

INGENIOUS LIVE VCT 2

HALF-YEARLY FINANCIAL REPORT
For the six months ended
30 June 2010



WE ARE **INGENIOUS**

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INGENIOUS LIVE VCT 2

CORPORATE INFORMATION

The Company	Ingenious Live VCT 2 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	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

I am delighted to present the half-yearly financial report of Ingenious Live VCT 2 plc (the **Company**) for the six months ended 30 June 2010 (the **Reporting Period**).

Overview of Activities

The Company has now fully committed its funds and is focused on driving commercial returns from each investment.

Festivals

Creamfields

Investment amount: £850,000 (£1,700,000 across the Company and Ingenious Live VCT 1 plc).

Creamfields was voted 'best festival' at the 2010 Music Week Awards in London beating competitors such as the Glastonbury Festival and the Reading and Leeds Festivals. This year sees the two-day dance music event expand in size to a 40,000 capacity and will take place on 28 and 29 August 2010. The Cheshire based event boasts a line up that includes world famous DJs *Tiesto*, *David Guetta*, *Sasha*, *DeadMau5* and *Calvin Harris* playing alongside special guests and electronic pioneers *Leftfield*.

Ticket sales for this year's event have exceeded all expectations and the promoters have announced that both days have sold out in advance. This should generate a good return to the Company, further information will be provided in the full year accounts to 31 December 2010.

Underage and Field Day Festivals

Investment amount: £500,000 (£1,000,000 across the Company and Ingenious Live VCT 1 plc).

The London based *Underage* and *Field Day Festivals* made strong returns for the Company in both 2009 and 2010.

This year the *Underage Festival* continued to move from strength to strength with 2010 boasting an impressive lineup featuring artists such as *M.I.A.*, *Tinie Tempah*, *Tinchy Stryder*, *Ellie Goulding* and *Crystal Castles*. Following four successful years the event has firmly established its market niche as the summer music event for under 18 year olds.

Meanwhile, *Field Day* which is well established as the leading alternative music festival in London, featured electric performances from *Phoenix*, *Moderat* and *The Fall*. The 2010 events delivered a solid profit for the Company.

80s Rewind Festival

Investment amount: £346,848 (£693,696 across the Company and Ingenious Live VCT 1 plc, and £545,196 across Ingenious Entertainment VCT 1 plc and Ingenious Entertainment VCT 2 plc).

We are pleased to report that the *80s Rewind Festival*, a two-day music festival to be held in Henley-on-Thames between 20 and 22 August 2010, is proving very popular with anticipated sales of over 35,000 tickets. The 2010 event hosts a list of 80s stars including *Rick Astley*, *Boy George*, *T'Pau*, *Marc Almond*, *Level 42*, *Tony Hadley* with *ABC* and *Go West*. We also anticipate that this event will generate a profit for the Company.

Powderham Castle/80s Rewind Tour

Investment amount: £328,350 (£656,700 across the Company and Ingenious Live VCT 1 plc).

Following two years of losses, the investment underwent a thorough review and the decision was taken not to proceed with future Powderham Castle concerts.

The funds have been reinvested in the Reporting Period into the *80s Rewind Christmas Tour* – an adjunct to the successful *80s Rewind Festival* in Henley-on-Thames. The tour takes place in eight major venues starting in November 2010; London Wembley Arena, Manchester MEN Arena, Birmingham LG Arena, Sheffield, Glasgow, Bournemouth, Cardiff and Newcastle.

INGENIOUS LIVE VCT 2

INTERIM MANAGEMENT REPORT (CONTINUED)

Exhibitions

Brand Events - Taste of Christmas and the Taste Festivals

Investment amount (*Taste of Christmas*): £902,489 (£1,804,978 across the Company and Ingenious Live VCT 1 plc).

Taste of Christmas, the festive food and drink event, returns to the ExCel Centre in London during December 2010 after attracting over 20,000 people to a well received show in 2009. The Company expects the event to generate a profit for the first time in 2010.

Investment amount (*Taste Festivals*): £1,000,000 (£2,000,000 across the Company and Ingenious Live VCT 1 plc).

The Taste Festivals are established and successful outdoor food and wine events featuring a number of famous chefs including Gary Rhodes and Antony Worrall 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 17 to 20 June 2010, whilst the Edinburgh event was held in Inverleith Park from 28 to 29 May 2010. The investment generated a small profit to the Company.

Golf Live

Investment amount: £275,000 (£1,100,000 across the Company, Ingenious Live VCT 1 plc, Ingenious Entertainment VCT 1 plc and Ingenious Entertainment VCT 2 plc).

In December 2009, the Company, Ingenious Live VCT 1 plc, Ingenious Entertainment VCT 1 plc and Ingenious Entertainment VCT 2 plc invested alongside Brand Events Limited to co-promote *O₂ Golf Live* a new three-day interactive golf event which was staged at Stoke Park in Buckinghamshire between 14 and 16 May 2010.

Brand Events Limited has established a strong reputation within the UK for successfully launching new consumer shows. Brand Events Limited has now established two key shows: the *Taste Festivals*, food festivals celebrating different foods; and *Top Gear Live*, the *Top Gear* branded live motoring theatre format.

The event represents a creative way of bringing the Sports and Exhibition markets closely together, and the longer term aim is to role the event out to further prestigious golf courses around the world. *O₂*, Jaguar and the European Tour were amongst the partners for the initial UK event.

The event made a loss in the first year, but was extremely well received by both the corporate partners and the paying public. The audience satisfaction rating was the highest that Brand Events Limited had ever received. *Golf Live* is considered to have strong long term potential to build on the significant brand awareness that it has created in its first year.

Live Venues

Scarborough Open Air Theatre

Investment amount: £1,000,000 (£2,000,000 across the Company and Ingenious Live VCT 1 plc).

The Company co-promotes the *Scarborough Open Air Theatre*, the largest open air theatre venue in Europe, with Apollo Resorts and Leisure Scarborough Ltd. Originally opened in 1932, a major restoration has been taking place as part of the North Bay Project to reinstate the theatre which opened on 23 July 2010. The theatre, which seats up to 6,300 people, will become a major venue in the north east of England for theatre, concerts, opera and dance.

Her Majesty the Queen visited Scarborough to open the venue and recent *Grand Gala* show hosted performances from *José Carreras* and *Dame Kiri Te Kanawa*. This summer's schedule has also included other major shows such as the *80s Rewind Tour*, *The Doves/Newton Faulkner/The Futureheads* and performances by *Justin Fletcher*, the Bafta award winning children's presenter and star of Cbeebies' *Something Special*, in *Justin Live*.

INTERIM MANAGEMENT REPORT (CONTINUED)**Theatre and Television Format***Let's Dance*

Investment amount: £500,000 (£2,000,000 across the Company, Ingenious Live VCT 1 plc, Ingenious Entertainment VCT 1 plc and Ingenious Entertainment VCT 2 plc).

Let's Dance was commissioned by the BBC for Comic Relief in 2009 and proved to be an instant hit, with audience ratings peaking at 8.6 million viewers for the final on BBC 1.

The show was recommissioned as *Let's Dance for Sports Relief* in 2010 which aired for four weeks in February to equally impressive audience figures. Following the ratings success of both series the format has now been sold and aired in both Germany and Holland. The Investment Manager is in discussions in a number of other territories around the world regarding the licensing of this format and the Company expects these sales to return a profit in the near future.

Annie Get Your Gun

Investment amount: £252,500 (£505,000 across the Company and Ingenious Live VCT 1 plc).

In November 2009, the Company invested into the theatrical production of *Annie Get Your Gun* (starring Jane Horrocks). It completed a successful season at the Young Vic in London in January 2010, and delivered a small profit to the Company. We are currently exploring further opportunities with regards to this investment.

VCT Qualifying Status

The Company is managed as a venture capital trust (**VCT**), 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. The Company can confirm that over 70% of net funds had been fully deployed in VCT qualifying companies in advance of the 31 December 2009 deadline.

Results

The Company made a loss on ordinary activities of £137,000 in the period to 30 June 2010 (30 June 2009: £108,000 loss; 31 December 2009: £104,000 profit). The Company paid its first interim dividend of 7 pence per share during the reporting period (30 June 2009: £Nil; 31 December 2009: £Nil).

The net asset value of each share is 88.6 pence (31 December 2009: 97.1 pence; 30 June 2009: 94.8 pence), the 30 June 2010 net asset value reflects the payment of 7.0 pence per share interim dividend.

Principal Risks and Uncertainties

The Company's assets consist of equities and interest bearing investments, cash and realisable marketable securities. Its principal risks and uncertainties for the remaining six months of the year are therefore market risk, interest rate risk, credit risk and liquidity risk. Other risks faced by the Company include investment and strategic risks, loss of approved status as a Venture Capital Trust, regulatory, financial and other external risks. These risks, and the way in which they are managed, are described in more detail in the Directors' Report and Business Review in the Annual Report and Accounts for the year ended 31 December 2009. The Company's principal risks and uncertainties have not changed materially since the date of that report.

INTERIM MANAGEMENT REPORT (CONTINUED)

Outlook

It was noted in our review of the market in the 31 December 2009 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.

For example, a report from the Association of Independent Festivals released in the reporting period demonstrates that the music festival business remains strong and despite the economic downturn is contributing more than £1bn each year to the UK economy.

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 has been minimised. In fact, the portfolio has performed strongly in the reporting period 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 2010.



Patrick McKenna

Chairman

19 August 2010

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 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 they face.



Patrick McKenna

Chairman

19 August 2010

INGENIOUS LIVE VCT 2

INCOME STATEMENT (UNAUDITED)

for the six months ended 30 June 2010

	Note	Six months ended 30 June 2010 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000
Gain on disposal of investments		-	57	57
(Decrease)/increase in fair value of investments held		-	(214)	(214)
Investment income		162	-	162
Investment management fees		(45)	(45)	(90)
Other expenses		(52)	-	(52)
(Loss)/profit on ordinary activities before taxation		65	(202)	(137)
Tax on ordinary activities		-	-	-
(Loss)/profit attributable to equity shareholders		65	(202)	(137)
Basic and diluted return per share (pence)	2	0.7	(2.2)	(1.5)

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 year. 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 2010

	30 June 2010 (unaudited) £'000	30 June 2009 (unaudited) £'000	31 December 2009 (audited) £'000
Opening shareholders' funds	8,973	8,869	8,869
Dividends	(647)	-	-
(Loss)/profit for the period	(137)	(108)	104
Closing shareholders' funds	8,189	8,761	8,973

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

INCOME STATEMENT (UNAUDITED) (CONTINUED)

for the six months ended 30 June 2010

Six months ended 30 June 2009 (unaudited)			Year ended 31 December 2009 (audited)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	105	105	-	154	154
-	(69)	(69)	-	178	178
4	-	4	68	-	68
(44)	(44)	(88)	(89)	(89)	(178)
(55)	(5)	(60)	(105)	(13)	(118)
(95)	(13)	(108)	(126)	230	104
-	-	-	-	-	-
(95)	(13)	(108)	(126)	230	104
(1.0)	(0.1)	(1.1)	(1.4)	2.5	1.1

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BALANCE SHEET (UNAUDITED)

as at 30 June 2010

	Note	30 June 2010 (unaudited) £'000	30 June 2009 (unaudited) £'000	31 December 2009 (audited) £'000
Fixed assets				
Qualifying investments		6,242	4,427	6,242
Current assets				
Debtors		68	9	68
Non-qualifying investments	3	1,776	4,286	2,598
Cash at bank in hand		127	68	93
		1,971	4,363	2,759
Creditors: amounts falling due within one year		(24)	(29)	(28)
Net current assets		1,947	4,334	2,731
Net assets		8,189	8,761	8,973
Capital and reserves				
Called-up share capital		92	92	92
Share premium account		4,383	4,383	4,383
Other reserves		3,735	4,382	4,382
Capital reserve		414	373	616
Revenue reserve		(435)	(469)	(500)
Equity shareholders' funds		8,189	8,761	8,973
Net asset value (pence per share)	4	88.6	94.8	97.1

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

CASH FLOW STATEMENT (UNAUDITED)

for the six months ended 30 June 2010

	Six months ended 30 June 2010 (unaudited) £'000	Six months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Net cash outflow from operating activities	(89)	(39)	(134)
Capital expenditure			
Purchase of qualifying investments	(74)	(1,675)	(3,203)
Disposal of qualifying investments	74	-	-
Net cash outflow from capital expenditure	-	(1,675)	(3,203)
Management of liquid resources			
Disposal of non-qualifying investments	770	1,690	3,338
Net cash inflow from liquid resources	770	1,690	3,338
Financing			
Dividends	(647)	-	-
Net cash outflow from financing	(647)	-	-
Increase/(decrease) in cash	34	(24)	1

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

	£'000	£'000	£'000
(Loss)/profit on ordinary activities before tax	(137)	(108)	104
Decrease/(increase) in fair value of investments held	214	69	(178)
Investment income	(162)	-	-
Increase in receivables	-	(3)	(62)
(Decrease)/increase in payables	(4)	3	2
Net cash outflow from operating activities	(89)	(39)	(134)

Reconciliation of net cash flow to movement in net funds

	£'000	£'000	£'000
Opening cash balances	93	92	92
Net cash inflow/(outflow)	34	(24)	1
Closing cash balances	127	68	93

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

for the six months ended 30 June 2010

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 2009, with the exception of the accounting policy below on Investment Income. The adoption of that policy has not led to an adjustment to the prior period financial statements as the effect is not significant.

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.

Investee Companies

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 2010

1. Accounting Policies (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, this 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; 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.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

for the six months ended 30 June 2010

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 2010 (31 December 2009: 9,242,845; 30 June 2009: 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 2010 (31 December 2009: 9,242,845; 30 June 2009: 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 wholly-owned 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% 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 wholly-owned 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 2010

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 2010 £'000	30 June 2009 £'000	31 December 2009 £'000	30 June 2010 £'000	30 June 2009 £'000	31 December 2009 £'000
<i>Ingenious Asset Management Limited</i>							
Investment management fee	a	90	88	178	-	-	-
Administration fee	a	10	9	18	-	-	-
Irrecoverable VAT	a	-	10	8	4	10	3

Transactions between Related Parties

Ingenious Media Consulting Limited, a company which is a wholly-owned subsidiary in 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 £110k excluding VAT (31 December 2009: £242k; 30 June 2009: £108k), have been invoiced in the period, no amounts remain outstanding as at 30 June 2010 (31 December 2009: £39k; 30 June 2009: £8k).

6. Comparative Information

The unaudited half-yearly financial report for the period ended 30 June 2010 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 2009 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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