



**Acuity VCT Plc**  
**Half Yearly Report**  
For the six months ended 31 March 2009



## **Half Yearly Report**

2	Investment Strategy
3	Financial Highlights
4	Chairman's Statement
5	Investment Manager's Review
6	Portfolio Summary
8	Co-investment Arrangements
9	Business Review and Responsibility Statement

## **Half Yearly Accounts**

10	Income Statement
13	Reconciliation of Movements in Total Shareholders' Funds
14	Balance Sheet
15	Cash Flow Statement
16	Notes to the Accounts

## **Additional Information**

17	Contact Details
----	-----------------

References in this Report to Acuity VCT Plc have been abbreviated to 'the Company' or 'the Fund'. References to Acuity Capital Management Limited have been abbreviated to Acuity Capital Management.

The unaudited half yearly financial statements for the six months ended 31 March 2009 do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The figures for the year ended 30 September 2008 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies; the independent auditors' report on those financial statements was unqualified.



# Half Yearly Report Investment Strategy

---

## Investment Objective

In accordance with the Company's Prospectus dated 2 October 2001, the Company's objective is to achieve capital gains and maximise UK tax-free income to its shareholders from dividends and capital distributions. It is intended that this objective will be achieved by investing the majority of the Company's funds in a portfolio of Qualifying Investments as described under "Investment Strategy" below.

## Investment Strategy

The Company offers investors the opportunity to gain access to the venture capital market.

The investment focus of the Investment Manager has been to seek out established companies, most of whom are cash positive, in preference to early stage opportunities.

In addition, where possible, unquoted investments are normally structured as a mixture of equity and loan stock. The loan stock represents the majority of the finance provided. Typically, funds managed by Acuity Capital own a significant percentage of the equity of the investee company.

This investment focus, combined with a diversified sector strategy and the typical investment structure, will, in the opinion of the Directors, contribute materially to reducing the overall risk of investing in smaller companies.

As at 31 March 2009, the ordinary share pool of capital of the Company was invested in 18 qualifying companies, while, at the same date, the C share pool of capital of the Company was invested in 10 qualifying companies.

As at 31 March 2009, the Company had no bank indebtedness.

The Directors do not wish the Company to be restricted by having a fixed limit on what exposure to gearing it may have, apart from the restriction in the Company's Articles, which limits borrowing to an amount equal to its adjusted capital and reserves.

## Co-investment

The Company also invests alongside the other Acuity VCTs which will enable shareholders to participate in larger unquoted transactions, which tend to have a lower risk profile than smaller venture capital investments.

## Qualifying Investments

The Company intends to invest in companies that it believes have a high growth potential. In the Directors' opinion, each of these companies should generally reflect the following criteria:

- A well defined business plan and ability to demonstrate strong demand for its products or services;
- Products or services that can be supplied at sustainable high margins and be cash generative;

- Objectives of management and shareholders to be similarly aligned;
- Adequate capital resources or access to further resources to achieve the targets set out in the business plan; and high calibre management teams.

The Company seeks to invest in a diversified portfolio of unquoted, PLUS traded and AIM quoted companies and will not specialise unduly in any particular industry sector. Unquoted investments will typically be in companies where the Company believes that there are reasonable prospects of an exit through a trade sale or flotation in the medium term.

As at 31 March 2009, the ordinary share pool of capital of the Company had invested 86% of its total net funds by valuation in qualifying companies. At the same date, the C share pool of capital of the Company had invested 97% of its total net funds by valuation in qualifying companies. The average investment size at cost is £0.7 million and £0.7 million respectively.

## Non-Qualifying Investments

### Associated Funds

As at 31 March 2009, 6% of the ordinary share total net funds by valuation of the Company was invested in Electra Private Equity Plc. With respect to the C shares, the equivalent percentage was 1%.

### Cash Management

In addition to investments held in associated funds, as at 31 March 2009, 3% of the ordinary share total net funds by valuation of the Company was held in cash to provide immediate liquidity and cash represented 1% of the C share pool capital.

### Risk Management

Since the Company is flexible with regard to those areas in which it invests, it aims to achieve a significant degree of diversification and to spread risk by investing in unquoted, PLUS traded and AIM quoted companies. In addition, there is no emphasis on any particular industry sector and even the non-qualifying investments have quite a high level of in-built diversification. The Company is restricted to investing no more than 15% of the value of its total assets at the time of investment in any one individual qualifying investment or non-qualifying investment.

# Half Yearly Report Financial Highlights

(unaudited)

## Ordinary Shares

Six months ended 31 March	2009	2008
---------------------------	------	------

Net Assets	£10.1m	£12.6m
------------	--------	--------

Net Asset Value per ordinary share	52.6p	64.4p
------------------------------------	-------	-------

Dividend paid per ordinary share	-	-
----------------------------------	---	---

## Cumulative Value of ordinary shares since launch

Dividends paid per ordinary share	12.1p	12.1p
-----------------------------------	-------	-------

<b>Net Asset Value plus dividends paid per ordinary share</b>	<b>64.7p</b>	<b>76.5p</b>
---	--------------	--------------

## C Shares

Six months ended 31 March	2009	2008
---------------------------	------	------

Net Assets	£7.4m	£8.2m
------------	-------	-------

Net Asset Value per C share	81.0p	90.6p
-----------------------------	-------	-------

<b>Net Asset Value plus dividends paid per C share</b>	<b>81.0p</b>	<b>90.6p</b>
--	--------------	--------------

# Half Yearly Report **Chairman's Statement**

---

Economic uncertainty continues and has been mirrored by continuing stock market declines. The FTSE All Share index was down by 21.3% over the period under review, and the FTSE AIM All Share index by 32.3%. By these yardsticks, your Company's performance has been comparatively strong, with Net Asset Value falling by 15.4% for the ordinary shares, and the C shares by 21.2%.

## **Ordinary Shares**

As at 31 March 2009, the Net Asset Value per ordinary share was 52.6p. Including dividends already paid, this represents a total NAV of 64.7p per share. Over the half year period, this total fell by 12.9%. Almost half the decline came from the sale of holdings in Electra Private Equity, which crystallised a fall in value of £0.7 million. The sale was necessitated by pressure on the Company's liquidity, due to its large exposure to AIM stocks.

## **C Shares**

As for the C shares, at 31 March 2009, their NAV was 81.0p per share. Most of the reduction in value was caused by the fall in comparable values, which form the basis for valuing unquoted investments.

## **Dividends and Buy-Backs**

The Board continues to review its dividend and buy-back policies. At present, due to the exceptional economic circumstances, the Board has decided to suspend its buy-back policy and also not to pay a dividend at this time in order to preserve the liquidity of the Company. The Board recognises that both the buy-back policy and dividends are important to shareholders, and will re-instate them as soon as it is reasonable to do so. To date, total dividends have been paid of 12.1p to ordinary shareholders and it remains part of the Fund's long term objective to distribute tax free dividends to both ordinary and C shareholders.

## **VCT Qualifying Status**

The Company continues to meet its qualifying tests.

## **VAT on Management Fees**

As set out in the Report & Accounts for the year ended 30 September 2008, the change in HMRC's treatment of management fees gave rise to the opportunity to reclaim the VAT that had been paid on management fees over a period of three years. It was estimated that the reclaim would result in a refund of approximately £0.1 million. The reclaims have now been processed by HMRC and the Company has received approximately £0.1 million. As also agreed, due to the additional fees that became payable to the Investment Manager as a result of the change in VAT regulations, in full and final payment of any liability in this respect by the Company to the Investment Manager, the Company agreed to the Investment Manager charging an equal of amount as the refund received.

## **The Board**

After Michael Broke's retirement from the Board at the AGM in February, we welcomed Catrina Holme to the Board. She has considerable experience of private equity and was a partner at DFJEsprit from 2000 to late 2008.

## **Outlook**

The economy continues to be challenging, particularly for smaller companies. However, the portfolio has been comparatively resilient and seems to be well placed to benefit as and when the economy recovers.

Rupert Pennant-Rea  
Chairman  
21 May 2009

# Half Yearly Report Investment Manager's Review

## Performance

In the half year period, the Net Asset Value per ordinary share plus dividends paid to date declined by 12.9% to 64.7p, which compares with a fall of 20.1% in the FTSE All-share Index, a measure that covers the largest UK companies, and a more punishing decline of 33.6% in the FTSE AIM All-share Index, a barometer for smaller companies. Given that fair market value of our unquoted portfolio is assessed at a discount to the listed comparable multiples, this is a satisfactory outcome.

Over the same half year period the Net Asset Value per C share declined by 21.2% to 81.0p.

## Ordinary Shares

Over the period under review, in order to invest in Loseley Dairy Ice Cream and cover necessary expenses, the Company reduced its holdings of Electra Private Equity. At the same time, the share price of Electra Private Equity fell from £12.4 at year end to £5.7, a reduction in value of 53.7%. As a result, there was a negative movement of £0.8 million over the period.

In addition, there were significant declines of £0.3 million for AIM-listed Media Square, £0.2 million for AIM-listed Music Copyright and £0.2 million for unquoted investment Sanastro which is exposed to declining financial sector advertising and sponsorship. On the positive side, unquoted pub operator Amber Taverns increased in value by £0.3 million due to outperforming its budgets and its niche focus, and AIM-listed Advanced Medical Solutions rose in value by £0.1 million.

## C Shares

The decline in value of the C share pool was mostly a result of the market decline's impact on the valuations of the comparable companies against which the valuations of the unquoted investments are calculated. The largest decline was £0.6 million by Target Entertainment Group, a TV production and distribution company, £0.3 million by Future Noise (Acrobat Music Group), which exploits a music catalogue, and £0.3 million by Fin Machine Company, the manufacturer of capital equipment for the automobile industry.

## Portfolio Activity

The Company made one principal investment over the period for the ordinary shares of £0.7 million in Loseley Dairy Ice Cream. The Company's fellow VCTs are also investors in Loseley which is the continuation of the previously AIM listed Hill Station. Backing a new management team introduced to the business by us, Acuity VCT 2 plc and the Company, originally long-term investors in Hill Station, bought Hill Station out of administration in early November 2008. Since then, the business has benefited from the strength of the Euro and the trading down from premium ice cream.



We invested a further £0.1 million from the C shares in Emote Games, taking the total invested to £0.5 million. Emote Games is developing and publishing an online game for the US hunting market called "The Hunter". Shareholders can view the game at [www.thehunter.com](http://www.thehunter.com). Early reviews of the game have been positive and Emote are hopeful of signing up a major US distributor in time for Christmas.







## Deal Flow

We continue to see a number of interesting investment opportunities but remain extremely cautious about making further new investments. We are taking more time to monitor potential investee companies to ensure that they are operating in line with previously established budgets and our proposed pricing incorporates a more conservative view of future performance.

# Half Yearly Report Portfolio Summary

(unaudited)

	Qualifying Investments at 31 March 2009	Cost Ordinary Shares £'000	Cost C Shares £'000	Valuation Ordinary Shares £'000	Valuation C Shares £'000	Total £'000	Valuation movement in the period £'000	% of Portfolio by Value
	Advanced Medical Solutions	406	-	1,679	-	1,679	117	10.2
	Amber Taverns	750	-	1,745	-	1,745	316	10.6
	Brady	750	-	338	-	338	(32)	2.1
	Brand Acquisitions	200	1,000	200	1,000	1,200	-	7.3
	Connect2Media	234	790	234	790	1,024	-	6.2
	Defaqto	1,230	-	1,694	-	1,694	-	10.3
	Emote Games	-	457	-	322	322	(72)	2.0
	First Dental	750	-	100	-	100	(88)	0.6
	The Fin Machine Company	200	1,001	388	1,933	2,321	(303)	14.0
	Future Noise (Acrobat Music Group)	-	1,202	-	543	543	(343)	3.3
	Hallmarq	1,300	300	644	300	944	(20)	5.7
	Immedia	275	-	14	-	14	(8)	0.1
	Keycom	1,705	-	134	-	134	(44)	0.8
	Loseley Dairy Ice Cream	750	-	750	-	750	-	4.6
	Ma Hubbards	800	-	305	-	305	(122)	1.9
	Media Square	1,122	-	34	-	34	(281)	0.2
	Mount Engineering	-	250	-	207	207	(14)	1.3
	Music Copyright Solutions	483	-	28	-	28	(227)	0.2
	Quadnetics	400	-	145	-	145	(44)	0.9
	Red Reef Media Ltd	235	588	93	233	326	(498)	2.0
	Sanastro	1,000	-	143	-	143	(241)	0.9
	Sport Media Group	-	250	-	10	10	(44)	0.1
	Target Entertainment Group	-	2,000	-	1,778	1,778	(612)	10.7
	<b>Sub Total</b>	<b>12,590</b>	<b>7,838</b>	<b>8,668</b>	<b>7,116</b>	<b>15,784</b>	<b>(2,560)</b>	<b>96.0</b>

# Half Yearly Report Portfolio Summary

(unaudited)

	Investments at 31 March 2009	Cost Ordinary Shares £'000	Cost C Shares £'000	Valuation Ordinary Shares £'000	Valuation C Shares £'000	Total £'000	Valuation movement in the period £'000	% of Portfolio by Value
--	---------------------------------	-------------------------------------	---------------------------	--	--------------------------------	----------------	--	----------------------------------

	<b>Non Qualifying Investments</b>							
	Electra Private Equity	717	131	609	46	655	(759)	3.9
	Media Square	456	-	10	-	10	(79)	0.1
	<b>Sub Total</b>	<b>1,173</b>	<b>131</b>	<b>619</b>	<b>46</b>	<b>665</b>	<b>(838)</b>	<b>4.0</b>
	<b>Total Investments</b>	<b>13,763</b>	<b>7,969</b>	<b>9,287</b>	<b>7,162</b>	<b>16,449</b>	<b>(3,398)</b>	<b>100.00</b>

	<b>Other Assets</b>							
	Cash			151	104	255		
	<b>Total</b>			<b>9,438</b>	<b>7,266</b>	<b>16,704</b>		



# Half Yearly Report Co-investment Arrangements

---

## Co-investment Arrangements with other Acuity VCTs

The Directors welcome the fact that the Investment Manager has five VCT funds, Acuity VCT Plc Ordinary Share pool, Acuity VCT Plc C Share pool, Acuity VCT 2 Plc Ordinary Share pool, Acuity VCT 2 Plc C Share pool and Acuity VCT 3 Plc (together "the Acuity VCTs") that it can use for co-investment. This allows each fund to spread its investment risk and gain access to larger investments than it could do on its own. Where a co-investment opportunity arises between one or more of the Company's two share pools and either or both of the other two funds, the Company will invest in an agreed and consistent proportion, on the same terms and in the same securities as the funds with which it co-invests. Costs associated with any such investment will be borne by each fund pro-rata to its investment.

In more detail, the Board has adopted a set of guidelines on its co-investment arrangements with the Acuity VCTs and the Investment Manager as follows:-

Other than as set out below, investments will be allocated between the two share pools within the Company and also the other Acuity VCTs by reference to the size of each fund and to each fund's available cash resources.

Where an opportunity arises for a second or subsequent round of investment in a company in which one of the Acuity VCTs has invested at an earlier stage, the fund holding the existing investment will have a preferential right to take up any pro-rata entitlement it may have in the new financing round. The amount it invests on this basis will not be taken into account in determining its co-investment share thereafter.

The Company, either through the Ordinary Share pool or the C Share pool, will make an investment in which one or more of the Acuity VCTs have existing investments only when the Board considers that to be in the best interests of the relevant Share pool of the Company.

Any potential conflict of interest in a proposed investment by one or more of the Acuity VCTs will be referred by the Investment Manager to the Board of the Company and the other relevant Boards; having been reviewed by the Conflict of Interest Committee; chaired by an independent member of the Investment Committee.

In the event of a possible conflict of interest between the Investment Manager and the Company, the matter will be decided by those Directors who are independent of the Investment Manager.

The Board of the Company acknowledges that the Investment Manager may occasionally recommend an allocation of investments on a different basis from the one described above. For example, an exception may be made to ensure that one or more of the Company's Share pools, Acuity VCT 2 Plc or Acuity VCT 3 Plc maintain their status as a HMRC approved VCT, or in the interests of balancing their portfolios. A different basis may also be necessary to meet the requirements of potential investee companies. In these cases the Directors use their judgement.

# Half Yearly Report Business Review and Responsibility Statement

---

## Current and Future Development

A review of the main features of the six months to 31 March 2009 is contained in the Chairman's Statement and the Investment Manager's Review on pages 4 and 5 respectively.

The Board regularly reviews the development and strategic direction of the Company. The Board's main focus continues to be on the Company's long-term investment return. Attention is paid to the integrity and success of the investment approach and on factors which may have an impact on this approach. Due regard is given to the marketing and promotion of the Company, including effective communication with shareholders and other external parties.

A detailed review of performance during the six months to 31 March 2009 is contained in the Investment Manager's Review on page 5.

## Risk Management

Since the Company is flexible with regard to those areas in which it invests, it aims to achieve a significant degree of diversification and to spread risk by investing in unquoted, PLUS traded and AIM quoted companies. In addition, there is no emphasis on any particular industry sector and even the non-qualifying investments have quite a high level of in-built diversification. The Company is restricted to investing no more than 15% of the value of its total assets at the time of investment in any one individual qualifying investment or non-qualifying investment.

The key risks facing the Company include Market Risk, Interest Rate Risk, Credit Risk and Liquidity Risk as further detailed in Note 20 of the Notes to the Accounts in the Company's Annual Report and Accounts to 30 September 2008. In addition the Company is also focused on Macroeconomic Risks, Long-Term Strategic Risk, Government Policy and Regulation Risk, Investment Risks and Operational Risks as further detailed in the Report of the Directors in the Company's Annual Report and Accounts to 30 September 2008. This Business Review also refers, where appropriate, to specific risks and uncertainties and these should be viewed in conjunction with the risks disclosed above.

## Responsibility Statement of the Directors in respect of the Half Yearly Financial Report

We confirm to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with the Statement *Half Yearly Financial Reports* issued by the UK Accounting Standards Board;
- The Half Yearly Business Review includes a fair review of the information required by:
  - a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board of Directors  
Rupert Pennant-Rea  
Chairman  
Paternoster House  
65 St Paul's Churchyard  
London EC4M 8AB  
21 May 2009

# Half Yearly Accounts Income Statement

For the six months ended 31 March 2009

	Notes	Ordinary Shares (unaudited)			C Shares (unaudited)			Total (unaudited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding gains		-	(1,686)	(1,686)	-	(1,958)	(1,958)	-	(3,644)	(3,644)
Income	2	81	-	81	164	-	164	245	-	245
		81	(1,686)	(1,605)	164	(1,958)	(1,794)	245	(3,644)	(3,399)
Investment management fees		(41)	(124)	(165)	(29)	(88)	(117)	(70)	(212)	(282)
Other expenses		(80)	-	(80)	(61)	-	(61)	(141)	-	(141)
		(121)	(124)	(245)	(90)	(88)	(178)	(211)	(212)	(423)
<b>Return/(Loss) on Ordinary Activities before Interest and taxation</b>		(40)	(1,810)	(1,850)	74	(2,046)	(1,972)	34	(3,856)	(3,822)
Finance cost		(2)	-	(2)	(2)	-	(2)	(4)	-	(4)
<b>Return/(Loss) on Ordinary Activities before taxation</b>		(42)	(1,810)	(1,852)	72	(2,046)	(1,974)	30	(3,856)	(3,826)
Tax on ordinary activities		-	-	-	(15)	15	-	(15)	15	-
<b>Net Return/(Loss) on Ordinary Activities after taxation</b>		(42)	(1,810)	(1,852)	57	(2,031)	(1,974)	15	(3,841)	(3,826)
<b>Basic and diluted Return/(Loss) to Shareholders per share</b>	3	(0.2)p	(9.4)p	(9.6)p	0.6p	(22.3)p	(21.7)p			

The total column of this statement represents the Company's Income Statement, prepared in accordance with UK GAAP. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year. A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

The notes on page 16 form part of these financial statements.

# Half Yearly Accounts Income Statement

For the six months ended 31 March 2008

	Notes	Ordinary Shares (unaudited)			C Shares (unaudited)			Total (unaudited)		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment holding gains		-	(2,434)	(2,434)	-	(122)	(122)	-	(2,556)	(2,556)
Income	2	88	-	88	128	-	128	216	-	216
		88	(2,434)	(2,346)	128	(122)	6	216	(2,556)	(2,340)
Investment management fees		(53)	(158)	(211)	(31)	(93)	(124)	(84)	(251)	(335)
Other expenses		(196)	-	(196)	(35)	-	(35)	(231)	-	(231)
		(249)	(158)	(407)	(66)	(93)	(159)	(315)	(251)	(566)
<b>Return/(Loss) on Ordinary Activities before Interest and taxation</b>		(161)	(2,592)	(2,753)	62	(215)	(153)	(99)	(2,807)	(2,906)
Finance cost		-	-	-	-	-	-	-	-	-
Tax on ordinary activities		-	-	-	-	-	-	-	-	-
Dividend received		4	-	4	-	-	-	4	-	4
<b>Net Return/(Loss) on Ordinary Activities after taxation</b>		(157)	(2,592)	(2,749)	62	(215)	(153)	(95)	(2,807)	(2,902)
<b>Basic and Diluted Return/(Loss) to Shareholders per share</b>	3	(0.8)p	(13.1)p	(13.9)p	0.7p	(2.4)p	(1.7)p			

The total column of this statement represents the Company's Income Statement, prepared in accordance with UK GAAP. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year. A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

The notes on page 16 form part of these financial statements.

# Half Yearly Accounts Income Statement

For the year ended 30 September 2008

	Notes	Ordinary Shares (audited)			C Shares (audited)			Total (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding gains		-	(2,858)	(2,858)	-	795	795	-	(2,063)	(2,063)
Income	2	181	-	181	457	-	457	638	-	638
		181	(2,858)	(2,677)	457	795	1,252	638	(2,063)	(1,425)
Investment management fees		(83)	(248)	(331)	(45)	(134)	(179)	(128)	(382)	(510)
Other expenses		(289)	44	(245)	(102)	(9)	(111)	(391)	35	(356)
		(372)	(204)	(576)	(147)	(143)	(290)	(519)	(347)	(866)
<b>Return/(Loss) on Ordinary Activities before Interest and taxation</b>		(191)	(3,062)	(3,253)	310	652	962	119	(2,410)	(2,291)
Finance cost		(12)	-	(12)	(13)	-	(13)	(25)	-	(25)
<b>Return/(Loss) on Ordinary Activities before taxation</b>		(203)	(3,062)	(3,265)	297	652	949	94	(2,410)	(2,316)
Tax on ordinary activities		-	-	-	-	-	-	-	-	-
<b>Net Return/(Loss) on Ordinary Activities after taxation</b>		(203)	(3,062)	(3,265)	297	652	949	94	(2,410)	(2,316)
<b>Basic and Diluted Return/(Loss) to Shareholders per share</b>	3	(1.0)p	(16.0)p	(17.0)p	3.3p	7.1p	10.4p			

The total column of this statement represents the Company's Income Statement, prepared in accordance with UK GAAP. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year. A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

The notes on page 16 form part of these financial statements.



## Half Yearly Accounts Reconciliation of Movements in Total Shareholders' Funds

---

<b>Ordinary Shares</b>	For the six months ended 31 March 2009 (unaudited)  £'000	For the six months ended 31 March 2008 (unaudited)  £'000	For the year ended 30 September 2008 (audited)  £'000
Total Return on Ordinary Activities after taxation	(1,852)	(2,749)	(3,265)
Repurchase of ordinary shares	-	(340)	(446)
<b>Movements in Total Ordinary Shareholders' Funds</b>	<b>(1,852)</b>	<b>(3,089)</b>	<b>(3,711)</b>
Total Ordinary Shareholders' Funds as at 1 October	11,944	15,655	15,655
<b>Total Ordinary Shareholders' Funds at end of the period</b>	<b>10,092</b>	<b>12,566</b>	<b>11,944</b>

---

<b>C Shares</b>	For the six months ended 31 March 2009 (unaudited)  £'000	For the six months ended 31 March 2008 (unaudited)  £'000	For the year ended 30 September 2008 (audited)  £'000
Total Return on C share activities after taxation	(1,974)	(153)	949
<b>Movements in Total C Shareholders' Funds</b>	<b>(1,974)</b>	<b>(153)</b>	<b>949</b>
Total C Shareholders' Funds as at 1 October	9,341	8,392	8,392
<b>Total C Shareholders' Funds at end of the period</b>	<b>7,367</b>	<b>8,239</b>	<b>9,341</b>

---

# Half Yearly Accounts Balance Sheet

	For the six months ended 31 March 2009 (unaudited)			For the six months ended 31 March 2008 (unaudited)			For the year ended 30 September 2008 (audited)		
	Ordinary	C Shares	Total	Ordinary	C Shares	Total	Ordinary	C Shares	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>									
Investments held at fair value	9,287	7,162	16,449	11,693	6,015	17,708	10,797	8,919	19,716
<b>Current Assets</b>									
Debtors	779	499	1,278	510	224	734	598	615	1,213
Other Investments	-	-	-	471	800	1,271	96	-	96
Cash at bank	151	104	255	162	1,544	1,706	591	83	674
	930	603	1,533	1,143	2,568	3,711	1,285	698	1,983
<b>Current Liabilities</b>									
Creditors : amounts falling due within one year	(42)	(228)	(270)	(125)	(178)	(303)	(54)	(108)	(162)
<b>Net Current Assets</b>	888	375	1,263	1,018	2,390	3,408	1,231	590	1,821
Total assets less current liabilities	10,175	7,537	17,712	12,711	8,405	21,116	12,028	9,509	21,537
Creditors: amounts falling due after more than one year	(83)	(170)	(253)	(145)	(166)	(311)	(84)	(168)	(252)
<b>Net Assets</b>	10,092	7,367	17,459	12,566	8,239	20,805	11,944	9,341	21,285
<b>Capital and Reserves</b>									
Called-up share capital	193	91	284	195	91	286	193	91	284
Share premium	13,580	8,313	21,893	13,580	8,313	21,893	13,580	8,313	21,893
Special reserve	4,624	-	4,624	5,070	-	5,070	4,624	-	4,624
Capital redemptions reserve	28	-	28	22	-	22	28	-	28
Revaluation reserve	(7,185)	973	(6,212)	-	-	-	(7,182)	973	(6,209)
Revenue reserve	(1,148)	(2,010)	(3,158)	(6,301)	(165)	(6,466)	701	(36)	665
<b>Total Equity Shareholders' Funds</b>	10,092	7,367	17,459	12,566	8,239	20,805	11,944	9,341	21,285
<b>Net Asset Value per Share</b>	52.6p	81.0p		64.4p	90.6p		62.2p	102.7p	
<b>Number of Shares in issue at end of period:</b>									
Ordinary Shares	As at 31 March 2009			As at 31 March 2008			As at 30 September 2008		
	19,201,481			19,402,384			19,201,481		
C Shares	9,093,156			9,093,156			9,093,156		
<b>Total</b>	28,294,637			28,495,540			28,294,637		

The information of page 16 forms part of these financial statements.

# Half Yearly Accounts Cash Flow Statement

	For the six months ended 31 March 2009 (unaudited)			For the six months ended 31 March 2008 (unaudited)			For the year ended 30 September 2008 (audited)		
	Ordinary	C Shares	Total	Ordinary	C Shares	Total	Ordinary	C Shares	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Operating Activities</b>									
Investment income received	4	-	4	65	98	163	199	110	309
Bank deposit interest received	1	-	1	3	-	3	7	32	39
Investment management fees paid	(235)	-	(235)	(105)	(50)	(155)	(349)	(186)	(535)
Other cash payments	(127)	(59)	(186)	(131)	(60)	(191)	(238)	(15)	(253)
<b>Net Cash Outflow from Operating Activities</b>	<b>(357)</b>	<b>(59)</b>	<b>(416)</b>	<b>(168)</b>	<b>(12)</b>	<b>(180)</b>	<b>(381)</b>	<b>(59)</b>	<b>(440)</b>
<b>Capital Expenditure and Financial Investment</b>									
<b>Investing activities</b>									
Purchase of investments	(1,053)	(143)	(1,196)	(877)	(2,710)	(3,587)	(1,332)	(4,801)	(6,133)
Sale of investments	874	222	1,096	1,821	-	1,821	2,747	104	2,851
Co-investment payment to related party	-	-	-	-	-	-	-	(278)	(278)
<b>Net Cash Inflow/(Outflow) from investing Activities</b>	<b>(179)</b>	<b>79</b>	<b>(100)</b>	<b>944</b>	<b>(2,710)</b>	<b>(1,766)</b>	<b>1,415</b>	<b>(4,975)</b>	<b>(3,560)</b>
Equity dividends received/(paid)	-	-	-	4	-	4	-	-	-
<b>Cash Inflow/(Outflow) before Financing and Management of Liquid Resources</b>	<b>(536)</b>	<b>20</b>	<b>(516)</b>	<b>780</b>	<b>(2,722)</b>	<b>(1,942)</b>	<b>1,034</b>	<b>(5,034)</b>	<b>(4,000)</b>
<b>Management of Liquid Resources</b>									
(Purchases)/Sales of current asset investments	-	-	-	2,780	-	2,780	(95)	4,050	3,955
<b>Net Cash Inflow from Management of Liquid Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,780</b>	<b>-</b>	<b>2,780</b>	<b>(95)</b>	<b>4,050</b>	<b>3,955</b>
<b>Financing</b>									
Repurchase of ordinary shares	-	-	-	(325)	-	(325)	(475)	-	(475)
<b>Net Cash Outflow from Financing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(325)</b>	<b>-</b>	<b>(325)</b>	<b>(475)</b>	<b>-</b>	<b>(475)</b>
<b>(Decrease)/Increase in Cash for the Period</b>	<b>(536)</b>	<b>20</b>	<b>(516)</b>	<b>3,235</b>	<b>(2,722)</b>	<b>513</b>	<b>464</b>	<b>(984)</b>	<b>(520)</b>

# Half Yearly Accounts Notes to the Accounts

---

## 1 Accounting Policies

The principal accounting policies remain unchanged from the year ended 30 September 2008, apart from a presentational change to the reserves, as a result of the early adoption of the guidance contained in the Statement of Recommended Practice (SORP), "Financial Statements of Investment Trust Companies and Venture Capital Trusts", issued in January 2009, whereby changes in capital reserves have been combined. Where presentational guidance set out in the SORP, revised in January 2009, is consistent with the requirements of UKGAAP, the Directors have sought to prepare the financial statements on a consistent basis compliant with the recommendations of the SORP.

## 2 Income

	For the six months ended 31 March 2009 (unaudited) £'000	For the six months ended 31 March 2008 (unaudited) £'000	For the year ended 30 September 2008 (audited) £'000
Franked investment income	226	108	159
Income from liquidity funds	1	76	101
Unfranked investment income	-	26	339
Interest from bank deposits	1	6	39
Other income	17	-	-
	245	216	638

## 3 Return per Share

### Ordinary Shares

The revenue return/(loss) per ordinary share is based on the net revenue/(loss) from ordinary activities after taxation, of £(42,000) (31.03.08: £(157,000); 30.09.08: £(203,000)) and on 19,201,481 (31.03.08: 19,755,821; 30.09.08: 19,530,826) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

The capital return/(loss) per ordinary share is based on net capital losses of £(1,810,000) (31.03.2008: £(2,592,000); 30.09.2008: £(3,062,000)) and on 19,201,481 (31.03.2008: 19,755,821; 30.09.2008: 19,530,826) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

### C Shares

The revenue return/(loss) per C share is based on the net revenue/(loss) from C share activities after taxation, attributable to the C shareholders, of £57,000 (31.03.08: £62,000; 30.09.08: £297,000) and on 9,093,156 (31.03.08: 9,093,156; 30.09.08: 9,093,156) C Shares, being the weighted average number of C Shares in issue during the period.

The capital return/(loss) per C share is based on net capital gains/(losses) of £(2,031,000) (31.03.2008: £(215,000); 30.09.2008: £652,000) and on 9,093,156 (31.03.08: 9,093,156; 30.09.08: 9,093,156), being the weighted average number of C shares in issue during the period.

There is no difference between the basic and diluted return per ordinary share and per C share because the Company has no potentially dilutive shares in issue.

# Additional Information Contact Details

---

## **Acuity VCT Plc**

### **Board of Directors**

Rupert Pennant-Rea (Chairman)  
David Donnelly  
Catrina Holme  
Nicholas Ross  
David Sebire

### **Investment Manager and Administrator**

Acuity Capital Management Limited  
Paternoster House  
65 St Paul's Churchyard  
London EC4M 8AB  
Telephone +44 (0)20 7306 3901  
[www.acuitycapital.co.uk](http://www.acuitycapital.co.uk)  
Enquiries - [info@acuitycapital.co.uk](mailto:info@acuitycapital.co.uk)

### **Secretary and Registered Office**

Acuity Capital Management Limited  
Paternoster House  
65 St Paul's Churchyard  
London EC4M 8AB  
Telephone +44 (0)20 7306 3901

### **Company Number**

4286368

### **Registered Independent Auditors**

KPMG Audit Plc  
Saltire Court  
20 Castle Terrace  
Edinburgh EH1 2EG  
Telephone +44 (0)131 222 2000

### **Registrar and Transfer Office**

Capita Registrars Limited  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield HD8 0GA  
Telephone (UK): 0871 664 0300 (calls cost 10p per minute plus network extras)  
Telephone (Overseas): +44 208 639 3399  
Email: [shareholder.services@capitaregistrars.com](mailto:shareholder.services@capitaregistrars.com)  
Web: [www.capitaregistrars.com](http://www.capitaregistrars.com)

Any change of address of a shareholder or other relevant amendment to shareholder details should be communicated to the Company's Registrar, Capita Registrars.





Acuity Capital Management Ltd  
Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB

t +44(0)20 7306 3901  
f +44(0)20 7214 4210  
[www.acuitycapital.co.uk](http://www.acuitycapital.co.uk)

Issued by Acuity Capital Management Limited.  
Registered Office: 65 St Paul's Churchyard, London,  
EC4M 8AB. Registered in England and Wales.  
Company No. 1583260. Authorised and regulated  
by the Financial Services Authority: 25 The North  
Colonnade, Canary Wharf, London, E14 5HS.