Keydata Income VCT 1 plc

Annual Report and Accounts

Year ended 28 February 2009

CONTENTS

Investment Objective

The objective of the VCT is to maximise tax free distributions to shareholders by investing in a low risk portfolio of renewable energy companies. At least 70% of the Company's funds must be invested in qualifying holdings within three years of raising the funds. The balance of the Company's funds will be invested in liquid assets (such as gilts, other fixed interest securities and bank deposits). The Company is managed as a Venture Capital Trust in order that shareholders in the Company may benefit from the tax relief available.

FINANCIAL HIGHLIGHTS

		2009	2008	% Change
Capital Values:				
Net assets (£000)		3,761	7,160	-47.5%
Net asset value per share		51.47p	98.00p	-47.5%
Cumulative distributions paid since launch		4.33p	1.33p	
Net asset value total return		55.80p	99.33p	-43.8%
Share price (mid)		42.5p	75p	-43.3%
Discount to Net asset value		17.4%	23.5%	
(Loss)/earnings per share	- Revenue return	(5.16p)	3.23p	
	- Capital return	(38.37p)	-	
	- Total return	(43.53p)	3.23p	
Dividends (per share):				
Interim paid		-	-	
Final proposed		-	3.0p	
Total for year		-	3.0p	
Total expense ratio		2.10%	2.06%	

CHAIRMAN'S STATEMENT

Investment Update

Progress in the year has been frustratingly slow on the construction of the renewable energy project in St Helens. The main contractor notified us on 30 October 2008 that it was not able to complete construction on our project due to funding problems. The same contractor was used by all investee companies.

Although the contractor has notified us that some progress has been made in securing additional funding, there is clearly no certainty in the current environment that they will secure funding to complete the construction.

The Board is currently reviewing various options including terminating the contracts with the contractor and pursuing a legal claim for damages, the use of an alternative contractor and the sale of the investments. An impairment charge of 45% (£2,803,000) has been made in the year to state investments at market value in the current operating environment. An additional £844,000 impairment charge has also been made to reverse accrued interest recognised on loan notes.

Results

The net asset value per share at 28 February 2009 was 51.47 pence, a decrease of 47.5% in the year. Adjusted for cumulative dividends paid of 4.33p, the total return is 55.80 pence, a 43.8% decrease in the year.

Losses per share for the period were 43.53 pence per share (comprising revenue losses of 5.16 pence and capital losses of 38.37 pence).

Dividends

No dividend is proposed in respect of the year (2008 - 3 pence).

Outlook

The Board is acutely aware of how unsatisfactory the present situation is for shareholders. We will update shareholders as soon as we determine a clear way forward.

Shareholder Communication

The Company's daily share price can be found on various financial websites under the EPIC code "KIV" or on our own dedicated website at www.keydata.co.uk/incomevct.

Stephen Oxenbridge
Chairman

27 May 2009

MANAGER'S REPORT

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William Heller
Green Power 1 Limited
Investment Manager

27 May 2009

Investment portfolio summary as at 28 February 2009

Qualifying investments

	Equity £000	Loan Note £000	Book Cost £000	Valuation £000	Investments %
Nevin Energy Resources Ltd	283	660	943	519	15.2
Cooke Generation Ltd	283	660	943	519	15.2
Burley Energy Ltd	283	660	943	519	15.1
Boyle Electrical Generation Ltd	283	660	943	518	15.1
Hughes Power Ltd	143	333	476	262	7.6
Clarke Power Services Ltd	302	698	1,000	550	16.1
Spencer Energy Services Ltd	292	681	973	535	15.6
	-------	-------	-------	-------	-------
Total qualifying investments	1,869	4,352	6,221	3,422	99.9
Non-qualifying investments					
Docherty Heat & Energy Distributor Ltd	3	-	3	1	0.0
Clarke Power Services Ltd	-	6	6	4	0.1
	-------	-------	-------	-------	-------
Total non-qualifying investments	3	6	9	5	0.1
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Total investments	1,872	4,358	6,230	3,427	100.0
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BOARD OF DIRECTORS

Stephen Oxenbridge (aged 51)

Stephen has a long career as an Investment Banker. His experience encompasses derivatives, money markets, securitisation and mergers and acquisitions. For the past ten years he has been involved in the utilities industries as managing director of Deutsche Morgan Grenfell's utilities practice in New York and managing director of ING Baring's utilities practice in London. In this capacity he has advised on acquisition strategy and innovative financing structures for many of the major US and European utilities. In addition, he has been involved in private equity and seed capital investments in the technology sector. Stephen is a graduate of Oxford University. He is now the CEO of Oxara Energy, a company investing in the energy sector. He is also a director of Keydata Income VCT 2 plc.

Stewart Owen Ford (aged 45)

Stewart is the managing director of Keydata Investment Services Limited and its parent Company, Keydata UK Limited. Stewart has experience of establishing new media, design, advertising, marketing and financial services organisations. Stewart founded Keydata UK Limited in 1997 to take advantage of a gap in the market place for the provision of marketing and sales information to independent financial advisers. Keydata Investment Services Limited was acquired in May 2001 and assets under management have been increased from £30 million to over £2.5 billion. He is also a director of Keydata AIM VCT plc, Keydata AIM VCT 2 plc, and Keydata Income VCT 2 plc.

David Hurst-Brown FSI (aged 60)

David worked for over 25 years in the investment banking industry starting as an investment analyst with Rowe and Pitman and becoming a partner of the firm in 1985. Following takeover by SG Warburg and Swiss Bank Corporation and the subsequent merger with Union Bank of Switzerland, David ultimately became an executive director in the corporate finance division of UBS Warburg. In this capacity, amongst his various duties, he was responsible for establishing a smaller companies business unit. He was consultant to UBS from 1999 to 2002 and at the same time was an adviser to techMark, the London Stock Exchange's market for technology companies. Since then David has held a number of directorships of public and private companies. He is also a director of Keydata AIM VCT plc, Keydata AIM VCT 2 plc, Keydata Income VCT 2 plc, Acuity VCT 3 plc, Anite plc, Ffastfill plc and Imagination Technologies Group plc.

DIRECTORS' REPORT

For the year ended 28 February 2009

The Directors present their report together with the audited financial statements of the Company for the year ended 28 February 2009.

The Company was incorporated and registered in England and Wales on 16 February 2005 under the Companies Act 1985, registered number 5366736.

Principal Activity and Status

The Company is an investment Company within the meaning of Section 833 of the Companies Act 2006. The Company has been granted provisional approval by HM Revenue & Customs under Section 259 of the Income Tax Act 2007 (formerly Section 842AA ICTA 1988), as a Venture Capital Trust. The shares of the Company were first admitted to the Official List of the UK Listing Authority and trading began on the London Stock Exchange on 23 June 2005.

The Company's principal activity is to invest in a low risk portfolio of renewable energy companies with a view to maximise tax free dividend distributions to shareholders.

The Directors manage the Company's affairs in such a manner as to comply with Section 259 of the Income Tax Act 2007 (formerly Section 842AA ICTA 1988).

A review of the Company's business during the period and consideration of its future development and prospects are contained in the Chairman's Statement and Manager's Report.

Results and Dividends

The total loss after tax for the year amounted to £3,180,000 (2008: £236,000 profit). No dividend will be paid in respect of the year ended 28 February 2009 (2008: 3p per share).

Business Review

A review of the Company's business during the year and consideration of its future development and prospects are contained in the Chairman's Statement and Manager's Report. The financial position at the year end is strong as the Company has no financial borrowings.

Key Performance Indicators

At each board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) are established industry measures and are as follows:

- Net asset value total return
- Share price total return
- Discount to net asset value
- Earnings and Dividend per share

In addition to the above, the Board considers peer group comparative performance. Performance is also measured against the Company's closest benchmark, the FTSE AIM All-share Index.

Principal Risks and Uncertainties

The principal risks facing the Company relate to the Company's investment activities and include market price, interest rate and liquidity. An explanation of these risks and how they are managed is contained in Note 17 to the accounts. Additional risks faced by the Company, together with the mitigation approach, are as follows:

(i) Discount volatility - venture capital trust shares tend to trade at discounts to their underlying net asset values, which can fluctuate considerably. To minimise the impact of such fluctuations, the Company intends to establish a share buy back policy where the Company will purchase shares for cancellation. This will be implemented after the investments are fully operational and when the Company has sufficient cash flow.

(ii) Regulatory risk - the Company operates in a complex regulatory environment and faces a number of related risks. A breach of Section 259 of the Income Taxes Act 2007 (formerly Section 842AA of the Income and Corporation Taxes Act 1988) could result in the Company being subject to capital gains tax on the sale of its investments. The Board receives half yearly compliance reports from PriceWaterhouseCoopers LLP to monitor compliance with regulations.

The financial risks to which the Company are exposed are addressed in note 17 to the financial statements.

Share Valuations

On 28 February 2009, the mid market share price and the net asset value per ordinary share were 42.5p (2008 - 75p) and 51.47p (2008 - 98.0p) respectively.

Management

Green Power 1 Limited (a wholly owned subsidiary of the Company) manages the Company's investments. The principal terms of the Company's agreement with Green Power 1 Limited are set out in Note 3 to the financial statements.

The Investment Manager's remuneration was agreed at the time of the launch of the Company. The initial appointment was for a period of three years from 23 June 2005 and automatically renewed for a further 12 months provided at least 75% of the Company's investment are qualifying investments. The agreement is subject to earlier termination in certain other circumstances. The Directors review the Investment Manager's performance at each Board Meeting.

VCT Status Monitoring

The Company has retained PriceWaterhouseCoopers LLP as advisers on, inter alia, compliance with legislative requirements. The Directors monitor The Company's VCT status through regular reports from PriceWaterhouseCoopers LLP.

Substantial Holdings in the Company

At 28 February 2009, there were no holdings of 3% and over of the Company's ordinary share capital. The position was unchanged at the date of this report.

Financial Instruments

Details of the use of financial instruments by the company and its subsidiary undertaking are contained in Note 17 of the financial statements.

Directors and Directors' Interests

The Directors of the Company at 28 February 2009 are listed below. Stephen Oxenbridge is required to offer himself for re-election at this year's AGM.

The beneficial interests of Directors of the Company in the ordinary share capital at 28 February were:

	2009	**2008**
Stephen Oxenbridge	2,000	2,000
David Hurst-Brown	12,500	12,500
Stewart Ford	5,000	5,000

There have been no changes to the beneficial interests of Directors between 28 February 2009 and the date of this report.

Directors' and Officers' Liability Insurance

The Company maintains a Directors' and Officers' liability insurance policy.

Disclosable Interests

No Director is under contract of service with the Company and, other than as disclosed in Note 16, no contract existed during or at the end of the period in which any Director was materially interested and which was significant in relation to the Company's business.

Supplier Payment Policy

It is the Group and Company's policy to obtain the best terms for all business and to abide by those agreed terms. It is the Company's policy to settle all investment transactions according to settlement periods operating for the relevant markets. Neither the Group nor the Company had any trade creditors at the beginning or end of year therefore creditor days outstanding were nil on both dates.

Charitable and Political Donations

None

Auditors

A resolution proposing the reappointment of BDO Stoy Hayward LLP as auditors to the Company and authorising the Directors to determine their remuneration will be put at the forthcoming AGM.

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Annual General Meeting

The Notice of AGM to be held on 30 June 2009 is set out on page 31.

At the AGM there is one item of special business:

Resolution 5 as set out in the notice of meeting, if passed, will renew the Directors' authority to purchase (for cancellation) up to 14.99% of the issued ordinary share capital as at the date of this report.

By order of the Board

Craig McNeil
Company Secretary
Keydata Income VCT 1 plc

27 May 2009

DIRECTORS' REMUNERATION REPORT

For the year ended 28 February 2009

The Board presents this Report which has been prepared in accordance with the requirements of Schedule 7A to the Companies Act 1985. An ordinary resolution for the approval of this Report will be put to shareholders at the AGM.

Your Company's auditors are required to audit certain disclosures provided in this Report. Where disclosures have been audited, they are indicated in this Report. The auditors' opinion is included in their Report on pages 16 and 17.

Remuneration Responsibilities

The Board has resolved that a remuneration committee is not appropriate for a Company of this size and nature. Remuneration is part of the Board's responsibilities, to be reviewed on an annual basis in line with the remuneration of comparable VCTs.

The Board consists solely of non-executive Directors. All are independent and all participate in meetings of the Board at which Directors' remuneration is considered.

Policy on Directors' Remuneration

The Board's policy is that the remuneration of Directors should be fair and reasonable in relation to the time commitment and responsibilities of the Directors. The Board aims to review Directors' remuneration on a regular basis.

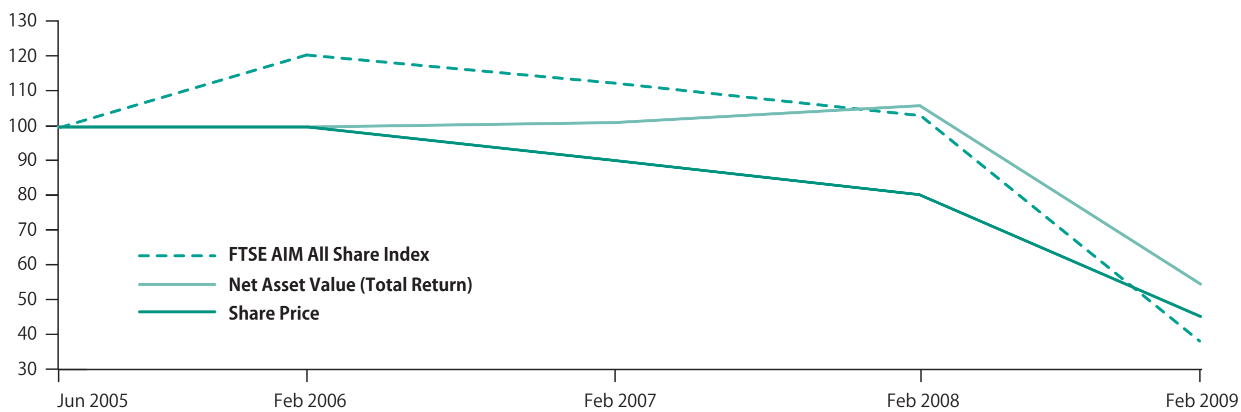
Fees for the Directors are determined by the Board within the limits stated in the Company's Articles of Association. The maximum permitted by the Company's Articles of Association is £200,000 per annum. The Directors are not eligible for bonuses, pension benefits, share options or other incentives or benefits.

Directors' Service Contracts

It is the Board's policy that none of the Directors has a service contract. Each of the Directors has entered into an agreement with the Company dated 23 February 2005. The terms of appointment provide that a Director shall retire and be subject to re-election at the first annual general meeting after appointment and at least every three years thereafter. Either party can terminate the agreement by giving to the other at least 3 months notice in writing to expire at any time after 23 May 2006.

Your Company's Performance

The Company was incorporated on 16 February 2005 and commenced trading on 23 June 2005, therefore five year performance information is not available. The performance chart below charts the Company's Net Asset Value (NAV) and share price total return from Admission of shares to listing on 23 June 2005 to 28 February 2009 (rebased to 100 at 23 June 2005). For comparative purposes, we have also shown the movement in the FTSE AIM Index as the closest (albeit crude) benchmark for small company performance in the period.



Directors' Fees for the Period (audited)

The Directors who served during the year received the following emoluments:

	2009 £	2008 £
Stephen Oxenbridge (Chairman)	15,000	15,000
David Hurst-Brown	12,000	12,000
Stewart Ford	12,000	12,000
Total	**39,000**	**39,000**

These directors are considered to be the key management personnel of the group.

Approval

The Directors' Remuneration Report on pages 10 and 11 was approved by the Board of Directors on 27 May 2009.

Signed on behalf of the Board of Directors

Stephen Oxenbridge
Chairman

CORPORATE GOVERNANCE

Directors' Statement of Compliance with the 2006 FRC Combined Code on Corporate Governance ("the Code")

The Principles

The Board has put in place arrangements which it considers appropriate for a VCT to ensure proper corporate governance.

During the period under review, the Board considers that the Company has complied with the recommendations of the Code except as disclosed below.

Board of Directors

The Board comprises three directors, all of whom are non-executive and all of whom are considered independent of the Manager. All 3 directors are also non-executive directors of Keydata Income VCT 2 plc. Mr Ford is a director and shareholder in the Administrator, Keydata Investment Services Limited. Mr Ford and Mr Hurst-Brown are also non-executive directors of Keydata AIM VCT plc and Keydata AIM VCT 2 plc. Notwithstanding the above, both Mr Ford and Mr Hurst-Brown are considered to be independent by virtue of their experience and the manner in which they perform their duties as directors of the Company. The Directors have a range of business, financial and asset management skills and experiences relevant to the direction and control of the Company. Brief biographical details of the members of the Board are shown on page 6.

The Chairman is Stephen Oxenbridge, a non-executive Director, who has no conflicting relationships. Since all Directors are non-executive and day to day management responsibilities are sub-contracted to the Manager and Administrator, the Company does not have a Chief Executive Officer, as the roles are already effectively separated.

The Administrator ensures that Directors have timely access to all relevant management, financial and regulatory information to enable informed decisions to be made. The Board meets on a regular basis at least four times each year and additional meetings are arranged as necessary. Regular contact is maintained between the Manager and the Board outside of formal meetings.

Board meetings follow a formal agenda, which includes a review of the investment portfolio with a report from the Manager on the current investment position and outlook, strategic direction and the Company's peer group, cash management, revenue forecasts for the financial year, marketing and shareholder relations, corporate governance and industry and other issues.

Due to the size of the Board, and the fact that all Directors are independent of the Investment Manager, the Board has not set up separate audit, nomination and remuneration committees (as required by Code C3.1, A4.1 and B2.1 respectively) on the grounds that the Board as a whole considers these matters. As all directors are non-executives, the Board has not appointed a senior independent non-executive director (Code A3.3) as the Chairman performs this role.

Board Responsibilities

The Directors have adopted a formal schedule of matters reserved for the Board that cannot be delegated to a committee or to any other party. These reserved matters include approval of annual and half yearly reports and accounts, circulars and other shareholder communications, appointment and removal of Board members and officers of the Company, changes to the Company's objectives and accounting polices and any major investment decisions, and the use of gearing for investment purposes.

The Directors have delegated to the Manager responsibility for the day to day investment management decisions of the Company. The provision of administration services has been delegated to Keydata Investment Services Limited.

Company Secretary

The Board has direct access to the Company Secretary who is responsible for ensuring that the Board procedures are followed. The Company Secretary is also responsible for ensuring the timely delivery of information and reports and that the statutory obligations of the Company are met.

Nomination Responsibilities

All nomination responsibilities are carried out by the Board. These responsibilities include reviewing the size, structure and skills of the Board and considering any changes necessary or new appointments. No Director has a contract of employment with the Company.

The Articles of Association require that each Director retires and stands for election at the Company's first AGM and then retires at an AGM every three years after appointment or (as the case may be) last reappointment, and may offer himself for re-election. No Director serves a term of more than three years before re-election.

Stephen Oxenbridge is required to stand for re-election at this year's AGM. The Board confirms that the performance of all Directors continues to be effective and demonstrates commitment to their respective roles.

The Articles of Association of the Company and the Directors' letters of appointment will be available at the AGM and can be inspected at the Registered Office of the Company.

Directors' Induction

On appointment to the Board. Directors are fully briefed as to their responsibilities and are kept regularly informed of industry and regulatory developments.

The Company maintains directors and officers liability insurance to cover legal expenses.

Directors' Remuneration

The Board as a whole reviews Directors' remuneration on a regular basis. Details of the Company's policy on Directors' remuneration and of payments to Directors are given in the Directors Remuneration Report pages on 10 and 11.

Accountability and Audit

The Directors' responsibilities for the Company's accounting records and financial statements are set out on page 15. The Auditors' Report appears on pages 16 and 17.

Performance Appraisal

The Directors recognise the importance of the Code in terms of evaluating the performance of the Chairman, the Board as a whole and individual Directors. This requirement (Code A6.1) was not performed during the period due to the infancy of the Company. The Board intends to carry out performance appraisals during the financial year ending 28 February 2010, with a view to reporting on the outcome of the process in the Annual Report for that year.

Audit Committee

All audit committee responsibilities are performed by the Board, with specified terms of reference.

The principal terms of reference are to appoint auditors, to set their fees, to review the scope and results of the audit, to consider the independence of the auditors, to review the internal financial and non-financial controls, to approve the contents of the draft interim and annual reports to shareholders and to review the accounting policies. In addition, the Board reviews the quality of the services of all the service providers to the Company and, together with the Manager and Administrator, reviews the Company's compliance with financial reporting and regulatory requirements. Representatives of BDO Stoy Hayward LLP, the Company's auditors, attend the Board meeting at which the draft annual report and financial statements are reviewed.

The Company's internal financial controls and risk management systems have been reviewed with the Manager against risk parameters approved by the Board. The Audit programme and timetable are drawn-up and agreed with the Company's Auditors in advance of the financial year end. At this stage, matters for audit focus are discussed and agreed. These matters are given particular attention during the audit process and among other matters they are reported on by the Auditors in their audit report to the Board. The audit report is considered by the Board and discussed with the Auditors prior to approving and signing the Financial Statements.

The Board has reviewed the independence and objectivity of the Auditors with particular regard to the level of non-audit services provided by the Auditors. Details of the audit and non-audit fees paid to the Auditors are shown in note 4 to the Financial Statements.

Internal Financial and Non-Financial Controls

The Directors acknowledge that they are responsible for the Company's systems of internal financial and non-financial controls, which have been in place throughout the period, are operating effectively and continue to be in place up to the date of this report.

The effectiveness of the Company's controls including operating, financial and risk management control has been reviewed by the Board and accords with the guidance set out in the Turnbull Report. In particular, there is an ongoing process for identifying and evaluating the significant risks affecting the Company and the policies and procedures by which these risks are managed.

A detailed risk map has been prepared which identifies the significant risks faced by the Company and the key controls to manage these risks. This ensures that consideration is given regularly to the nature and extent of the risks facing the Company and that they are being actively monitored. Where changes in risk have been identified during the period they also provide a mechanism to assess whether further action is required to manage the risks identified.

Since Investment management, custody of assets and all administrative services are provided by third parties, the Company's system of internal control also includes the monitoring of the services provided by these third parties, including the operating controls maintained by them, to ensure they meet the Company's objectives.

The control systems have been codified to facilitate regular monitoring and management of risks and to facilitate regular reviews by the Board.

The control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage, rather than eliminate, risk of failure to achieve business objectives.

Internal Audit Function

The Company does not have an internal audit function. All of the Company's Management functions (investment management, custody and administration) are segregated and performed by third parties whose internal controls are reviewed and approved by the Board. It is therefore felt that there is no need for the Company to have an internal audit function, however, this will be reviewed annually.

Auditors' Non-Audit Services

During the year no fees were incurred for non-audit services.

Attendance at Board Meetings

All the Directors are considered to have a good attendance record at Board meetings of the Company. The following table sets out the number of formal Board meetings held during the period under review and the number of meetings attended by each Director.

	Board Meetings Held	Board Meetings Attended
Stephen Oxenbridge	4	4
David Hurst-Brown	4	4
Stewart Ford	4	2

In addition to the above meetings, the Board met on a number of occasions during the period to deal with specific matters such as the issue of ordinary shares.

Relations with Shareholders

Shareholder relations are given high priority by the Board. The prime medium by which the Company communicates with shareholders is through the Interim and Annual Report and Accounts, which aim to provide shareholders with a full understanding of the Company's activities and its results. This information will be supplemented by the quarterly calculation of the net asset value of the Company's ordinary shares, which is published via the Stock Exchange and on our website at www.keydataincomevct.co.uk. A presentation will be made by the Manager following the business of the AGM each year. Shareholders have the opportunity to communicate directly with the Board at the AGM. All shareholders are encouraged to attend the AGM.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets of the Company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report and Directors' Renumeration Report which comply with the requirements of the Companies Act 1985.

The Directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. The Directors are also required to prepare financial statements for the group in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and Article 4 of the IAS Regulation. The Directors have chosen to prepare financial statements for the Company in accordance with IFRSs.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibility statement pursuant to DTR4

The directors confirm to the best of their knowledge:

- The group financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the group and parent company, together with a description of the principal risks and uncertainties that it faces.

INDEPENDENT AUDITORS' REPORT

To the shareholders of Keydata Income VCT 1 plc

We have audited the group and parent company financial statements (the "financial statements") of Keydata Income VCT 1 plc for the year ended 28 February 2009 which comprise the Consolidated Income Statement, the Group and Company Balance Sheet, the Group and Company Statement of Changes in Equity, the Group and Company Cash Flow Statement, and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation and that the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2006 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Financial Highlights, Chairman's Statement, Board of Directors, Manager's Report, Directors' Report, the unaudited part of the Directors' Remuneration Report, Corporate Governance and the Glossary of Terms. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 28 February 2009 and of its loss for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 28 February 2009;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation;
- the part of the Directors' Renumeration Report to be audited has been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditor
London

27 May 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 28 February 2009

	Note	2009 Revenue £000	2009 Capital £000	2009 Total £000	2008 Revenue £000	2008 Capital £000	2008 Total £000
Loss on investments	7	-	(2,803)	(2,803)	-	-	-
Income	2	546	-	546	443	-	443
		546	(2,803)	(2,257)	443	-	443
Management fees	3	-	-	-	-	-	-
Other expenses	4	(79)	-	(79)	(148)	-	(148)
Impairment charge	9	(844)	-	(844)	-	-	-
		(923)	-	(923)	(148)	-	(148)
(Loss)/profit before taxation		(377)	(2,803)	(3,180)	295	-	295
Tax on ordinary activities	5	-	-	-	(59)	-	(59)
(Loss)/profit for the period		(377)	(2,803)	(3,180)	236	-	236
(Loss)/earnings per ordinary share - basic and diluted	6	(5.16p)	(38.37p)	(43.53p)	3.23p	-	3.23p

The total column of this statement is the Income Statement of the Group. All revenue and capital items in the above statement derive from continuing operations.

STATEMENT OF CHANGES IN EQUITY

Group and Company for the year ended 28 February 2009

2009

	Note	Share Capital £000	Share Premium £000	Capital Reserve £000	Revenue Reserve £000	Special Reserve £000	Total £000
Balance at beginning of year		73	-	-	240	6,847	7,160
Loss on investments		-	-	(2,803)	-	-	(2,803)
Revenue loss for the year		-	-	-	(377)	-	(377)
Dividends paid	18	-	-	-	(219)	-	(219)
Balance at end of year		73	-	(2,803)	(356)	6,847	3,761

2008

	Share Capital £000	Share Premium £000	Capital Reserve £000	Revenue Reserve £000	Special Reserve £000	Total £000
Balance at beginning of year	73	6,847	-	77	-	6,997
Changes in equity:						
Revenue profit for the year	-	-	-	236	-	236
Dividends paid	-	-	-	(73)	-	(73)
Transfer between reserves	-	(6,847)	-	-	6,847	-
Balance at end of year	73	-	-	240	6,847	7,160

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

BALANCE SHEET

Group and Company

	Note	As at 28 February 2009 £000	2008 £000
Non-current assets			
Investments	7	3,427	6,230
		--------	--------
Current assets			
Debtors	9	2	318
Cash and cash equivalents		345	693
		--------	--------
		347	1,011
		--------	--------
Creditors: amounts falling due within one year	10	(13)	(81)
		--------	--------
Net current assets		334	930
		--------	--------
Net assets		3,761	7,160
		--------	--------
Equity attributable to equity holders			
Called up share capital	11	73	73
Capital reserve	12	(2,803)	-
Special reserve	12	6,847	6,847
Revenue reserve	12	(356)	240
		--------	--------
Total equity		3,761	7,160
		--------	--------
Net asset value per share	13	51.47p	98.00p

These financial statements were approved and authorised for issue by the Board of directors on 27 May 2009, and signed on its behalf by

Stephen Oxenbridge
Chairman

The accompanying notes are an integral part of these financial statements

CASH FLOW STATEMENT

Group and Company

	Note	Year ended 28 February 2009 £000	2008 £000
Cash flows from operating activities			
(Loss)/profit before taxation		(3,180)	295
Decrease/(increase) in receivables		316	(250)
Decrease in payables		(9)	(23)
Loss on investments		2,803	-
Taxation paid		(59)	(18)
Net cash (outflow)/inflow from operating activities		(129)	4
Net cash used in investing activities	15	-	(6,230)
Financing activities			
Dividends paid	18	(219)	(73)
Net cash used in financing activities		(219)	(73)
Net (decrease)/increase in cash and cash equivalents		(348)	(6,299)
Opening cash and cash equivalents		693	6,992
Closing cash and cash equivalents		345	693

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

Authorisation of financial statements and statement of compliance with IFRSs
The group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The company's financial statements have been prepared in accordance with IFRSs as adopted for use in the European Union and as applied in accordance with the provisions of the Companies Act 1985. The principal accounting policies adopted by the group and by the company are set out in note 1.

Standards, interpretations and amendments to published standards not yet effective.
Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for future accounting periods and which the Group has decided not to adopt early. These are:

- **IFRS 8, Operating segments** (effective for accounting periods beginning on or after 1 January 2009). This standard sets out requirements for the disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates and its major customers. It replaces IAS 14, Segmental Reporting. The Group expects to apply this standard in the period beginning on 1 March 2009. As this is a disclosure standard, it will not have any effect on the results or net assets of the Group.
- **IFRS 3, Business combinations and complementary amendments to IAS 27, Consolidated and separate financial statements** (Both effective for accounting periods on or after 1 July 2009). This revised standard and amendments are still to be endorsed by the EU. The revised IFRS 3 and amendments to IAS 27 arise from a joint project with the Financial Accounting standards Board (FASB), the US standards setter, and result in IFRS being largely converged with the related, recently issued, US requirements. There are very significant changes to the requirements of IFRS, and options available, of accounting for business combinations. The Board will assess the impact of the revised IFRS 3 and amendments to IAS 27 on the financial statements if it becomes relevant in the future.
- **IAS 1, Presentation of Financial Statements – a revised approach** (effective for accounting periods beginning on or after 1 January 2009). As this is a disclosure standard, it will not have any effect on the results or net assets of the Group. It will affect the presentation and format of the primary statements and notes and these disclosures will be revised accordingly in the 2010 financial statements.

The following are also standards, interpretations and amendments to published statements not yet effective, but which are not considered to be relevant to the group:

- **IAS 39, Financial Instruments: Recognition and Measurement: Eligible Hedged Items** (effective for accounting periods beginning on or after 1 July 2009).
- **IAS 23, Borrowing costs (Revised)** (effective for accounting periods beginning on or after 1 January 2009).
- **IFRIC 13, Customer Loyalty Programmes** (effective for periods beginning on or after 1 July 2008).
- **IFRIC 15, Agreements for the Construction of Real Estate** (effective for periods beginning on or after 1 January 2009).
- **IFRIC 16, Hedges of a Net Investment in a Foreign Operation** (effective for periods beginning on or after 1 October 2008).
- **IFRIC 17, Distributions of Non-Cash Assets to Owners** (effective for periods beginning on or after 1 July 2009).
- **Amendments to IFRS 1 and IAS 27, Cost of an investment in a Subsidiary, jointly Controlled Entity or Associate** (Effective for periods beginning on or after 1 January 2009).
- **Amendments to IFRS 2, Share-based Payments: Vesting conditions and cancellations** (effective for accounting periods beginning on or after 1 January 2009).
- **Amendments to IAS 32 and IAS 1, Puttable Financial Instruments and Obligation Arising on Liquidation** (effective for periods beginning on or after 1 January 2009).
- **Amendments to IFRS 1, First Time Adoption of International Financial Reporting Standards** (effective for periods beginning on or after 1 January 2009).

The company has taken advantage of the exemption provided under section 230 of the Companies Act 1985 not to publish its individual income statement and related notes.

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 28 February 2009. Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Trusts ("AITC") in January 2003 is consistent with the requirements of IFRS, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The group and company financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

Basis of consolidation

Keydata Income VCT 1 plc has a wholly owned subsidiary, Green Power 1 Limited established for the specific purpose of being the Company's Investment Manager. As the subsidiary did not trade during the year, the Group and Company accounts are the same.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 28 February each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Presentation of income statement

In order to better reflect the activities of a venture capital trust Company and in accordance with guidance issued by the AITC, supplementary information which analyses the income statement between items of a revenue and capital nature has been presented alongside the income statement. In accordance with the Company's status as a UK investment Company under section 833 of the Companies Act 2006, net capital returns may not be distributed by way of dividend. Additionally, the net revenue is the measure the directors believe appropriate in assessing the Group's compliance with certain requirements set out in Section 259 of the Income and Corporation Taxes Act 2007.

Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business being the investment business in one geographical area, the United Kingdom.

Loans and Receivables

Loans and receivables are stated at amortised cost after deductions of amounts which are required as impairment provisions. Where loans have been acquired at a premium or discount, these premiums and discounts are amortised through the profit and loss account from the date of acquisition to the date of maturity using the effective interest rate method.

Cash and Cash Equivalents

Comprises cash in hand and demand deposits.

Equity Investments

The Company has opted to take advantage of the provisions within IAS 28 ("Investments in Associates") not to equity account its investments but rather to fair value the investments through the profit and loss account under IAS 39 ("Financial Instruments - Recognition and Measurement").

Investments designated as held at fair value through profit or loss

Purchases of investments are recognised on a trade date basis and designated upon initial recognition as held at fair value.

The fair value of quoted financial instruments is based on their quoted bid price at the balance sheet date, without deduction for any estimated future selling costs. Unquoted investments are valued by the Directors using primary valuation technologies such as earnings multiples, recent transactions and net assets. If it is not possible to fair value the investments accurately, they will be held at cost until such time as an appropriate valuation technique can be used. This policy applies to all current and non-current asset investments held by the Group. Where it is not possible to ascribe a fair value to unquoted equity investments as they do not have a quoted market price in an active market and where fair value cannot be reliably measured, they are measured at cost.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Consolidated Income Statement as "Gains or losses on investments held at fair value through profit or loss". Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase.

The investments designated as fair value through the profit and loss are designated as such as the portfolio is managed and performance evaluated on a fair value basis in accordance with the Company's investment strategy.

The investment in the subsidiary held in the Company balance sheet is carried at cost.

Income
Equity dividends are taken into account on the ex-dividend date, net of any associated tax credit. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course. All other income, including deposit interest receivable, is recognised on an accruals basis.

Expenditure
All expenditure is accounted for on an accruals basis. 75% of investment management fees are allocated to the capital reserve and 25% to the revenue account in line with the Board's expected long term split of investment returns in the form of capital gains and income respectively. Expenses incidental to the acquisition or disposal of an investment are included within the cost of the investment or deducted from the disposal proceeds as appropriate. All other expenditure is charged to the revenue account.

Other Receivables and Payables
Other receivables do not carry any interest and are short term in nature and are initially recognised at their fair value and subsequently at amortised cost. Other payables are non interest bearing and are stated at their fair value and subsequently measured at amortised cost.

Capital Reserve
Increases and decreases in the valuation of investments held at the year end are accounted for in the Capital Reserve.

Taxation
The tax effect of expenditure is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the accounting period. Any liability to corporation tax is based on net revenue for the period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, accounted for using the balance sheet liability method.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, except:

- Where the deferred tax asset or liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither the accounting nor taxable profit or loss; or
- In respect of taxable or deductible temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Dividends
Equity dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid. In the case of final dividends, this is when approved by the shareholders at the AGM.

2. Income

	2009 £000	2008 £000
Interest on loans and receivables	529	358
Other income:		
Deposit interest	17	85
	------	------
Total income	546	443
	------	------

3. Management Fees

	2009			2008		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Management fees	-	-	-	-	-	-
	------	------	------	------	------	------

The Company's Investment Manager is Green Power 1 Limited (a wholly owned subsidiary of Keydata Income VCT 1 plc and a related party). The investment management agreement dated 23 February 2005 will continue for a period of 3 years from 23 June 2005, the date of Admission, and thereafter and on each subsequent anniversary will be automatically renewed for a further 12 calendar months' period provided that on such renewal date (save in respect of the first renewal date) and for the previous 12 months, at least 75% of the Company's investments are qualifying investments. The agreement is subject to earlier termination in certain other circumstances.

The Investment Manager is entitled to receive an investment management fee of 0.4 per cent. per annum of the net asset value of the Company, calculated and payable quarterly in arrears. All investment management fees have been waived in respect of the year ended 28 February 2009. Investment management fees were similarly waived for the year ended 29 February 2008.

4. Other Expenses

	2009 £000	2008 £000
General expenses	34	105
Directors fees	39	39
Auditors remuneration		
- for audit services	6	4
- for non-audit services	-	-
	-----	-----
	79	148
	-----	-----

The maximum aggregate Directors emoluments authorised by the Articles of Association are £200,000 per annum.

5. Tax on ordinary activities

The tax charge for the period is lower than the standard rate of UK Corporation Tax of 21%. The differences are explained below:

	2009 £000	2008 £000
Current tax charge for the year	-	59
	-----	-----
(Loss)/profit before taxation	(3,180)	295
	-----	-----
UK Corporation Tax rate of 21 per cent (2008 at 21%)	(668)	59
Effect of non taxable gains loss on investments	589	-
Effect of current year losses carried forward	79	-
	-----	-----
Actual tax charge (credit)	-	59
	-----	-----

There is no taxation in relation to capital gains or losses. No asset or liability has been recognised in relation to capital gains or losses on revaluing investments. The Company is exempt from such tax as a result of its intention to qualify as a Venture Capital Trust.

Factors that may affect future tax charges: There are losses carried forward of £384,000 (2008 - nil) and a potential deferred tax asset thereon of £81,000 (2008 - nil)

6. (Loss)/earnings per ordinary share

	2009 Revenue	2009 Capital	2009 Total	2008 Revenue	2008 Capital	2008 Total
(Loss)/earnings per ordinary share: - basic and diluted	(5.16p)	(38.37p)	(43.53p)	3.23p	-	3.23p

Revenue (loss)/earnings per ordinary share is based on a loss after taxation of £377,000 (2008 - £236,000 profit) and on 7,306,320 (2008 - 7,306,320) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

Capital loss per ordinary share is based on a loss after taxation of £2,803,000 (2008: £nil) and on 7,306,320 (2008 - 7,306,320) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

7. Investments

	2009 Equity £000	2009 Loan Notes £000	2009 Total £000	2008 UK Gilts £000	2008 Equity £000	2008 Loan Notes £000	2008 Total £000
Investments - Group	1,030	2,397	3,427	-	1,872	4,358	6,230
Movement in period:							
Opening valuation	1,872	4,358	6,230	-	-	-	-
Purchases at cost	-	-	-	4,641	1,872	4,358	10,871
Disposals	-	-	-	(4,641)	-	-	(4,641)
Impairment	(842)	(1,961)	(2,803)	-	-	-	-
Closing valuation	1,030	2,397	3,427	-	1,872	4,358	6,230
Closing book cost	1,872	4,358	6,230	-	1,872	4,358	6,230

Investments - Company

On 22 February 2005, Keydata Income VCT 1 plc subscribed for 1 ordinary share of £1 in Green Power 1 Limited, a company incorporated in the United Kingdom, representing the entire issued share capital of that Company.

Equity investments and UK gilts are classed as fair value through the profit and loss under IAS 39. Both the equity investments and UK gilts were designated as fair value through profit or loss on initial recognition. The loan notes are classed as loans and receivables under IAS 39.

Total loan and receivables constitute loan notes of £2,397,000 (2008 - £4,358,000) accrued interest of £nil (2008 - £318,000) and cash equivalents of £345,000 (2008 - £693,000) totalling £2,742,000 (2008 - £5,369,000).

The fair value of the financial instruments (in Notes 7 to 9 of the financial statements) are not significantly different from the carrying value.

8. Significant Interests

At year end the Company held 3% or more of the issued share capital of the following investments:

Nevin Energy	25%	Boyle Electrical	25%	Spencer Energy	25%
Cooke Generation	25%	Hughes Power	25%	Docherty Heat & Energy	5%
Burley Energy	25%	Clarke Power	25%		

9. Debtors

	2009 £000	2008 £000
Prepayments and accrued income	2	318
	2	318

Loan note interest receivable of £843,599 had been fully written down to £nil at 28 February 2009.

10. Creditors: amounts due within one year

	2009 £000	2008 £000
Accruals and deferred income	13	22
UK Corporation Tax	-	59
	13	81

11. Called up share capital

	2009 £000	2008 £000
Authorised:		
30,000,000 ordinary shares of 1p each (2008 - 30,000,000)	300	300
Allotted, called-up and fully paid:		
7,306,320 ordinary shares of 1p each (2008 - 7,306,320)	73	73

Income entitlement

The revenue earnings of the company are available for distribution to holders of Ordinary shares by way of interim, final and special dividends (if any) as may from time to time be declared by the Directors.

Capital entitlement

On a winding up of the Company, after settling the liabilities of the Company, holders of Ordinary shares would be entitled to receive a ratable proportion of any surplus assets depending on the amounts paid up or credited as paid up on their shares.

Voting entitlement

Each Ordinary shareholder is entitled to one vote on a show of hands, and on a poll to one vote for each Ordinary share held. Notices of Meetings and Proxy Forms set out the deadlines for valid exercise of voting rights and, other than with regard to Directors not being permitted to vote on matters upon which they have an interest, there are no restrictions on the voting rights of Ordinary shareholders.

Transfers

There are no restrictions on transfers except dealings by Directors, Persons Discharging Managerial Responsibilities and their connected persons which may constitute insider dealing or is prohibited by the rules of the UKLA.

The company is not aware of any agreements with or between shareholders which restrict the transfer of Ordinary shares, or which would take effect or alter or terminate in the event of a change of control of the Company.

12. Reserves

An analysis of movement in reserves is set out on page 18.

The loss of the parent company for the year was £3,180,000 (2008 - profit of £236,000).
A brief description of the nature and purpose of each reserve is contained on page 30 of the financial statements

The Company obtained court approval to cancel its ordinary share premium account which became effective on 10 October 2007. The special reserve created may be treated as a distributable reserve.

13. Net asset value per ordinary share

The net asset value per ordinary share and the net asset values attributable at the period end calculated in accordance with the Articles of Association were as follows:

	Net asset value per share		Net assets attributable	
	2009 pence	2008 pence	2009 £000	2008 £000
Ordinary shares - Basic	51.47	98.00	3,761	7,160

Net asset value per ordinary share is based on net assets at the year end and on 7,306,320 (2008 - 7,306,320) ordinary shares, being the number of shares in issue at year end.

14. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments of the Company at the year end.

15. Notes to the Consolidated Cash Flow Statement

(a) Analysis of cash flow for headings netted in cash flow statement

	2009 £000	2008 £000
Net cash used in investing activities:		
Purchase of investments	-	(10,871)
Sale of investments	-	4,641
	-	(6,230)

16. Related party transactions

One of the directors of the Company, Mr S Ford, is a director of Keydata Investment Services Limited ("KISL") and has an interest in excess of 20% in that Company. As such, KISL is considered to be a related party to the Company. KISL acts as Promoter and Administrator to the Company.

KISL, in its capacity as Promoter of the Offer for Subscription, receives annual commission of 0.9% per annum of the net asset value of the Company, calculated and payable quarterly in arrears. KISL is responsible for payment of all trail commission due to intermediaries. KISL is also entitled to a fee of £26,778 per annum for administration services subject to the indemnity discussed below. In total, KISL earned fees of £nil during the year (2008 - £60,040).

KISL has agreed to indemnify the Company against annual running costs (excluding VAT) exceeding 2% of its net asset value. Fees of £63,893 were waived by KISL during the year under this indemnity (2008 - £30,728). Outstanding fees due to KISL at year end were £nil (2007 - £14,688).

17. Financial instruments

a) Risk Management Policies and Procedures

The investment objective of the Company is to maximise tax free distributions to shareholders by investing in a low risk portfolio of renewable energy companies. At least 70% of the Company's funds must be invested in qualifying holdings within 3 years of raising the funds. The balance of the Company's funds will be invested in liquid assets (such as gilts, other fixed interest securities and bank deposits). The Company is managed as a Venture Capital Trust ("VCT") in order that shareholders in the Company may benefit from the tax relief available.

As at 28 February 2009 the Company was 95% invested in qualifying companies.

This strategy exposes the Company to certain risks which are summarised below.

The structures in place to manage these risks are set out in the Corporate Governance report on page 12 of the annual report and accounts. The Board meets quarterly to review accounts and monitor all risks.

A detailed review of the investment portfolio is contained in the Chairman's statement and Manager's Report on pages 4 and 5 respectively.

The investments during the year comprise two types of financial instrument. The basis of valuation is set out below:

1. Loan notes - valued on an amortised cost basis as classed as a loan and receivable
2. Equity - fair valued through the profit and loss account

b) Market Risk

Market price risk arises from any fluctuations in the value of investments held by the Company. Adherence to investment policies mitigates the risk of excessive exposure to any particular type of security or issuer. In particular only 30% of the investment portfolio is in equity with 70% held in secured loan notes repayable over a fixed term period. However by its nature the investments are in unquoted companies focussed solely on the renewable energy sector at the development stage therefore they carry a higher concentration of risk than investment portfolios of other VCTs which carry a more diversified portfolio.

Market risk is monitored by the Board on a quarterly basis and on an ongoing basis through the Investment Manager. Market risk has been mitigated through a number of agreements with the various counterparties which seek to provide some degree of hedge against falls in electricity prices and increases in the key variable costs (fuel supply costs and operation and maintenance of the power plants).

The following table summarises exposure to price risk by asset class at year end date:

		2009	**2008**
		£000	**£000**
Equity	Fair value	1,030	1,872
Loan Note	Loans & Receivables	2,397	4,358
		------	------
		3,427	6,230
		------	------

A 10% increase or decrease in the value of the investment portfolio would have a £342,700 impact on the profit and loss account.

c) Currency Risk

All transactions are in pounds sterling therefore there is no currency risk.

d) Interest Rate Risk

The Company is fully funded through equity and has no debt therefore interest rate risk is not considered a material risk.

The Company's financial assets and liabilities are denominated in Sterling as follows:

	28 February 2009				29 February 2008			
	Fixed Rate £000	**Variable Rate £000**	**Non-interest Bearing £000**	**Total £000**	**Fixed Rate £000**	**Variable Rate £000**	**Non-interest Bearing £000**	**Total £000**
Investments	2,397	-	1,030	3,427	4,358	-	1,872	6,230
Cash and cash Equivalents	-	345	-	345	-	693	-	693
	-------	-------	-------	-------	-------	-------	-------	-------
	2,397	345	1,030	3,772	4,358	693	1,872	6,923
	-------	-------	-------	-------	-------	-------	-------	-------

There is no interest rate risk on investments. The effective interest rates on loan note investments is 12.14% pa during construction reducing to 4% pa when the plants are fully operational. The effective interest rates on equity investments is nil and on bank deposits around 0.5% per annum.

The only interest rate exposure is on bank deposits where interest income is linked to bank base rates. A 1% increase or decrease in bank base rates would have an impact on profit and loss account of around £3,450 based on bank deposits at 28 February 2009.

e) Liquidity Risk

Liquidity risk is the risk that the company is unable to meet obligations as they fall due. As the Company has no debt or other financial liabilities liquidity risk is not considered a material risk. As at 28 February 2009, the Company held £345,000 on bank deposit.

f) Credit Risk

Credit risk relates to the risk of default by a counterparty. Under the terms of their investments, to mitigate exposure to market risk from falling electricity prices, the investee companies have entered into a long term contract to supply all their electricity and heat to a newly formed company, Docherty Heat and Energy Distributor Limited and have agreed tolling fees.

Docherty will also be responsible for loan note interest accruing during construction. At 28 February 2009, the balance sheet of the Company includes a debtor of £843,599 of accrued interest receivable on the loan notes. This amount is not receivable until the plants are operational and will be paid in priority to all other amounts due. Due to the delay in construction and ongoing uncertainty full provision has been made against this debtor at 28 February 2009.

An asset is considered to be impaired in the case of investments if the investee company makes continued losses or defaults on any payment.

The maximum credit risk exposure equates to the carrying value of assets at the balance sheet date:

	2009 £000	**2008 £000**
Investments - Loan notes	2,397	4,358
Accrued loan interest	-	317
Cash & cash equivalents	345	693
	--------	--------
	2,742	5,368
	--------	--------

g) Fair values of financial assets and financial liabilities

As stated above under para b), loan note investments are held at amortised cost and equity investments are held at fair value. Due to the delay in construction and ongoing uncertainty, all investments have been subject to a 45% impairment charge and accrued interest on loan notes to a 100% impairment charge. No investments are held for trading purposes only.

h) Capital Management Policies and Procedures

The current policy is to fund investments through equity. No future change to this policy is envisaged. As a PLC, the Company requires to hold a minimum £50,000 share capital.

The Company's capital is summarised in Note 11 to these accounts. The Company has no debt and is fully funded by equity.

18. Dividends

	2009 £000	2008 £000
Paid in respect of year ended 29 February 2008		
Final dividend of 3 pence per ordinary share	-	219
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No dividend is proposed in respect of the current financial year.

GLOSSARY OF TERMS

Capital Reserve

The net increase in the valuation of investments, either realised or unrealised.

Discount

The amount by which the mid-market price per share of a venture capital trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.

Market Capitalisation

The amount obtained by multiplying the stockmarket price of an ordinary share by the number of ordinary shares in issue.

Net Asset Value

The net asset value is the value of total assets less liabilities. Liabilities for this purpose include current and long term liabilities. The net asset value per share is calculated by dividing the net asset value by the number of ordinary shares in issue.

Share Premium

Amount subscribed for share capital in excess of nominal value.

Shareholders' Funds

Also called equity shareholders' funds. The amount due to the ordinary shareholders.

Net Assets

Also called total assets less current liabilities and represents the net assets attributable to the shareholders.

Revenue Reserve

Cumulative net gains and losses recognised in the consolidated income statement.

Special Reserve

A distributable reserve created following the court approval to cancel the Company's share premium account which became effective on 10 October 2007.

Total Expense Ratio

Total expenses incurred (excluding interest but including any irrecoverable VAT and any expenses charged to capital reserve) divided by Shareholders' funds.

Total Return

The sum of any dividends paid, together with the rise or fall in the share price or NAV. This allows performance comparisons to be made between venture capital trusts with different dividend policies.

MW

Megawatts.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **ANNUAL GENERAL MEETING** of Keydata Income VCT 1 ("the Company") will be held at 19 Cavendish Square, London W1A 2AW on Tuesday 30 June 2009 at 1.00pm for the following purposes:

Ordinary Business

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive and, if thought fit, to accept the Reports of the Directors and Auditor and the audited financial statements for the year ended 28 February 2009;
2. To receive and approve the Directors' Remuneration Report for the year ended 28 February 2009;
3. To reappoint BDO Stoy Hayward LLP as Auditors to the Company and to authorise the Directors to determine their remuneration;
4. To re-elect Stephen Oxenbridge as a Director of the Company; and

Special business

To consider and, if thought fit, pass the following resolutions as special resolutions:

5. THAT in substitution for any existing authority but without prejudice to the exercise of any such power prior to the date hereof, the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 163(3) of the Act) of Ordinary Shares provided that:

a) the maximum aggregate number of Ordinary Shares authorised to be purchased is such number thereof being 14.99% of the issued Ordinary Shares.

b) the maximum price which may be paid for Ordinary Shares is an amount equal to the maximum amount permitted to be paid in accordance with the rules of the UK Listing Authority in force as at the date of purchase;

c) the minimum price which may be paid for an Ordinary Share is their respective nominal value;

d) this authority shall expire at the conclusion of the Company's next annual general meeting in 2010 or on the expiry of 15 months following the passing of the resolution, which ever is the earlier; and

e) the Company may make a contract or contracts to purchase Ordinary Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

By order of the Board

Craig McNeil
Company Secretary

Registered Office:
19 Cavendish Square
London W1A 2AW

27 May 2009

A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of him or her. A proxy need not also be a member of the Company. To be effective, forms of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notorically certified copy or a copy certified in accordance with the Powers of Attorney Act 1941 of that power or authority must be lodged with the Company's Registrar, Equiniti, Aspect House, Spencer Road, Lancing Industrial Estate, Lancing, Sussex BN99 6ZL not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Lodgement of the form of proxy will not preclude a Shareholder from attending the meeting and voting in person.

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 specifies that only those Shareholders registered in the register of members of the Company as at 6.00pm on 28 June 2009 or, in the event that the meeting is adjourned, on the register of members 48 hours before the time of the adjourned meeting, shall be entitled to attend or vote at the aforesaid annual general meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant registrar of securities after 6.00pm on 28 June 2009 (or in the event that the meeting is adjourned, as at 6.00pm two days prior to the adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting notwithstanding any provisions in any enactment, the Articles of Association of the Company or any other instrument to the contrary.

Shareholders (and any proxy or representatives they appoint) agree, by attending the meeting, that they are expressly requesting and that they are willing to receive any communications (including communications relating to the Company's securities) made at the meeting.

Note:

The following documents will be available for inspection at the registered office of the Company during usual business hours on a weekday (except Saturdays, Sundays and Public Holidays) until the date of the meeting and at the place of the meeting for a period of 15 minutes prior to and during the meeting:

a) The Articles of Association

b) The Directors' letters of appointment.

KEYDATA INCOME VCT 1 PLC

Form of Proxy

For use at the ANNUAL GENERAL MEETING (Block capitals please)

I/We the undersigned..

....

being a member/members of Keydata Income VCT 1 plc, hereby appoint the Chairman of the meeting/ (see note 1)

....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 19 Cavendish Square, London W1A 2AW on 30 June 2009 at 1.00pm and at any adjournment thereof.

Signature...

Dated 2009

Please indicate with an "X" in the spaces below how you wish your votes to be cast.

Ordinary Business		For	Against
Resolution 1	To receive the reports of the Directors and Auditor and the audited financial statements for the year ended 28 February 2009		
Resolution 2	To receive and approve the Directors' Remuneration Report for the year ended 28 February 2009		
Resolution 3	To reappoint BDO Stoy Hayward LLP as Auditor to the Company and to authorise the Directors to determine their remuneration		
Resolution 4	To re-elect Stephen Oxenbridge as a Director		

Special Business		For	Against
Resolution 5	Renewal of the Company's authority to buy-in its ordinary shares		

Notes

1. A member may appoint a proxy of his or her own choice, if such an appointment is made, delete the words "the Chairman of the meeting" and insert the name to be appointed proxy in the space provided.
2. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
4. If this form is returned without any indication as to how the person appointed proxy shall vote, the proxy will exercise his discretion as to how he votes or whether he abstains from voting.
5. To be valid the form must be completed and deposited at the office of the Equiniti Limited, Aspect House, Spencer Road, Lancing, Sussex BN99 6ZL not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.

Third Fold and tuck in

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