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THE COMPANY AND ITS ADVISERS

Directors	Patrick McKenna (Chairman) Paul Gregg* Piers Gregson* Andrew Morris*
Company Secretary	Susan Ford
Registered Office	15 Golden Square London W1F 9JG
Company Number	5943513
Investment Manager & Administrator	Ingenious Ventures Limited 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	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH
Sponsor and Stockbroker	Brewin Dolphin Securities Limited 34 Lisbon Street Leeds LS1 4LX
Solicitors	Mayer Brown Rowe & Maw 11 Pilgrim Street London EC4V 6RW

* Independent director

INGENIOUS LIVE VCT 1

CHAIRMAN'S STATEMENT

As this is my first statement since Ingenious Live VCT 1 plc first opened for subscription I would like to welcome all shareholders to the Company.

I am pleased to report that more than £16 million was raised in the period from 8 November 2006 to the initial closing on 5 April 2007 with funds split equally amongst the VCT twin structure which encompasses Ingenious Live VCT 1 plc and Ingenious Live VCT 2 plc. A further £2 million was raised by final closing on 31 July taking total funds raised to more than £18 million, of which £9 million is attributable to the Company. This represents an excellent outcome and I would like to thank all of our shareholders for their support.

Investment objective

Our objective is to invest in a portfolio of live event companies engaged in the production and promotion of new and established events and which will provide shareholders with an attractive return. This will be achieved by maximising the opportunities for making tax-free dividends to shareholders from both income received and capital profits on the sale of the investee companies or their assets.

The fund will be making investments alongside Ingenious Live VCT 2 plc, which allows us to participate in investments of up to £2 million per year per qualifying investment (rather than £1 million if each company acted alone) thereby enabling the Company to invest in both more established and wider ranging events.

Overview of activities

Whilst the period to 30 June 2007 was dominated by fundraising, the Company promoted its first event, the inaugural Knowsley Hall Music Festival in Liverpool, which was headlined by *The Who* and *Keane*. The deal, which generated a positive net return for the VCTs, was a joint investment with Cream Holdings Limited and Loud Sound Events Limited, and reinforced the strong deal flow potential of Ingenious Live VCT 1&2.

The Company continues to actively source and review investment propositions and has continued to develop its strong relationships within the sector.

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. The Manager believes that the Company will meet this condition given the number of investment opportunities being pursued.

Results

As the majority of the reporting period was focused on fundraising the Board is not recommending the payment of an interim dividend.

Outlook

The current positive outlook in the live event market offers attractive investment opportunities for the Company, with the UK continuing to play a key role in the market. The Manager continues to see a good flow of high-quality investment opportunities, including promotion of the fund's second event, the sold-out Underage and Field Day festivals, staged in August.

I intend to report further on such activity in my full statement to accompany the annual report and financial statements for the year ending 31 December 2007.



Patrick McKenna

Chairman

10 September 2007

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INCOME STATEMENT (UNAUDITED)

for the period 22 September 2006 to 30 June 2007

	Note	Revenue £'000	Capital £'000	Total £'000
Increase in fair value of investments held		-	21	21
Investment income		35	-	35
Arrangement fees		(82)	-	(82)
Investment management fees		(22)	(21)	(43)
Other expenses		(42)	-	(42)
Loss on ordinary activities before taxation		(111)	-	(111)
Tax on ordinary activities		-	-	-
Loss attributable to equity shareholders		(111)	-	(111)
Basic and diluted return per share (pence)	2	(5.1)	-	(5.1)

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

BALANCE SHEET (UNAUDITED)

as at 30 June 2007

	Note	£'000
Current assets		
Debtors		29
Non-Qualifying investments	3	7,602
Cash at bank and in hand		161
Creditors: amounts falling due within one year		(31)
Net current assets		7,761
Net assets		7,761
Capital and reserves		
Called-up share capital	4	82
Share premium account	5	7,790
Capital reserves		
realised	5	(21)
unrealised	5	21
Revenue reserve	5	(111)
Equity shareholders' funds		7,761
Net asset value (pence per share)	6	94.5

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RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS (UNAUDITED)

For the period 22 September 2006 to 30 June 2007

	£'000
Equity shareholders' funds at 22 September 2006	-
Capital subscribed	8,201
Issue costs	(329)
Loss for the period	(111)
Equity shareholders' funds at 30 June 2007	7,761

CASH FLOW STATEMENT (UNAUDITED)

for the period 22 September 2006 to 30 June 2007

	£'000
Net cash inflow from operating activities	(130)
Capital expenditure and financial investment	
Purchase of non-qualifying investments	(7,581)
Net cash outflow from capital expenditure and financial investment	(7,581)
Financing	
Issue of redeemable preference shares	50
Repurchase of redeemable preference shares	(50)
Issue of ordinary shares	8,201
Expenses of the issue of ordinary shares	(329)
Net cash inflow from financing	7,872
Increase in cash	161

Reconciliation of Loss Before Taxation to Net Cash Flow from Operating Activities

	£'000
Loss on ordinary activities before tax	(111)
Increase in fair value of investments held	(21)
Increase in receivables	(29)
Increase in payables	31
Net cash inflow from operating activities	(130)

Reconciliation of Net Cash Flow to Movement in Net Funds

	£'000
Opening cash balances	-
Net cash inflow	161
Closing cash balances	161

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

1. Accounting policies

(a) Basis of Accounting

The financial statements for the period ended 30 June 2007 have been prepared in compliance with the UK Generally Accepted Accounting Practice (UK GAAP), 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.

The accounting policies used are those that the directors intend to apply in preparing the Company's first annual report for the period ending 31 December 2007.

(b) Valuation of Investment

The Company's investments in interest bearing money market open ended investment companies (OEIC's) are valued at mark-to-market. They have been designated as Fair Value Through Profit and Loss for the purposes of Financial Reporting Standard 26 "Financial Instruments: Measurement".

Gains and losses arising from changes in fair value of 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 the capital return within the income statement.

(c) Investment Income

Interest income is included on an accruals basis.

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged to revenue 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

			22 September 2006 to 30 June 2007
	Revenue	Capital	Total
£'000			
Loss on ordinary activities after taxation	(111)	-	(111)
Weighted average shares in issue (number)	2,193,434	2,193,434	2,193,434
Loss attributable per share (pence)	(5.1)		(5.1)

3. Non-Qualifying Investments

In order to safeguard the capital available for investment in 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.

Included within the total amount for Non-Qualifying Investments, £1.1m has been invested in the Ingenious Enhanced Cash Fund managed by Ingenious Asset Management Limited.

4. Share Capital

As at 30 June 2007 a total of 8,216,606 ordinary shares of 1p had been issued and allotted in accordance with the terms of the Prospectus. The two subscriber shares created upon incorporation were issued at par.

The entire issued ordinary share capital of the Company has been admitted to trading on the Official List of the London Stock Exchange.

During the period under review, 50,000 redeemable preference shares were issued and redeemed at par.

5. Reserves

	Share premium	Capital realised	Capital unrealised	Revenue reserve	Total reserves
	£'000	£'000	£'000	£'000	£'000
At 22 September 2006	-	-	-	-	-
Issue of equity	8,118	-	-	-	8,118
Increase in fair value of investments held	-	-	21	-	21
Investment income	-	-	-	35	35
Arrangement fees	(328)	-	-	(82)	(410)
Investment management fees	-	(21)	-	(22)	(43)
Other expenses	-	-	-	(42)	(42)
At 30 June 2007	7,790	(21)	21	(111)	7,679

6. Net Asset Value Per Share

The calculation of net asset value per share is based on the net assets at 30 June 2007 divided by the 8,216,608 ordinary shares in issue at that date.

- 7.** The unaudited interim financial statements for the period ended 30 June 2007 do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 and have not been delivered to the Registrar of Companies.
- 8.** Copies of the unaudited interim report are being sent to all shareholders. Further copies can be obtained from the Company's Registered Office at 15 Golden Square, London, W1F 9JG.

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