statements.

The most widely used methodologies are listed below. In assessing which methodology is appropriate, the Directors are predisposed towards those methodologies that draw upon market-based measures of risk and return.

- Price of recent investment
- Earnings multiple
- Net assets
- Available market prices

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 up to the start of the first live event which forms the investment is often applied as the long stop date for such a valuation.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

for the six months ended 30 June 2011

1. Accounting Policies (continued)**b) Valuation of Investments (continued)**

2 - Discounted cash flows/earnings of the underlying business

Investments can be valued by calculating the net present value of expected future cashflows of the companies in which the Company has invested (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.

In the period prior to the first live event it is considered appropriate to use the price paid for the recent investment as the latest available information. Thereafter, 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 or entertainment content. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement in the period in which they arise.

As a result of the above basis of valuation, there is significant judgement associated with the valuation of investments.

Non-qualifying Investments - 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 which is bid price. They have been designated as 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 under the effective interest rate method. The effective interest rate is the rate required to discount the expected future income streams over the life of the loan to its initial carrying amount. The main impact for the Company in that regard is the accounting treatment of the loan note premiums. Where those loan note premiums are charged in lieu of higher interest then they are credited to income over the life of the advance to the extent those premiums are anticipated to be collected.

d) Dividend Income

Dividend income is recognised in the income statement once declared by any investee company.

e) 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;
- 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; and
- the management fee has been allocated 50% to revenue and 50% to capital, which represents the split of the Company's long term returns.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

for the six months ended 30 June 2011

1. Accounting Policies (continued)

f) Deferred 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 or a 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.

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 2011 (31 December 2010: 9,242,845; 30 June 2010: 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 2011 (31 December 2010: 9,242,845; 30 June 2010: 9,242,845).

5. Related Party Transactions

a) Ingenious Ventures Limited was the Investment Manager until 28 February 2008, when the investment management agreement was novated to Ingenious Asset Management Limited, and Ingenious Ventures became a trading division 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 subsidiaries within the Ingenious Media Holdings plc group of companies (the Ingenious Group), which is controlled by Patrick McKenna.

Ingenious Ventures (**the Manager**), as per the management agreement, receives a management fee of 0.5% (2.0% annually) of the net asset value payable quarterly in advance. The Manager also charges an administration fee of £19k per annum and irrecoverable VAT.

b) The funds invested in OEICs are managed by Ingenious Asset Management Limited, a company of which Patrick McKenna is a director. Ingenious Asset Management Limited is a subsidiary of the Ingenious Group, which is controlled by Patrick McKenna. There is no fee associated with this transaction.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

for the six months ended 30 June 2011

5. Related Party Transactions (continued)

During the period the Company has entered into transactions with the above-mentioned related parties in the normal course of business and on an arm's length basis:

Entity	Note	Expenditure Paid			Amounts Due		
		30 June 2011 £'000	30 June 2010 £'000	31 December 2010 £'000	30 June 2011 £'000	30 June 2010 £'000	31 December 2010 £'000
<i>Ingenious Asset Management Limited</i>							
Investment management fee	a	80	90	172	-	-	-
Administration fee	a	10	10	19	-	-	-
Irrecoverable VAT	a	2	-	1	-	4	2

Transactions Between Related Parties

Ingenious Media Consulting Limited, a company which is a subsidiary of the Ingenious Group, which is controlled by Patrick McKenna, has entered into consultancy agreements with each of the Company's investee companies to provide management services. For the provision of such services, consulting fees totalling £173k excluding VAT (31 December 2010: £166k; 30 June 2010: £110k), have been invoiced in the period, £62k remains outstanding as at 30 June 2011 (31 December 2010: £Nil; 30 June 2010: £Nil).

Ingenious Corporate Finance Limited, a company which is a subsidiary of the Ingenious Group, which is controlled by Patrick McKenna, was engaged by one of the investee companies for advice during the period incurring fees of £25,000 excluding VAT (31 December 2010: £Nil; 30 June 2010: £Nil).

6. Comparative Information

The unaudited half-yearly financial report for the period ended 30 June 2011 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.

The Company's statutory financial statements for the year ended 31 December 2010 have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498 (2) or section 498 (3) of the Companies Act 2006.

7. Availability of the Half-Yearly Financial Report

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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