

Rensburg Aim VCT plc

**Report & Financial
Statements for the Financial
Year Ended 28 February 2010**

Company Number 3588039

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The Company

Contents

- 1 Financial Summary
- 2 Chairman's Statement
- 4 Manager's Report
- 5 Investment Portfolio Summary
- 6 Ten Largest Qualifying Investments
- 8 Investment Additions and Disposals
- 9 Thirty Largest Qualifying Investments
- 10 Directors
- 11 Directors' Report
- 13 Corporate Governance
- 16 Statement of Directors' Responsibilities
- 17 Directors' Remuneration Report
- 19 Independent Auditor's Report
- 20 Income Statement
- 21 Balance Sheet
- 22 Cash Flow Statement
- 23 Notes to the Financial Statements
- 35 Trading History
- 36 Useful Information for Shareholders
- 37 Company Information

Structure

Rensburg Aim VCT plc is a Venture Capital Trust ('VCT'), established to provide individual investors with an opportunity to invest in companies, which are traded on the Alternative Investment Market (AIM) market of the London Stock Exchange ('LSE') and which meet the qualifying company requirements of the VCT legislation. By subscribing for new shares in the Company investors are able to take advantage of tax benefits available from investing in VCTs. The Company has received full approval from HM Revenue and Customs as a VCT.

On 19 December 2005 the Company acquired the share capital of Rensburg VCT plc via a scheme of arrangement. Upon acquisition, the trade and assets of Rensburg VCT plc were transferred to Rensburg Aim VCT plc via a distribution-in-specie.

Investment Objective

The Company's objective is to provide shareholders with an attractive return on their investment over the longer term including the payment of dividends.

Investment Policy

The companies selected for investment are mainly traded on AIM, or hope to join within the next 12 months. As the minimum 70% VCT requirement has been exceeded and there are 41 qualifying companies in the portfolio, the emphasis has changed to maximising the returns from existing investments. We are now actively engaging with our investee companies with a view to achieving this goal, whilst being open to new proposals from the existing portfolio and other AIM companies. Any new investments will be in established, profitable and relatively low-tech companies, which offer more stability to the portfolio. The Company will still maintain a substantial amount of shareholders' funds in fixed interest securities, unit trusts and blue-chip equities, for lower risk exposure, liquidity and diversification of the portfolio.

Manager

The Board has appointed the AIM division of Rensburg Sheppards Investment Management Limited ('RSIM') to provide investment management and secretarial services.

RSIM's AIM division was established in 1983. It has raised in excess of £235 million for venture capital, business expansion scheme investments and inheritance tax planning products.

RSIM's AIM division has developed an expertise in making investments in companies whose shares are traded on AIM. These companies are situated throughout the UK. RSIM's AIM division executives maintain regular contact with the investee companies and are responsible for monitoring the progress of the investments.

Financial Summary

1

Financial Headlines

for the financial year ended 28 February 2010

	2010	2009
Net assets	£20,601,000	£16,717,000
Dividends paid during the year	£1,733,000	£1,635,000
Cost to purchase own shares	–	£358,000
Net asset value per share	50.53p	41 00p
Profit/(Loss) on ordinary activities after tax as per Income Statement	£4,987,000	(£9,395,000)
Profit/(Loss) per share as per Income Statement	12.23p	(22 95)p
Dividends paid per share during the year (including special dividend of 1 00p paid during the year ended 28 February 2010)	4.25p	4 00p
Total dividends paid per share since inception	33 25p	29 00p
Total dividends per share paid since inception and pending approval	35.75p	31 00p

Financial Calendar

Annual General Meeting	21 July 2010
Final Dividend Payable	29 July 2010
Half-Yearly Results Announced	October 2010
Interim Dividend Payable (provisional)	December 2010

Chairman's Statement

2

Introduction

My fifth year as Chairman of the Company has proved to be much more positive than the fourth, as UK equity markets recovered their upward track

Our absolute performance, as set out below was satisfactory with a 33.6% increase in net asset value ('NAV') over the year to 28 February 2010. Measuring our performance against the FTSE AIM All-Share Index which increased by 71.6%, can be misleading as some 61% of AIM companies by market value and included in this index are from the oil & gas, mining, basic materials, financial and property sectors, in which a VCT generally cannot invest. When these companies share prices do well our relative performance always suffers by comparison. Last year, the opposite applied, which is one of the reasons for last year's relative, albeit negative, outperformance. When I reported on last year's results the FTSE AIM All-Share Index had fallen 61.9% whilst our NAV had declined by 33.3%.

With 39.5% of net assets in unit trusts and blue-chip equities, our own performance is also heavily influenced by companies in the FTSE 100 and FTSE All-Share indices, which increased 39.8% and 41.8% respectively. Also, we adopt a relatively conservative investment strategy for our non-qualifying investment portfolio, which tends to result in over-performance against the various indices when markets fall and under-performance when they recover.

During the year no new shares were issued or repurchased.

Following the year end, the Board decided to carry out a strategic review which is discussed in further detail below.

Net Asset Value

NAV at 28 February 2010 was 50.53 pence per share (2009: 41.00 pence per share), a 33.6% increase (2009: 33.3% decrease) after adjusting for the dividend of 4.25 pence per share (2009: 4.00 pence per share) paid during the year. This compares with an increase of 71.6% in the FTSE AIM All-Share Index. As stated above the main reason for the under-performance against this benchmark is the fact that the index comprises many stocks which are not eligible for VCT investment.

Investments

At the year-end, the Company had 41 qualifying investments in AIM and unquoted companies which cost £14.6m and were valued at £11.0m. We also held non-qualifying equity investments, principally in blue-chip equities, costing £7.8m and valued at £8.2m as well as fixed interest securities costing £1.7m and valued at £1.2m. During the year, we sold over £3.9m of both qualifying and non-qualifying investments, realising total net losses over historic cost of £701,000 (2009: losses of £682,000).

This year, we did not make any new qualifying investments (2009: £2.3m invested in 5 companies) but we continue to seek to invest in established companies in growth industries. During 2009 and the early part of 2010 there were few VCT eligible initial public offers or secondary issues of the size and type in which we would want to invest. The VCT is also currently fully qualifying and so there is no pressure to invest funds in potentially speculative investments in an uncertain economic climate. Instead, we focused on the relatively safer blue-chip equities market, taking advantage of attractive dividend yields on offer, and invested some £1.8m in non-qualifying investments.

Results

The profit on ordinary activities before tax for the year was £5.0m (2009: loss of £9.4m). Profits per share were 12.23 pence (2009: losses per share of 22.95 pence). It is important to note that £3.9m (2009: loss of £9.5m) of this profit represents the unrealised increase in the value of the underlying investments and is not a realised profit.

Dividend

During the year we paid out £1,733,000 (2009: £1,635,000) in dividends, a 6.0% increase. In addition to the interim dividend of 1.25 pence per share paid in December 2009 and a special dividend of 1.00 pence per share paid in January 2010 we now propose, subject to shareholders' approval, to pay a final dividend of 2.5 pence per share (2009: 2.0 pence per share) on 29 July 2010 to shareholders on the register at the close of business on

9 July 2010. The total dividend, excluding the special dividend in respect of the VAT repayment (see below), for the year is, therefore, 3.75 pence per share (2009: 3.0 pence), a yield of 11.5% based on the mid share price at 30 April 2010 of 32.5 pence per share, and a 25.0% increase on the previous year.

Including the current proposed final dividend we will have paid a total of 35.75 pence per share to shareholders since the inception of the VCT. Previous shareholders in Rensburg VCT plc, which merged with the Company in December 2005, will have received dividends of 59.83 pence per share, assuming they subscribed to the initial public offering in 1996. It is important to note that all dividends are tax free in the hands of shareholders. This feature will be of particular interest to higher rate taxpayers, especially in the current tax year where the top rate of income tax is now 50%.

VAT and the Special Dividend

As stated in the 2009 Annual Report, VAT is no longer charged on management fees payable by the Company to the Managers. Further, HM Revenue & Customs ("HMRC") has conceded that VAT should not have been charged previously. As a result, the Company was able to recognise a £381,000 VAT credit in the 2009 Income Statement. I am pleased to confirm that the Company received a slightly higher figure of £407,000 during the year and a further £38,000 of interest on that rebate has been recognised as receivable. In accordance with our previously stated intention this amount was distributed to shareholders by way of a 1.00 pence per share special dividend in January 2010.

Capital Reduction

At the Company's 2009 Annual General Meeting, shareholders approved the cancellation of the Company's share premium account ("the Capital Reduction"). The Capital Reduction was subsequently approved by the High Court on 19 August 2009. As a result, the non-distributable share premium account of £7,035,000 has been cancelled, thereby creating a distributable Special Reserve for the purpose of declaring dividends or purchasing the Company's own shares for

Chairman's Statement

continued

3

cancellation. The net assets of the Company have not altered as a consequence of the Capital Reduction.

VCT Status

The Board continues to be mindful of achieving and maintaining its VCT qualifying status. We must invest at least 70% of the net funds raised in any one accounting period in qualifying investments within three years. At the year end, we had satisfied all the relevant qualifying tests and we need to ensure that we continue to do so in the future. Our qualifying percentage in accordance with ICTA 2007 (s 274) shows 80% invested. I am pleased to report that HMRC has confirmed that we fully qualify as a VCT. The directors are confident that we will maintain our VCT qualifying status in the future.

Share Buy-Back

During the year we did not repurchase any shares (2009: 625,812 shares at a cost of £0.4m). The secondary market in VCT shares is still very limited, with demand being concentrated on new share issues which attract valuable tax breaks. The directors believe that the payment of dividends to all shareholders is a fairer way of using the Company's available cash, than selective buy-backs.

Strategic Review

The Board feels there is considerable potential in the existing qualifying portfolio comprising mainly AIM shares. Some of these have yet to reach maturity and we believe there is a strong possibility that many will eventually be acquired by larger concerns, hopefully at a premium to their current share price. A recent example of this was Glisten, a company where we originally invested in July 2002 and which was sold in April 2010 at 140 pence per share. The offer price represented a premium of some 61% on the closing mid-market price the day before the offer was made. We believe there are many other 'undervalued' companies in the portfolio which will provide opportunities for profitable realisations over time. In the meantime, the non-qualifying portfolio provides income and funds readily available either for new investment or regular dividend distributions.

The Board has examined, in some depth, the merits of reinstating its previous buy-back policy or making a tender offer for the shares, and has resolved to do neither at present. Despite the current considerable share price discount to NAV, the benefit to shareholders would be marginal and would reduce the Company's ability to pay tax-free dividends in the future. Buy-backs only favour those selling shareholders and not shareholders as a whole. Dividends are paid to all shareholders pro-rata to their investments, and thus benefit all. Despite this, we will be asking shareholders to renew the board's power to purchase the Company's shares in the market for cancellation, so as to provide the board with flexibility if circumstances require it. The Board has also noted the improved trading volume in the Company's shares as new and existing investors have purchased shares to take advantage of the high discount to NAV and attractive tax free dividends.

The Board has considered making a tender offer to shareholders for up to 30% of each holding, which has the advantage of treating all shareholders equally. This was originally proposed in the 2006 prospectus to be effected in 2009, with the condition that the Board needed to be satisfied with market conditions at the time of any offer. When the market turned down sharply in 2008 the board decided to postpone the tender offer to try and maximise eventual returns to shareholders. As events have turned out, this has proved to be the correct decision and we will continue to keep this matter under review.

The Board has considered raising new funds but has concluded, in common with most other AIM VCTs, that in the current economic climate and with the existing VCT legislation, there was little possibility of attracting funds in sufficient size to justify the expense. The Board has also reviewed the possibility of merging with other VCT companies but to date has not found a suitable partner. The Board will keep both matters under regular review.

Share Issues

Although we do not propose to issue any new shares at present, the Board is seeking shareholder approval to do so in the future, should the opportunity arise.

Articles of Association Amendments

The Company will propose amendments to the articles of association at the forthcoming Annual General Meeting to reflect the final implementation of the Companies Act 2006. Details of these changes will be included in the notice of meeting.

Shareholder Communications

Shareholders wishing to keep in touch with our progress should visit our website at www.rensburgaimvct.co.uk. This contains publicly available information including annual accounts, half-yearly accounts, dividend payment history and also the latest NAV and share price.

Outlook

AIM and other indices recovered much of the ground lost in early 2009 in the second half of the year. This trend continued into the current financial year with the FTSE AIM All-Share Index increasing by 9.2% in the two months to 30 April 2010 whilst the FTSE 100 and FTSE All-Share Indices increased by 3.7% and 4.6% respectively in the same period. The NAV of the Company was 53.82 pence per share as at 30 April 2010, a 6.5% increase from the year end figure, equating to a £1.3m increase in total net assets.

As shareholders will be well aware, the UK has a new coalition Government which together with recent events in the Eurozone has resulted in a new period of short term uncertainty and stock market volatility. However, the majority of our investee companies are soundly financed and are therefore well placed to benefit from any improvement in the UK economy. We are therefore optimistic as to the Company's future prospects.

Finally, on behalf of all shareholders I would like to thank my fellow directors, Rensburg Sheppards Investment Management Limited as Manager and our professional advisers for their continued contributions over the past year.

W. M. Cran
Chairman

24 May 2010

Manager's Report

4

Introduction

The headline FTSE AIM All-Share index, which is the Company's performance benchmark, increased 71.6% during the year to 28 February 2010. At the year end, the Company had some 42% of its funds (by value) in qualifying AIM companies, a further 6% in qualifying companies that have progressed from AIM to the Main Market and 5% in qualifying unquoted investments. Our Net Asset Value (NAV) per share increased by 33.6% after adjusting for the dividends of 4.25 pence per share paid in the year. Some 28% by value is held in a non-VCT qualifying portfolio of blue-chip equities and 12% by value in unit trusts. The increase in the FTSE 100 index of 39.8% was considerably less than that of the FTSE AIM All-Share index and that had an impact on the overall performance.

Investment Policy

The companies selected for investment are mainly traded on AIM, or hope to join within the next 12 months. As the minimum 70% VCT requirement has been exceeded and there are 41 qualifying companies in the portfolio, the emphasis has changed to maximising the returns from existing investments. We are now actively engaging with our investee companies with a view to achieving this goal, whilst being open to new proposals from the existing portfolio and other AIM companies. Any new investments will be in established, profitable and relatively low-tech companies, which offer more stability to the portfolio. The Company will still maintain a substantial amount of shareholders' funds in fixed interest securities, unit trusts and blue-chip equities for lower risk exposure, liquidity and diversification of the portfolio.

Qualifying Investments

During the year the Company did not make any qualifying investments (2009 £2.3m invested in five companies). This

was because we felt that none of the companies which approached us for funds met the company's investment criteria, as detailed above.

During the year the company realised a net £2.3m (2009 £0.6m) from the sale of the entire holding of four qualifying investments, the part sale of two qualifying investments and a share-for-share sale of another qualifying investment. Overall this realised a net loss on historic cost of £0.7m (2009 net loss on historic cost of £0.1m) but a £1.3m profit over their value as at 28 February 2009 (2009 net loss of £0.3m over the value as at 29 February 2008). These sales are summarised in the table on page 8. A three year summary of investments written off or impaired can be found in note 20 to the accounts.

Non-Qualifying Investments

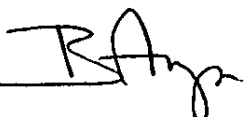
Under the VCT legislation the Company is allowed to hold 30% of investments (at most recent cost) in non-qualifying companies. Accordingly, as well as the qualifying investments it holds a substantial portfolio of 'blue-chip' companies managed by Rensburg Sheppards Investment Management Limited and unit trusts managed by Rensburg Fund Managers Limited. The 'blue-chip' companies include many household names such as Vodafone, BP and GlaxoSmithKline. Details of the 10 largest holdings are set out in note 16 of the Report and Financial Statements. The unit trust investments are held to provide income and exposure to mid-cap companies. The Company also holds a small portfolio of fixed interest securities.

At the year-end some 12% of net assets were invested in unit trusts, 28% of net assets were held in blue-chip equities and 6.0% were in fixed interest securities. During the year the Company realised a net £1.6m (2009 £4.5m) from the sale of part of the unit trusts, quoted equity portfolio, fixed interest securities and non-qualifying AIM investments, realising a net loss on historic cost of £0.1m (2009 £0.4m).

Outlook

As stated above, AIM companies had a better year with a marked increase in values. However, the amount raised by new AIM companies decreased from £1.1 billion in 2008 to £0.7 billion in 2009 although secondary fund raisings (in established AIM companies) increased from £3.2 billion in 2008 to £4.9 billion over the year. There are signs of new issue activity picking up recently with £242m raised in the first quarter of 2010 although this entire amount was raised in relatively large amounts by companies which do not qualify for VCT investment and are therefore outside our universe. The current legislation is unhelpful to AIM focused VCTs, as it restricts the size of the potential investee companies to a maximum fund raising of £2m, gross assets of just £7m and 50 employees. Prior to the recent General Election the Treasury said they were reviewing the legislation and it is possible that the new Government will increase the limits, enabling AIM VCTs to raise further funds.

In the meantime, with some £20.6m of net assets at 28 February 2010, the Company has sufficient liquidity, assets, resources and a low cost base to provide a worthwhile return to investors over the next few years, economic and market conditions permitting. Whilst continuing to look for selective investments we intend to focus on seeking realisations from existing investments to support future dividends and thereby provide an attractive tax free return to shareholders.



B. A. Anysz
Divisional Director
Rensburg Sheppards Investment
Management Limited

24 May 2010

Investment Portfolio Summary

as at 28 February 2010 5

Qualifying Investment	Book cost* £000	Valuation £000	% of total net assets (by value)	Unrealised gain/(loss) £000
Ten largest qualifying investments				
Animalcare Group plc	500	1,066	5.17	566
Epistem Holdings plc	354	1,023	4.97	669
Andor Technology plc	547	843	4.09	296
Chime Communications plc	633	617	3.00	(16)
Connaught plc	381	599	2.91	218
Advanced Computer Software plc	254	587	2.85	333
Glisten plc	775	565	2.74	(210)
Tikit Group plc	578	535	2.60	(43)
Primal Pictures Ltd	360	474	2.30	114
IS Pharma plc	558	448	2.17	(110)
	4,940	6,757	32.80	1,817
Other qualifying investments	9,706	4,245	20.61	(5,461)
Total qualifying investments	14,646	11,002	53.41	(3,644)
Non-qualifying investments				
Fixed interest securities	1,672	1,238	6.01	(434)
Unit trusts				
Rensburg Equity Income Unit Trust	1,268	1,259	6.11	(9)
Rensburg Mid-Cap Growth Unit Trust	813	1,202	5.83	389
	2,081	2,461	11.94	380
Other non-qualifying investments				
Quoted equities (Note 16)	5,669	5,675	27.55	6
Non-qualifying AIM investments	30	19	0.09	(11)
	5,699	5,694	27.64	(5)
Total non-qualifying investments	9,452	9,393	45.59	(59)
Total investments	24,098	20,395	99.00	(3,703)
Net current assets		206	1.00	
Net assets		20,601	100.00	

* Historic cost of investments less write offs for permanent diminutions in value

Ten Largest Qualifying Investments

6 (by valuation)

Animalcare Group plc – Masham			
First Investment	January 2008	Year ended 30 June 2009	£000
Equity held/ Voting rights	4 57%/ 4 57%	Turnover	17,638
Cost (£000)	500	Profit before tax for the year	1,527
Valuation (£000)	1,066	Retained profit for the year	1,039
Valuation basis	Bid price	Total assets	25,363
Type of security	Ordinary shares	Total liabilities	9 981
		Net assets	15,382

Animalcare Group is a specialist veterinary products company including electronic animal identification solutions

Epistem Holdings plc – Manchester			
First Investment	May 2005	Year ended 30 June 2009	£000
Equity held/ Voting rights	3 30%/ 3 30%	Turnover	3 968
Cost (£000)	354	Loss before tax for the year	(669)
Valuation (£000)	1,023	Retained profit for the year	83
Valuation basis	Bid price	Total assets	5,916
Type of security	Ordinary shares	Total liabilities	3 156
		Net assets	2,760

Epistem is a biotechnology company developing innovative therapeutics and diagnostic biomarkers and also provides contract research services to drug development companies

Andor Technology plc – Belfast			
First Investment	December 2004	Year ended 30 September 2009	£000
Equity held/ Voting rights	1 89%/ 1 89%	Turnover	33,113
Cost (£000)	547	Profit before tax for the year	3,389
Valuation (£000)	843	Retained profit for the year	2,989
Valuation basis	Bid price	Total assets	26,237
Type of security	Ordinary shares	Total liabilities	9,807
		Net assets	16,430

Andor Technology plc develops and manufactures a range of scientific high performance digital cameras

Other funds managed by Rensburg Sheppards Investment Management Limited- AIM Division hold 0 06% of the equity/voting rights

Chime Communications plc – London			
First Investment	October 2009	Year ended 31 December 2009	£000
Equity held/ Voting rights	0 46%/ 0 46%	Turnover	300,908
Cost (£000)	633	Profit before tax for the year	18,553
Valuation (£000)	617	Retained profit for the year	12,697
Valuation basis	Bid price	Total assets	212 351
Type of security	Ordinary shares	Total liabilities	95 508
		Net assets	116 843

Chime Communications provides public relations, advertising and marketing services

Connaught plc – Exeter			
First Investment	December 2004	Year ended 31 August 2009	£000
Equity held/ Voting rights	0 13%/ 0 13%	Turnover	659,600
Cost (£000)	381	Profit before tax for the year	26 700
Valuation (£000)	599	Retained profit for the year	17,500
Valuation basis	Bid price	Total assets	470,900
Type of security	Ordinary shares	Total liabilities	303,400
		Net assets	167,500

Connaught provides facilities management and building support services throughout the UK

Total assets includes fixed assets non current and current assets Total liabilities includes creditors falling due both within one year and in more than one year provisions for liabilities and charges deferred income current and non-current liabilities

Ten Largest Qualifying Investments

(by valuation)

7

Advanced Computer Software plc – London			
First Investment	August 2008	Year ended 28 February 2010	£000
Equity held/ Voting rights	0.43%/ 0.43%	Turnover	30,191
Cost (£000)	254	Profit before tax for the period	4,169
Valuation (£000)	587	Retained profit for the period	3,169
Valuation basis	Bid price	Total assets	195,759
Type of security	Ordinary shares	Total liabilities	117,213
		Net assets	78,546

Advanced Computer Software Group is a supplier of Computer Software and hardware to the healthcare sector

Glisten plc – Leeds			
First Investment	June 2002	Year ended 30 June 2009	£000
Equity held/ Voting rights	2.91%/ 2.91%	Turnover	74,433
Cost (£000)	775	Loss before tax for the year	(746)
Valuation (£000)	565	Retained loss for the year	(675)
Valuation basis	Bid price	Total assets	73,059
Type of security	Ordinary shares	Total liabilities	46,252
		Net assets	26,807

Glisten manufactures and supplies a range of confectionery to many of the leading supermarket chains

Other funds managed by Rensburg Sheppards Investment Management Limited - AIM Division hold a further 5.22% of the equity/voting rights

Tikit Group plc – London			
First Investment	June 2001	Year ended 31 December 2009	£000
Equity held/ Voting rights	2.84%/ 2.84%	Turnover	25,196
Cost (£000)	578	Profit before tax for the year	2,474
Valuation (£000)	535	Retained profit for the year	1,835
Valuation basis	Bid price	Total assets	26,240
Type of security	Ordinary shares	Total liabilities	11,057
		Net assets	15,183

Tikit is a provider of consultancy services and software solutions principally to the IT departments of a number of the UK's top 200 law firms and accountancy practices

Other funds managed by Rensburg Sheppards Investment Management Limited - AIM Division hold a further 3.26% of the equity/voting rights

Primal Pictures Limited – London			
First Investment	March 2001	Year ended 31 December 2008	£000
Equity held/ Voting rights	8.46%/ 8.46%	Turnover	2,541
Cost (£000)	360	Profit before tax for the year	302
Valuation (£000)	474	Retained profit for the year	554
Valuation basis	Unquoted – Page 23	Total assets	1,493
Type of security	Ordinary/ Preference shares	Total liabilities	2,869
		Net liabilities	(1,376)

Primal Pictures, an unquoted investment, produces 3D anatomy software that is currently used for patient, practitioner and student education in over 20 countries

IS Pharma plc – Chester			
First Investment	April 2008	Year ended 31 March 2010	£000
Equity held/ Voting rights	2.36%/ 2.36%	Turnover	14,214
Cost (£000)	558	Profit before tax for the year	2,590
Valuation (£000)	448	Retained profit for the year	2,231
Valuation basis	Bid price	Total assets	48,703
Type of security	Ordinary shares	Total liabilities	18,406
		Net assets	30,297

IS Pharma plc acquires and commercialises late-stage pharmaceutical products and devices focussed on critical care and oncology

Rensburg Aim VCT plc holds three further investments in companies where Rensburg Sheppards Investment Management (RSIM) – AIM Division manage the same stock for third parties. These are Huveaux plc, IDOX plc and Quadnetics Group plc where RSIM – AIM Division manages on behalf of third parties a further 2.03%, 4.53%, and 2.32% of the equity/voting rights respectively in addition to the Rensburg Aim VCT plc holdings of 1.22%, 0.82% and 0.65% respectively

Investment Additions and Disposals

in the year to
8 28 February 2010

Additions

	Book cost £000
Qualifying Investment	
Chime Communications plc (Note 1)	633
Connaught plc (Note 2)	215
	848
Non-qualifying investments	1,817
Total	2,665

Disposals

	Book cost £000 (Note 5)	Disposal proceeds £000	Income Statement Gain/(loss) £000 (Note 3)	Gain/(loss) over historic cost £000 (Note 4)
Qualifying Investment				
Advanced Computer Software plc	246	519	219	273
Claimar Care Group plc	339	126	96	(213)
Cobra Bio-Manufacturing plc	206	7	(1)	(199)
Connaught plc	534	815	40	281
Essentially Group Limited (Note 1)	941	633	445	(308)
Fountains plc (Note 2)	318	215	113	(103)
Hexagon Human Capital plc	400	0	(110)	(400)
	2,984	2,315	802	(669)
Non-qualifying investments	1,620	1,588	488	(32)
Total	4,604	3,903	1,290	(701)

Note 1 – Chime Communications plc shares were received as a result of a share for share acquisition of Essentially Group Limited during the year

Note 2 – Connaught plc shares were received as a result of a share for share acquisition of Fountains plc during the year

Note 3 – The Income statement gain/(loss) represents the differential between sale price and the value of the investment at the previous year end

Note 4 – The gain/(loss) over historic cost represents the differential between sale price and the historic cost of investments less write offs for permanent diminutions in value

Note 5 – Book cost represents historic cost of investments less previous write offs for permanent diminutions in value

Thirty Largest Qualifying Investments

as at 28 February 2010 9

Sector	Company	Book cost* £000	Valuation £000	% of total net assets (by value)	Unrealised gain/(loss) £000
Computer, IT, electronics and communications	Advanced Computer Software plc	254	587	2.85	333
	Tikit Group plc	578	535	2.60	(43)
	IDOX plc	210	280	1.36	70
	Concurrent Technologies plc	250	196	0.95	(54)
	Quadnetics Group plc	265	164	0.80	(101)
	Telephonetics plc	250	94	0.46	(156)
	Belgravium Technologies plc	332	69	0.33	(263)
		2,139	1,925	9.35	(214)
Support services, oil and gas, automobile and parts	Connaught plc	381	599	2.91	218
	Pressure Technologies plc	235	340	1.65	105
	Straight plc	466	260	1.26	(206)
	Plastics Capital plc	500	171	0.83	(329)
	Autoclenz Holdings plc	426	142	0.69	(284)
	Optare plc	600	120	0.58	(480)
	Getech Group plc	308	103	0.50	(205)
		2,916	1,735	8.42	(1,181)
Consumer and distribution	Glisten plc	775	565	2.74	(210)
		775	565	2.74	(210)
Media and entertainment	Andor Technology plc	547	843	4.09	296
	Chime Communications plc	633	617	3.00	(16)
	Hasgrove plc	500	224	1.09	(276)
	Stagecoach Theatre Arts plc	354	224	1.09	(130)
	Huveaux plc	616	153	0.74	(463)
		2,650	2,061	10.01	(589)
Health, personal care and pharmaceuticals	Animalcare Group plc	500	1,066	5.18	566
	Epistem Holdings plc	354	1,023	4.97	669
	Primal Pictures Ltd	360	474	2.30	114
	IS Pharma plc	558	448	2.17	(110)
	Tissuemed Ltd	130	421	2.04	291
	Neutrahealth plc	442	204	0.99	(238)
	Surgical Innovations plc	350	192	0.93	(158)
		2,694	3,828	18.58	1,134
Beverages, leisure and hotels	Brulines Group plc	412	422	2.05	10
	Wineworld (London) plc	25	128	0.62	103
	Individual Restaurant Company plc	403	58	0.28	(345)
		840	608	2.95	(232)
	Other qualifying investments (11 companies)	2,632	280	1.36	(2,352)
	Total qualifying investments	14,646	11,002	53.41	(3,644)

* Historic cost of investments less write offs for permanent diminutions in value

Directors

10

William M Cran (age 61) (Non-Executive Chairman)

Bill has over 25 years' experience in the property, instalment credit and leasing industries. He was the founder and executive chairman of Birkby plc until its merger with Mentmore Abbey plc. He was the Non-Executive Chairman of Rensburg VCT plc until its acquisition by Rensburg Aim VCT plc and has also been a director of a number of AIM Companies and is currently a director of several unquoted companies.

Barry Anysz B Comm (Hons), FSI (age 60) (Non-Executive Director)

Barry is a Divisional Director employed by the manager, Rensburg Sheppards Investment Management Limited. He has over 35 years' experience of the venture capital industry including 12 years with 3i plc. He has also been a director of Rensburg plc and Rensburg VCT plc until its acquisition by Rensburg Aim VCT plc, and a number of unquoted companies.

Richard Battersby BA, FCA, JDipMA (age 67) (Non-Executive Director)

Richard is a director of a number of unquoted companies and was previously chairman of AG Holdings plc, a director of Plaxton Group plc and the AIM listed BWA Group plc and Essentially Group Limited. Since the mid-1970s he has had substantial venture capital experience and for a number of years was a director of several subsidiaries of The Royal Bank of Scotland plc involved in this sector.

Peter Smart BA (age 59) (Non-Executive Director)

Peter is a partner at the Leeds based law firm Walker Morris. He has specialised in corporate finance and mergers and acquisitions work for over 25 years. He was formerly a non-executive director of Allied Textile Companies plc and has held directorships in a number of other public and unquoted companies.

Directors' Report

11

The directors present their report and audited financial statements for the year to 28 February 2010

Principal Activities

The principal activity of the Company during the year under review was the making and monitoring of long-term equity and loan investments, mainly on AIM

The Company is a venture capital trust that has been listed on the Official List of the UK Listing Authority and traded on the London Stock Exchange since June 1999. It was incorporated on 25 June 1998 and was registered as an investment company under section 266 of the Companies Act 1985. On 7 August 2001 the registration was revoked to give the Company trading status which allows it to distribute realised capital gains and purchase its own shares by using a new reserve which was created on cancellation of the Company's share premium account.

On 19 December 2005 the Company acquired the share capital of Rensburg VCT plc via a scheme of arrangement. Upon acquisition, the trade and assets of Rensburg VCT plc were transferred to Rensburg Aim VCT plc via a distribution-in-specie.

The directors consider that the Company has conducted its affairs in such a manner that will enable it to comply with Section 274 of the Income Tax Act 2007. The Directors also consider that the Company was not at any time up to the date of this report a close company within the meaning of Section 414 of the ICTA 1988. The Company has received full approval as a Venture Capital Trust from HM Revenue & Customs.

Business review

A full review of the business over the financial year, together with its prospects, is set out in the Chairman's Statement on pages 2 and 3 and in the Manager's Report on page 4. Arrangements for the management of the investment portfolio and the administration of the Company are explained in the corporate governance report on pages 13 to 15 and in note 4 to the financial statements.

Significant risks and uncertainties

The directors believe that the principal risk faced by the Company is the loss of its

approval as a venture capital trust arising from a breach of the requirements of section 274 of the Income Tax Act 2007. This would mean that shareholders might have to repay the income tax relief they obtained on their investment in the Company and that the Company would lose its exemption from tax on any capital gains. The manager reports to the board at each meeting on the Company's compliance with section 274 of the Income Tax Act 2007 and the Board is advised on VCT issues by PricewaterhouseCoopers LLP.

Other significant risks include a serious or prolonged fall in the stock market which would affect the Company's performance and value, consistent underperformance by the Manager and the Company's shares failing to achieve a rating which reflects performance. The Board seeks to mitigate these risks by monitoring the Manager's performance at each board meeting and discussing appropriate action where considered necessary. The Board considers the two most appropriate key performance indicators for the Company are its compliance with the requirements of Section 274 of The Income Tax Act 2007 in order to maintain approval as a venture capital trust and the net asset value per share. The key performance indicators are quantified and discussed on page 3 within the Chairman's report and on page 4 within the manager's report respectively. A five year summary of the net asset value per share is also provided on page 35.

As described on page 13 of the Corporate Governance Report the day to day running of the Company is delegated to the investment manager and there are no employees. For these reasons the Company has not disclosed information regarding company employees, environmental matters or social and community issues. An indication of likely future developments in the business of the company is included on page 3 in the Chairman's report and on page 4 in the Manager's report. Summary details regarding the acquisition of own shares can be found on page 3 in the Chairman's report. The only essential contract the Company has entered into is the management agreement which is discussed on page 12 within the Directors' Report.

Results and Dividend

The profit after taxation of the Company for the year was £4,987,000. The directors propose the payment of a final dividend of 2.5 pence per share in addition to the interim dividend of 1.25 pence and special dividend of 1.00 pence per share paid during the year.

Directors' Interests

The directors who held office at the year end had the following interests in the 5p Ordinary Shares of the Company

	28 February 2010	28 February 2009
W M Cran	17,813	17,813
B A Anysz	94,760	90,000
R G Battersby	78,733	78,733
P C Smart	29,745	29,745

As at 15 June 2010 B A Anysz had an interest in 100,000 5p Ordinary Shares of the Company. There have not been any other changes in directors' interests between the year end and 15 June 2010.

R G Battersby and W M Cran retire from the Board by rotation and being eligible offer themselves for re-election at the Annual General Meeting. B A Anysz and P C Smart offer themselves for re-election by virtue of having served on the board for over nine years.

Creditor Payment Policy

It is the Company's present policy and intention for the forthcoming year to comply with the terms of payment agreed with its suppliers. Where payment terms are not negotiated, the Company endeavours to adhere to suppliers' standard terms. The average period taken to settle supplier balances during the year to 28 February 2010 was 49 days (2009 46 days).

Charitable and Political Donations

The Company made no contributions to charities or political parties during either the current or the prior year.

Directors' Report

12 continued

Manager

Rensburg Sheppards Investment Management Limited ('RSIM'), which is a wholly owned subsidiary of Rensburg Sheppards plc, acted as investment adviser and manager to the Company throughout the year. The principal terms of the Company's management agreement with the manager are set out in Note 4 to the financial statements.

Related Parties

As shown in the income statement, fees (including incentive accrual costs) incurred by this Company for investment management services provided by Rensburg Sheppards Investment Management Limited ('RSIM') and Rensburg Fund Management ('RFM') Limited, which are related parties, amounted to £604,156 (2009 £346,368) in the year. The outstanding balance accruing to RSIM at the year end was £297,874 (2009 £3,096). Further analysis of the fee structure and incentive can be found in note 4 to the accounts.

Although no fee is charged directly to the Company, RFM receives a management fee of 1.5% of the unit trust valuation which is reflected in the unit valuation. During the year to 28 February 2010 RFM received gross fees in relation to the Company's unit trust holdings of approximately £34,000 (2009 £44,000).

Chime Communications plc ('Chime') completed the acquisition of Essentially Group Limited ('Essentially') on 30 October 2009. The Chime shares received by the Company in consideration for its holding of shares in Essentially had a value of £633,000 at the deal date which represented a £308,000 loss over historic cost. The investment in Chime remains qualifying for two years and has been retained within the Company's portfolio (28 February 2010 value £617,000). No amounts were outstanding at 28 February 2010 (2009 Nil). Richard Battersby acted as a non-executive director of Essentially until the completion of the acquisition by Chime. At 30 October 2009 he held 0.30% (28 February 2009 0.30%) of the ordinary share capital of Essentially. In respect of the period 1 January 2009 to 30 October 2009 he received a basic fee of £25,000, a further fee in connection with additional work during the acquisition of £10,850 and a termination payment of £7,500 (year to 31 December 2008 £25,000) as a non-executive director of Essentially. Other than his shareholding of

0.03% in Chime acquired by reason of the transaction he had no past or present connection with Chime.

During the year Walker Morris, a law firm in which Peter Smart is a partner, provided legal services to the Company totalling £19,605 (2009 £13,855). There was no outstanding creditor at 28 February 2010 (2009 £7,188).

Shareholdings and Voting Rights

Details of the Company's Capital Structure can be found in note 11 to the accounts and within the Chairman's Statement on page 2.

Substantial Shareholdings

As at 15 June 2010 we have been notified that Rensburg Sheppards Investment Management Limited has an indirect interest in 8,352,895 (28 February 2010 8,111,656) voting rights of the Company. This represents 20.49% (28 February 2010 19.90%) of the Company's total voting rights. All of these shares are held in nominee companies which are entirely owned by Rensburg Sheppards Investment Management Limited. At 15 June 2010 no other notifications had been received.

Annual General Meeting ('AGM')

The ordinary business includes resolutions to re-elect all four non-executive directors. R. G. Battersby and W. M. Cran retire by rotation and have both been non-executive directors for four years. B. A. Anysz and P. C. Smart offer themselves for re-election by virtue of having served on the board for over nine years. R. G. Battersby was appointed in December 2005 but had previously held a post as Director of the Company between January 1999 and September 2005 and has therefore been associated with the Company for ten years. In accordance with the Combined Code the re-election of non-executive directors who have served on the board for more than six years, has been the subject of a rigorous review. R. G. Battersby, B. A. Anysz and P. C. Smart have therefore been subject to rigorous review. The board believes, following review that all four non-executive directors continue to be effective in their roles and have demonstrated continued commitment to the company. The Board recommends that shareholders vote for their re-appointment.

Resolutions will be proposed as special business to enable the directors to allot

unissued shares and subject to the limits therein contained, to allot shares for cash other than to existing shareholders in proportion to their shareholdings. The resolutions enabling directors to allot unissued shares and to allot shares for cash other than to existing shareholders in proportion to their shareholdings will be limited to the allotment of shares up to a maximum amount of £203,841 which represents 10% of the total ordinary share capital in issue. The directors do not have any present intention of exercising such authority and the authority will expire at the conclusion of the next AGM after the passing of the proposed resolution.

In addition, a resolution is proposed to authorise the Company to purchase up to 10% of its own shares, subject to certain specific limits. The maximum and minimum prices that may be paid for ordinary shares in exercise of such powers is as set out in resolution 11 of the Notice of Annual General Meeting. The directors undertake to shareholders that they will not exercise the Company's authority to purchase its own shares unless to do so would be in the best interest of shareholders generally. The authority will expire at the conclusion of the next AGM after the passing of the proposed resolution.

Further resolutions are proposed to

- Authorise a general meeting other than an annual general meeting to be called on 14 days notice
- Authorise changes to the Articles of Association

Auditors

A resolution to re-appoint KPMG Audit Plc and to authorise the directors to agree their remuneration will be put to the members at the Annual General Meeting.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board

P. M. Rooke BA ACA
Secretary

P. M. Rooke

24 May 2010

Corporate Governance

13

The directors are committed to achieving a high standard of corporate governance including, where considered appropriate, attaining compliance with the principles and provisions of the Combined Code on Corporate Governance (the Code) as published by the Financial Reporting Council in June 2008

The following statement and the Directors Remuneration Report on pages 17 and 18 describe how the principles set out in the Code have been applied by the Company and detail the Company's compliance with the Code provisions for the year ending 28 February 2010

The Board

The board consists of four non-executive directors all of whom served throughout the year under review. The Board considers that of the directors, W M Cran and R G Battersby are independent. The board believes that there are no relationships or circumstances which are likely to affect the judgement of W M Cran. At 28 February 2010 R G Battersby is free from relationships but, up until 30 October 2010, he was a non-executive director of Essentially Group Limited ('Essentially'), in which the Company held an equity investment. In order to avoid any loss of independence R G Battersby did not vote on any investment decisions relating to Essentially and related party disclosures have been made on page 12 within the Directors' Report. R G Battersby was appointed in December 2005 but had previously held a post as director of the Company between January 1999 and September 2005 and has therefore been associated with the Company for ten years. In accordance with the Combined Code the board have considered that R G Battersby has been associated with the Company for in excess of nine years but have concluded that he remains independent in character and judgement. In respect of the Chairman, there have been no material changes in his professional commitments since his appointment. In accordance with the

Combined Code, having served as directors for ten years each, both B A Anysz and P C Smart will now stand for re-election on an annual basis

The Board has met six times during the year to review financial performance and strategy and has a formal schedule of matters reserved to it for decision, including corporate strategy, approval of an annual budget and financial results, approving policies relating to directors' remuneration, proposals for dividend payments and the approval of all qualifying and other material investment decisions

Through formal agreements, the day to day management of the Company was delegated by the Board to Rensburg Sheppards Investment Management Limited ('RSIM'). The services provided by RSIM are principally investment management, accounting and secretarial

Board papers comprising an agenda and formal board reports and briefing papers are sent to the directors in advance of each meeting. All directors have access to the advice and services of the Company Secretary and external professional advice, if required, at the Company's expense. Any newly appointed director will be provided with appropriate training having regard to any previous experience as a director of a public company

Board Committees

The Board has established Audit and Nomination Committees to assist in the execution of its duties. Each of these Committees operates on written terms of reference. The constitution and terms of reference of each Committee are reviewed annually to ensure that the Committees are operating effectively and any changes considered necessary are recommended to the Board for approval. The terms of reference of each Committee are available by visiting the Company's website at www.rensburgaimvct.co.uk or upon request from the Company Secretary

The attendance record over the year of each of the directors at scheduled board and committee meetings are shown in the table below

	Board	Audit Committee	Nomination Committee
W M Cran	5(6)	2(2)	1(1)
B A Anysz	6(6)	2(2)	1(1)
R G Battersby	6(6)	2(2)	1(1)
P C Smart	5(6)	1(2)	0(1)

The figures in brackets in the table indicate the maximum number of meetings in the period during which the individual was a board member

Audit Committee

R G Battersby chairs the Committee, its membership comprises all of the non-executive directors. The Board is satisfied that R G Battersby, a non-executive director and member of the Committee, has recent and relevant financial experience (as referred to in the Smith Report). On invitation, the external auditor attends meetings to assist the Committee to fulfil its duties. The Audit Committee met twice during the year

The role of the Audit committee is to assist the Board in discharging its duties and responsibilities for financial reporting, corporate governance and internal control, the Committee is also primarily responsible for making recommendations to the Board in relation to the appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors. The Committee's duties include keeping under review the scope and results of the audit work, its cost effectiveness and the independence and objectivity of the auditors. The Committee also monitors the volume and nature of non-audit services provided by the auditors to ensure that a balance is maintained between objectivity and value added (see below) and undertakes an annual review as to the need for the establishment of an internal audit function

Corporate Governance

14 continued

During the year under review the Audit Committee discharged its responsibilities by

- reviewing the Company's draft report and financial statements and half-yearly report statement prior to Board approval and reviewing the external auditor's report on the report and financial statements,
- reviewing the appropriateness of the Company's accounting policies,
- reviewing and approving the audit fee and reviewing non-audit fees payable to the Company's external auditors
- reviewing the need for an internal audit function and
- reviewing the Committee's own terms of reference

Auditor's independence and objectivity

The external auditors provide some non-audit services, primarily in the provision of taxation advice. In order to ensure that auditor objectivity and independence are safeguarded the following controls have been implemented

- the Committee receive and review each year an analysis of all non-audit work awarded to the auditor over the previous financial year, and
- the Committee receive each year a report from the external auditor as to any matters the auditor considers bear on their independence and which need to be disclosed to the Company

Details of the fees paid to the auditor for non-audit services during the year are provided in note 5 on page 26

Nomination Committee

The Board as a whole is responsible for the appointment of new directors and for nominating them for re-election by shareholders at the first opportunity after their appointment. The Nomination Committee met once during the year under review and considered whether, in

particular, the Board's structure, size and composition is appropriate and also made recommendations to the Board as to the re-election of directors. The Nomination Committee is chaired by W. M. Cran and comprises all of the non-executive directors

Remuneration Committee

Under the Listing Rules the Company is not obliged to operate a remuneration committee by virtue of its VCT status and the fact that the Board is comprised solely of non-executive directors. Full details of the directors' remuneration is provided in the Directors' Remuneration Report on pages 17 and 18

Relationships with shareholders

The Company attaches significant importance to communication with its shareholders. Annual and Half-Yearly Reports are distributed to all parties who may have an interest in the Company's performance. A range of information of interest to existing and potential shareholders is available on the Company's website at www.rensburgaimvct.co.uk. Shareholders are encouraged to attend the Annual General Meeting ('AGM') at which an opportunity is provided to ask questions on each resolution proposed. At the AGM, the Company intends to continue its policy of announcing the number of proxy votes cast in respect of each resolution. Details of the resolutions to be proposed at the AGM can be found in the notice of annual general meeting.

Internal Control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve its business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Day to day operations are delegated, through a management agreement, to Rensburg Sheppards Investment Management Limited ('RSIM'). Under the terms of that agreement RSIM provides investment management, accounting and secretarial services to the Company. A clearly defined investment strategy is set out for the Manager and monitored by the Board, which regularly reviews the Company's investments, liquid transactions and revenue and expenditure.

RSIM's system of internal controls includes organisational arrangements with clearly defined lines of responsibility and delegated authority, as well as control procedures and systems that are regularly evaluated. Being a member of the Rensburg Sheppards plc group, RSIM operates under the supervision of Rensburg Sheppards plc's Audit Committee and Risk Management Committee.

In accordance with the guidance for directors on internal control 'Internal Control: Guidance for Directors on the Combined Code' (the Turnbull Guidance), the Board confirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Company.

On behalf of the Board, the audit committee confirms that through discharging its responsibilities under its terms of reference and also undertaking a formal annual review, it has reviewed the effectiveness of the Company's system of internal controls and was able to confirm that the necessary actions have been or are being taken to remedy any significant failings or material weaknesses identified from that review for the year ended 28 February 2010 and up to the date of approval of the report & financial statements.

Following an assessment, the Company has decided that it has sufficient monitoring and control procedures in place to not currently justify the establishment of an internal audit function. The need for such a function will be assessed on an annual basis moving forward.

Corporate Governance

continued

15

Compliance with the Code

The Board has undertaken a review of its compliance with the requirements of the Code for the year ending 28 February 2010

The directors consider that the Company has been in full compliance with the provisions set out in the Code throughout the year ended 28 February 2010 except as described below

- 1 By virtue of its VCT status and the fact that the Board is comprised solely of non-executive directors it is not required, nor did it, comply with the following Code provisions B 1 1 to B 1 6 and B 2 1 to B 2 4 except insofar as they relate specifically to non-executive directors where full compliance was achieved
- 2 The Company did not comply with the following Code provisions at any time during the year ended 28 February 2010
 - A 1 3 A 2 1, A 3 3, A 4 5, A 6 1 and C 3 4 – Given the size, operating structure and VCT nature of the business and the fact that the Board comprises solely of four non-executive directors, then the Board do not consider it appropriate to comply with these Code provisions
 - A 4 1 – The Nomination Committee does not comprise a majority who are non-executive directors considered independent under the Code To attain compliance with this provision would, in the Board's view, deny the Nomination Committee the resources and experience necessary to best carry out its duties
 - A 4 4 – The Board has agreed that in respect of all future non-executive appointments to the Board, compliance with this Code provision should be attained via the issue of a letter

setting out the formal terms and conditions of appointment, which will include details of the time commitment expected of the director

- A 5 1, D 1 1 and D 1 2 – The shareholders in the Company are private investors as opposed to institutions or major individual shareholders, this reflects the VCT nature of the Company Hence, the Board considers that compliance with these provisions is not appropriate
- A 7 2 – This provision is complied with except that non-executive directors are not appointed for specified terms, however, their appointment is terminable on three months notice
- C 3 1 – The Audit Committee does not comprise solely of non-executive directors considered to be independent under the Code To attain compliance with this provision would, in the Board's view, deny the Audit Committee the resources and experience necessary to best carry out its duties

been reviewed and show that the Company has sufficient funds to meet both its contracted and discretionary cash outflows

Going Concern

After making enquiries the directors have confirmed that they are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future For this reason they have adopted the going concern basis in preparing the financial statements

In forming their view, the directors have considered the Company's prospects exceeding twelve months from the date these financial statements were approved

At 28 February 2010 the Company held cash balances of £459,000 The Company has no external loan finance in place and is therefore not exposed to any gearing covenants Cash flow projections have

Statement of Directors' Responsibilities in Respect of the Report and Financial Statements

16

The directors are responsible for preparing the Report and Financial Statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report, Directors Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.


Responsibility Statement of the Directors in Respect of the Annual Financial Report

We confirm that to the best of our knowledge

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the issuer together with a description of the principal risks and uncertainties that they face.

~~W. M. Cron~~
(Non-executive Chairman)

24 May 2010


B A Arysz
Director

Directors' Remuneration Report

17

Introduction

This report is prepared in accordance section 420 of the Companies Act 2006

The Company's auditor is required to report on certain information contained within this report. Where information set out below has been audited it is indicated as such. The auditor's opinion is included within the independent auditor's report on page 19.

Consideration by the Board of matters relating to Directors' Remuneration

The Board currently comprises four Non-Executive Directors. The Board as a whole is responsible for determining directors remuneration. In accordance with the Listing Rules the Company is not obliged to operate a Remuneration Committee by virtue of its VCT status and the fact that the Board is comprised solely of Non-Executive Directors. The Board has access to the advice and services of the Company Secretary and external professional advice at the Company's expense in respect to its determination of the directors remuneration. During the year no such advice was sought or received by the Board, although they expect from time to time to review the fees paid to the boards of directors of other venture capital trusts.

Remuneration Policy

The Board's policy is that the remuneration of Non-Executive Directors should reflect time spent and the responsibilities borne by the Directors on the Company's affairs and should be sufficient to enable candidates of high calibre to be recruited. No aspect of directors' remuneration is performance related and directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits. It is considered appropriate that no aspect of directors' remuneration should be performance related in light of the directors' non-executive status.

It is the current intention of the Board that the above remuneration policy will continue to apply in the forthcoming financial year and subsequent years.

Directors' Fees (audited)

Fees are either paid directly to the Directors or to third parties in consideration for the services of Directors.

	Fees paid			Total £
	Fees paid direct £	to third parties £	Employers NIC £	
2010				
W. M. Cran	15 000	–	1 189	16 189
B. A. Anysz	–	–	–	–
R. G. Battersby	–	15 000	–	15 000
P. C. Smart	10 000	5 000	789	15 789
	25 000	20 000	1 978	46 978
2009				
W. M. Cran	15 000	–	1 223	16 223
B. A. Anysz	–	–	–	–
R. G. Battersby	–	15 000	–	15 000
P. C. Smart	–	15 000	–	15 000
	15,000	30 000	1,223	46 223

The services of B. A. Anysz are provided to the Company under the terms of the investment management agreement set out in note 4. This agreement covers all aspects of the management services provided by Rensburg Sheppards Investment Management Limited ('RSIM'). However, of the consideration paid to RSIM under the investment management agreement, none relates to making B. A. Anysz available as a Director of the Company. Consequently, the amount of consideration paid to RSIM for making available the services of B. A. Anysz is not separately identifiable. P. C. Smart was transferred onto the Company payroll from 1 July 2009.

Directors' Contracts

None of the Directors has a fixed term service contract with the Company. With the exception of B. A. Anysz each has been appointed under a formal letter of appointment. P. C. Smart was appointed on 11 January 1999 whilst W. M. Cran and R. G. Battersby were appointed on 16 December 2005. The Company signed a revised letter of appointment with R. G. Battersby on 16 December 2009. All directors are entitled to and are required to give three months notice of termination of their appointment. The Company's articles of association provide that Directors shall retire at the first Annual General Meeting after their appointment. The Board has resolved that any Director who has held office for three years should be subject to re-election even where this would not be required under the articles of association. No compensation is contractually payable to Directors on leaving office.

Directors' Remuneration Report

18 continued

Total Shareholder Return

The following graph charts the cumulative total return (being net asset value plus cumulative dividends paid to date) to ordinary shareholders since February 2004. This return is compared to the FTSE AIM All-Share and FTSE All-Share indices which the Company considers are the most appropriate indices against which to measure Company performance. The data has been rebased to 100 at February 2004.



Approval of this Report

This Directors' Remuneration Report was approved by the Board on 24 May 2010 and was signed on its behalf by –

W. M. Green
Director



B. A. Anwar

An ordinary resolution for the approval of this report will be put to shareholders at the forthcoming Annual General Meeting

Independent Auditor's Report

19

We have audited the financial statements of Rensburg Air VCT plc for the year ended 28 February 2010 set out on pages 20 to 34. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 28 February 2010 and of the profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Jonathan Bingham
(Senior Statutory Auditor)
for and on behalf of
KPMG Audit Plc,
Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW
24 May 2010

Income Statement

for the year ended
20 28 February 2010

	Notes	2010 Revenue £000	2010 Capital £000	2010 Total £000	2009 Revenue £000	2009 Capital £000	2009 Total £000
Income	2	568	–	568	716	–	716
Unrealised gain/(loss) on fair value investments	8c	–	3,874	3,874	–	(9,466)	(9,466)
Realised gain/(loss) on disposal of fair value investments	8c	–	1,290	1,290	–	(320)	(320)
Impairment of loans and receivables		–	–	–	–	(195)	(195)
Recoverable VAT	3	7	19	26	95	286	381
Investment management fee	4	(151)	(453)	(604)	(87)	(260)	(347)
Other expenses	5	(132)	(35)	(167)	(129)	(35)	(164)
Profit/(loss) on ordinary activities before tax		292	4,695	4,987	595	(9,990)	(9,395)
Taxation	6	–	–	–	–	–	–
Profit/(loss) on ordinary activities after tax	12	292	4,695	4,987	595	(9,990)	(9,395)
Profit/(loss) per ordinary share	7	0 71p	11 52p	12 23p	1 45p	(24 40p)	(22 95)p

All revenue and capital items in this statement derive from continuing operations

The 'Total' column of this statement is the profit and loss account of the Company

Statement of Total Recognised Gains and Losses

for the year ended 28 February 2010

	Notes	2010 £000	2009 £000
Profit/(loss) on ordinary activities after tax		4,987	(9,395)
Unrealised gains on revaluation of available-for-sale investments	8b	630	189
Total recognised gains/(losses) during the year		5,617	(9,206)
Total recognised gains/(losses) per ordinary share	7	13 78p	(22 49)p

Reconciliation of Movements in Shareholders' Funds

for the year ended 28 February 2010

	Notes	2010 £000	2009 £000
Opening shareholders funds		16,717	27,916
Profit/(loss) on ordinary activities after tax		4,987	(9,395)
Dividends paid	13	(1,733)	(1,635)
Change in unrealised appreciation	8c	630	189
Purchase of own shares		–	(358)
Closing shareholders funds		20,601	16,717

The accompanying notes are an integral part of these statements

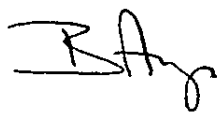
Balance Sheet

as at 28 February 2010 21

	Notes	2010 £000	2009 £000
Investments			
Fair value through profit and loss account	8a	18,350	14,424
Available-for-sale assets	8a	2,045	1,415
		20,395	15,839
Current assets			
Debtors	9	131	465
Cash at bank and in hand		459	479
		590	944
Creditors			
Amounts falling due within one year	10	(198)	(66)
Net current assets		392	878
Creditors			
Amounts falling due in more than one year	10	(186)	–
Net assets		20,601	16,717
Capital and reserves			
Called up share capital	11	2,039	2,039
Share premium	12	–	7,035
Special reserve	12	7,035	–
Capital redemption reserve	12	295	295
Available-for-sale reserve	12	1,176	546
Other reserves	12	4,073	4,651
Profit and loss account	12	5,983	2,151
Shareholders' funds		20,601	16,717
Net asset value per share	14	50 53p	41 00p

The financial statements on pages 20 to 34 were approved by the Board of Directors on 24 May 2010 and were signed on its behalf by

W. M. Cran
Director


B. A. Anyse
Director

The accompanying notes are an integral part of these statements

Company registration number 3588039 in England and Wales

Cash Flow Statement

for the year ended

22 28 February 2010

	2010 £000	2009 £000
Operating activities		
Profit/(loss) on ordinary activities before tax	4,987	(9,395)
Decrease/(increase) in debtors	334	(370)
Increase/(decrease) in creditors	318	(257)
Unrealised (gain)/loss on fair value investments	(3,874)	9,466
Realised (gain)/loss on disposal of fair value through the profit and loss investments	(1,290)	320
Impairment of loans and receivables	–	195
Net cash inflow/(outflow) from operating activities	475	(41)
Capital expenditure and financial investment		
Purchases of available-for-sale investments	–	(1)
Purchases of fair value through profit and loss investments	(2,665)	(3,351)
Proceeds from the disposal of fair value through profit and loss investments	3,903	5,121
Net cash inflow from capital expenditure and financial investment	1,238	1,769
Dividends		
Equity dividends paid	(1,733)	(1 635)
Financing		
Buy-back of ordinary shares	–	(358)
Net cash outflow from financing	–	(358)
Decrease in cash	(20)	(265)

Notes to the Cash Flow Statement

Analysis of changes in net funds

Opening net cash	479	744
Net cash outflow for the year	(20)	(265)
Closing net cash	459	479

The accompanying notes are an integral part of these statements

Notes to the Financial Statements

23

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the Company's financial statements. The following amendment has been adopted in these financial statements: FRS 29 Improving disclosures about financial instruments.

Basis of preparation

The financial statements have been prepared as a going concern under the historical cost convention, modified to include the revaluation of fixed asset investments in accordance with UK Generally Accepted Accounting Practice and in accordance with the Statement of Recommended Practice ('SORP') for investment trust companies and venture capital trusts issued by the Association of Investment Companies ('AIC') in January 2009 and on the assumption that the Company maintains VCT status. There have been no other material changes to the accounting policies previously applied by the Company. In accordance with Section 405(2) of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements. As such, the Company is not required to prepare its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

Investments

At the year end listed investments and investments traded on AIM are carried at the closing market bid value.

All AIM and listed investments have been classified as fair value investments, unquoted investments have been classified as available-for-sale investments and loans have been classified as loans and receivables at fair value. Unquoted investments originally classified as available-for-sale investments which then list on a recognised stock exchange do not change classification.

Unquoted investments are stated at Directors' valuation in accordance with the British Venture Capital Association guidelines for the valuation of venture capital investments. In determining this valuation the Directors give consideration to the period of investment, the performance of the investment against plan, appropriately discounted comparative listed companies' price earnings ratios and any recent transactions.

Although the Company may hold more than 20% of the equity share capital of a particular company, in accordance with FRS 9 paragraph 49, it would be inappropriate to treat any such investments as associated undertakings.

At 28 February 2010 material unquoted investments were valued in accordance with the above policy as follows:

- Tissuemed Limited – Ordinary shares. Last investor purchase price in April 2010.
Value at 28 February 2010: £421,071 (2009: £421,071)
- Primal Pictures Limited – Ordinary and preference shares. Earnings multiplied by an appropriate comparative price earnings ratio.
Value at 28 February 2010: £473,727 (2009: £360,000)
- Wineworld (London) plc – Ordinary shares. Sale price April 2010.
Value at 28 February 2010: £102,000 (2009: £38,250)
- Wineworld (London) plc – Preference shares. Sale price April 2010.
Value at 28 February 2010: £25,550 (2009: £25,550)

Notes to the Financial Statements

24 continued

1 Accounting policies (continued)

Consolidation

The Company has two subsidiary companies, Rensburg VCT (unlimited Company) and Amazing View Limited. Both of these companies are dormant and the Company does not prepare consolidated accounts as both subsidiaries are immaterial.

Income

Equity dividends are recognised as income on the ex-dividend date. 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 is recognised on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is charged wholly to the income statement with the following exception:

- 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.

Unrealised movement in the value of investments

Following adoption of FRS 26, increases and decreases in the valuation of investments designated as at fair value through the profit and loss account are accounted for in the income statement. Increases and decreases in the valuation of available-for-sale investments held at the year end are taken to the available-for-sale reserve. If, in the opinion of the Directors, there is objective evidence of impairment to an available-for-sale financial asset, any permanent diminution in value is taken to the income statement.

Financial instruments

During the course of the year the Company held investments and cash balances. The Company holds financial asset investments in UK listed, AIM and unquoted companies. The fair value is not materially different from the carrying value of all financial assets and liabilities. Further information on financial instruments and the risks associated with holding such assets can be found in note 15 to these financial statements.

2 Income

	2010 £000	2009 £000
UK franked investment income	481	636
Interest receivable from fixed interest securities	45	44
Deposit and other interest	42	29
Options income	–	7
	568	716

3 Recoverable VAT

As stated in the 2009 Annual Report, VAT is no longer charged on management fees payable by the Company to the Managers. Further, HMRC have conceded that VAT should not have been charged previously. As a result, the Company recognised a £381,000 VAT credit in the 2009 Income Statement. The Company actually received £407,000 with the additional £26,000 being recognised in the income statement during the year.

4 Investment management fees

	2010 £000	2009 £000
Investment management fees	432	341
Commission received from Rensburg Fund Management Limited	(14)	(10)
Investment management long term incentive	186	–
Irrecoverable value added tax paid	–	16
	604	347

Throughout the year Rensburg Sheppards Investment Management Limited ('RSIM') has provided investment management and secretarial services to the Company under an agreement dated 20 December 2005.

RSIM receives annual fees of 1.8% of the audited net assets of the Company at the year end adjusted for the value of dividends paid during the year. In addition to the annual fee, RSIM charges £27,000 (2009 £16,000) for the management of the non-qualifying quoted equities based on their market values.

A further provision of the agreement obliges RSIM to rebate to the Company annual running costs (excluding long term incentive costs) in excess of 3.5% of audited year end net assets.

The investment management long term incentive cost for the period to 28 February 2010 of £186,000 (28 February 2009 £Nil) relates to a potential incentive payment to RSIM in March 2012 should investment performance exceed defined contractual targets over a three year period ending on 29 February 2012. At 28 February 2010 an accrual has been made for an incentive payment, based upon 20% of the actual growth in Net Asset Value ('NAV') between 1 March 2009 and 28 February 2010 less the target NAV growth of 18% over the three year bonus period. The resulting potential incentive payment has been apportioned on the basis of the time elapsed since 1 March 2009 as a proportion of the three year period relevant to the bonus.

The Company invests in Rensburg Fund Management ('RFM') Limited Unit Trusts. Although no fee is charged directly to the Company and is therefore not included in the above table, RFM receives a management fee of 1.5% of the unit trust valuation which is reflected in the unit valuation. During the year to 28 February 2010 RFM received estimated fees in relation to the Company's unit trust holdings of £34,000 (2009 £44,000). RFM then rebates to the Company £14,000 (2009 £10,000) in respect of commission on investments made in RFM Unit Trusts.

Notes to the Financial Statements

26 continued

5 Other expenses

	2010 £000	2009 £000
Directors' remuneration (see pages 17 and 18)	47	46
The analysis of the auditor's remuneration is as follows		
– Audit of these financial statements	13	13
Fees payable to the company's auditor and its associates for other services		
– Tax advisory services	3	3
Legal Fees payable in relation to the VAT rebate	–	13
Legal Fees payable in relation to the Capital reduction	15	–
Other operating expenses	76	76
Irrecoverable value added tax	13	13
	167	164

6 Taxation

The Company is subject to corporation tax at 28% (2009 28%). Applying this rate to the profit on ordinary activities before tax would give a tax charge of £1,396,360 (2009 tax rebate of £2,630,600). However, UK dividends are not liable to corporation tax and a VCT is exempt from corporation tax on its capital gains and its capital loan relationship gains/losses. Accordingly, the tax deductible expenses substantially exceed the taxable income of the Company and as a result, there is no corporation tax charge.

At 28 February 2010 the Company had surplus tax deductible expenses of £4,069,889 (2009 £3,418,922) in respect of which no deferred tax asset has been recognised. This is because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that period and accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses.

7 Returns per share

Earnings per share of 12.23p (2009 losses per share of 22.95p) is based on the profit on ordinary activities after tax of £4,987,000 (2009 loss of £9,395,000) on 40,768,349 (2009 40,942,516) ordinary shares, being the weighted average number of shares in issue during the year.

Total recognised gains per share of 13.78p (2009 losses per share of 22.49p) is based on total recognised gains for the year of £5,617,000 (2009 losses of £9,206,000) on 40,768,349 (2009 40,942,516) ordinary shares, being the weighted average number of shares in issue during the year.

8 Investments

	2010 £000	2009 £000
(a) Investment summary by value		
Fair value through the profit and loss account		
– Main list, Unit Trust and Fixed interest investments	9,373	6,400
– AIM traded investments*	8,977	8,024
Available-for-sale assets	2,045	1,415
	20,395	15,839

* Includes two main list investments, Connaught plc (28 February 2010 value £599,000) and Chime Communications plc (28 February 2010 value £617,000), that were originally purchased on the AIM market.

8 Investments (continued)

(b) Financial Reporting Standard 29 'Financial Instruments Disclosures' (the standard) requires an analysis of investments valued at fair value based on the reliability and significance of the information used to measure their fair value. The level is determined by the lowest (that is the least reliable or independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows

- Level 1 – investments with prices quoted in an active market
- Level 2 – investments whose value is based directly on observable current market prices or indirectly being derived from market prices
- Level 3 – investments whose fair value is determined using a valuation technique based on assumptions that are not supported by observable current market prices or based on observable market data

The Company does not hold any level 3 investments

	2010 Valuation £000	2009 Valuation £000
Level 1		
Fair value through the profit and loss account		
Main list, Unit Trust and Fixed interest investments	9,373	6,400
AIM traded investments*	8,977	8,024
Available-for-sale assets		
AIM traded investments	1,023	571
	19,373	14,995
Level 2		
Available-for-sale assets		
Unquoted investments	1,022	844
	20,395	15,839

	Fair value through profit and loss assets			
	Main list, Unit Trust and Fixed interest £000	AIM* £000	Available- for-sale assets £000	Total £000
(c) Movements during the year				
Opening book cost	9,222	15,946	869	26,037
Opening unrealised appreciation	(2,822)	(7,922)	546	(10,198)
Opening valuation	6,400	8,024	1,415	15,839
Purchases at cost	1,817	848	–	2,665
Disposal proceeds	(1,588)	(2,315)	–	(3,903)
Realised gain on disposal of fair value investments	488	802	–	1,290
Unrealised Fair value gains	2,256	1,618	–	3,874
Change in unrealised appreciation	–	–	630	630
Closing valuation	9,373	8,977	2,045	20,395
Closing book cost	9,422	13,807	869	24,098
Closing unrealised appreciation	(49)	(4,830)	1,176	(3,703)
	9,373	8,977	2,045	20,395

* Includes two main list investments, Connaught plc (28 February 2010 value £599,000) and Chime . Communications plc (28 February 2010 value £617,000), that were originally purchased on the AIM market

Notes to the Financial Statements

28 continued

8 Investments (continued)

	2010 Valuation £000	2009 Valuation £000
(d) Investment summary by type of holding		
Qualifying* equity shares	10,587	9,264
Qualifying* non-equity shares	415	160
Non-qualifying equity shares	5,694	3,527
Unit trusts and fixed interest securities	3,699	2,888
	20,395	15,839

* These investments are classed as qualifying VCT investments for the purposes of Section 274 of the Income Tax Act 2007

9 Debtors

	2010 £000	2009 £000
Recoverable VAT	–	381
Prepayments and accrued income	131	84
	131	465

The Recoverable VAT debtor in 2009 wholly represents the Recoverable VAT shown as a separate item on the Income statement and explained in note 3 to the accounts

10 Creditors

	2010 £000	2009 £000
Creditors Amounts falling due within one year		
Trade creditors	20	21
Accruals and deferred income	178	45
	198	66
Creditors Amounts falling due in more than one year		
Accruals and deferred income	186	–
	186	–

Creditors falling due in more than one year entirely relates to the long term manager incentive accrual as explained in note 4 to the financial statements

11 Called up share capital

	2010 £000	2009 £000
Authorised		
60,000,000 ordinary shares of 5p each (2009 60,000,000)	3,000	3,000
Allotted, issued and fully paid up		
40,768,349 ordinary shares of 5p each (2009 40,768,349)	2,039	2,039

Each ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights at 28 February 2010 was 40,768,349. Since 1 March 2009 the issued share capital has not changed.

12 Reserves

	Special reserve £000	Share premium £000	Capital redemption reserve £000	Available -for-sale reserve £000	Other reserve £000	Profit and loss account £000
At 28 February 2009	–	7,035	295	546	4,651	2,151
Capital reduction	7,035	(7,035)	–	–	–	–
Dividends paid (note 13)	–	–	–	–	–	(1,733)
Reserves transfer	–	–	–	–	(578)	578
Change in unrealised appreciation	–	–	–	630	–	–
Retained profit for the year	–	–	–	–	–	4,987
As at 28 February 2010	7,035	–	295	1,176	4,073	5,983

At the Company's 2009 Annual General Meeting, shareholders approved the cancellation of the Company's share premium account (the Capital Reduction). The Capital Reduction was subsequently approved by the High Court on 19 August 2009. As a result, the non-distributable share premium account of £7,035,000 has been cancelled, thereby creating a distributable Special Reserve for the purpose of declaring dividends or purchasing the Company's own shares for cancellation.

At 28 February 2010 the Company had distributable reserves of £10,221,000.

13 Dividends paid

	2010 £000	2009 £000
Ordinary 5p shares		
Final 2009 dividend paid – 2.00p (2008 Final dividend paid 3.00p)	815	1,227
Interim 2010 dividend paid – 1.25p (2009 Interim dividend paid 1.00p)	510	408
Special 2010 dividend paid – 1.00p (2009 Special dividend paid 0.00p)	408	–
	1,733	1,635

14 Net asset value per share

The net asset value per share at 28 February 2010 is based on net assets of £20,601,000 (2009: £16,717,000) and on 40,768,349 (2009: 40,768,349) ordinary shares, being the number of ordinary shares in issue on that date.

15 Financial instruments and associated risks

In furtherance of the Company's objectives to secure long-term capital growth, the Company holds a number of financial instruments as follows:

- Equity shares, unit trusts, non-equity preference shares, loans, fixed interest gilts and cash, and
- Liquid resources, short-term debtors and creditors that arise directly from operations.

The main risks arising from the Company's financial instruments are interest rate, market price, liquidity and credit risks. The Directors maintain policies for managing these risks, details of which are set out below. These policies have been in operation throughout the period under review. The fair value of the financial assets and liabilities is not materially different from the carrying value.

Notes to the Financial Statements

30 continued

15 Financial instruments and associated risks (continued)

(a) Interest rate risk

(i) Floating rate

The Company from time to time may hold part of its portfolio in cash. Any changes in interest rates will therefore affect the income of the Company. The amount held in cash and subject to floating rate risk at the year end was £459,000 (2009: £479,000) (Benchmark: Bank of England REPO rate less 0.25%).

(ii) Fixed rate	2010	2010	2010	2009	2009	2009
	Total fixed rate portfolio £000	Weighted average interest rate %	Weighted average period to maturity Days	Total fixed rate portfolio £000	Weighted average interest rate %	Weighted average period to maturity Days
Financial assets	758	5.41	1,082	590	5.27	1,002

The Directors meet bi-monthly to consider the interest rate risk to ensure that the risk reward profile is acceptable.

(b) Market price risk

The Company's portfolio is exposed to market price fluctuations, which are monitored by the manager and reviewed regularly by the Directors in pursuance of the investment objectives and policies. Adherence to the investment and borrowing powers set out in the original prospectus mitigates the risk of excessive exposure to any particular type of security or issuer. Although the Company is permitted to do so, the Directors do not use derivative instruments to hedge the investment portfolio against market risks. The manager reviews the cost of such derivatives but would only recommend the purchase of such instruments to the Directors if the perceived benefits outweighed the costs to investors. To date this has proved not to be the case. However, the Directors have, in previous years, issued call options in respect of certain quoted equities held during the year to exploit price differentials. During the year no such options were open.

Based on the value of both 'Fair value through profit and loss' and 'Available-for-sale assets' at 28 February 2010 a change of 5% in valuations would result in a change in both profit and net assets of £1,020,000 (28 February 2009: £792,000).

(c) Liquidity risk

The principal exposure of the Company is due to the equity held in AIM and other unquoted companies as a result of the possible failure of such companies. The manager reviews the liquidity risk daily with a view to ensuring that the element of investors' funds that are held in cash or more readily realisable securities is sufficient to meet potential liabilities that may arise. The manager and Directors are aware that the Company's investment portfolio could be difficult to realise and the fact that a share is traded on AIM does not guarantee its liquidity.

(d) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Investment Manager has in place a procedure to monitor counterparty risk on an ongoing basis.

15 Financial instruments and associated risks (continued)

(d) Credit risk (continued)

The financial assets and financial liabilities are categorised as follows

	At 28 February 2010				
	Fair value through profit and loss account financial assets £000	Available- for-sale financial assets £000	Financial liabilities at amortised cost £000	Loans and receivables £000	Total book value £000
Financial Assets					
Fair value through profit and loss account investments	18,350	-	-	-	18,350
Available- for-sale assets	-	2,045	-	-	2,045
Debtors	-	-	-	131	131
Cash at bank and in hand	-	-	-	459	459
	18,350	2,045	-	590	20,985
Financial liabilities					
Trade creditors	-	-	20	-	20
Accruals & deferred income	-	-	364	-	364
	-	-	384	-	384
	At 28 February 2009				
	Fair value through profit and loss account financial assets £000	Available- for-sale financial assets £000	Financial liabilities at amortised cost £000	Loans and receivables £000	Total book value £000
Financial Assets					
Fair value through profit and loss account investments	14,424	-	-	-	14,424
Available- for-sale assets	-	1,415	-	-	1,415
Debtors	-	-	-	465	465
Cash at bank and in hand	-	-	-	479	479
	14,424	1,415	-	944	16,783
Financial liabilities					
Trade creditors	-	-	21	-	21
Accruals & deferred income	-	-	45	-	45
	-	-	66	-	66

Notes to the Financial Statements

32 continued

15 Financial instruments and associated risks (continued)

	At 28 February 2010			
	Total contractual cash flows £000	Payable within one year £000	Payable in two to five years £000	Payable in five to ten years £000
Trade creditors	20	20	–	–
Accruals & deferred income	364	178	186	–
	384	198	186	–

	At 28 February 2009			
	Total contractual cash flows £000	Payable within one year £000	Payable in two to five years £000	Payable in five to ten years £000
Trade creditors	21	21	–	–
Accruals & deferred income	45	45	–	–
	66	66	–	–

16 Non-qualifying quoted equity investments analysis – Main List Quoted Equities

The table below analyses investments classified as 'Other non-qualifying investments – Main List Quoted equities' as shown in the investment portfolio summary on page 5 of the accounts

	Book cost £000	Valuation £000	% of total net assets (by value)	Unrealised gain/(loss) £000
Ten largest non-qualifying quoted equity investments				
BP	467	443	2.15	(24)
Royal Dutch Shell	409	378	1.83	(31)
HSBC	307	308	1.50	1
GlaxoSmithKline	365	305	1.48	(60)
BHP Billiton	144	247	1.20	103
Vodafone	225	240	1.16	15
BG Group	169	236	1.15	67
Barclays Bank	288	222	1.08	(66)
Rio Tinto	125	219	1.06	94
Imperial Tobacco	148	188	0.91	40
	2,647	2,786	13.52	139
Other non-qualifying quoted equity investments	3,022	2,889	14.03	(133)
Total non-qualifying quoted equity investments	5,669	5,675	27.55	6

17 Related parties

As shown in the income statement, fees (including incentive accrual costs) incurred by this Company for investment management services provided by Rensburg Sheppards Investment Management Limited (RSIM) and Rensburg Fund Management Limited (RFM), which are related parties, amounted to £604,156 (2009 £346,368) in the year. The outstanding balance accruing to RSIM at the year end was £297,874 (2009 £3,096). Further analysis of the fee structure and incentive can be found in note 4 to the accounts.

Although no fee is charged directly to the Company, Rensburg Fund Management Limited receives a management fee of 1.5% of the unit trust valuation which is reflected in the unit valuation. During the year to 28 February 2010 RFM received gross fees in relation to the Company's unit trust holdings of approximately £34,000 (2009 £44,000).

Chime Communications plc ('Chime') completed the acquisition of Essentially Group Limited ('Essentially') on 30 October 2009. The Chime shares received by the Company in consideration for its holding of shares in Essentially had a value of £633,000 at the deal date which represented a £308,000 loss over historic cost. The investment in Chime remains qualifying for two years and has been retained within the Company's portfolio (28 February 2010 value £617,000). No amounts were outstanding at 28 February 2010 (2009 Nil). Richard Battersby acted as a non-executive director of Essentially until the completion of the acquisition by Chime. At 30 October 2009 he held 0.30% (28 February 2009 0.30%) of the ordinary share capital of Essentially. In respect of the period 1 January 2009 to 30 October 2009 he received a basic fee of £25,000, a further fee in connection with additional work during the acquisition of £10,850 and a termination payment of £7,500 (year to 31 December 2008 £25,000) as a non-executive director of Essentially. Other than his shareholding of 0.03% in Chime acquired by reason of the transaction he had no past or present connection with Chime.

During the year Walker Morris, a law firm in which Peter Smart is a partner, provided legal services to the Company totalling £19,605 (2009 £13,855). There was no outstanding creditor at 28 February 2010 (2009 £7,188).

18 Revenue and Capital

Profit before and after tax can be analysed between revenue and capital as follows:

	2010 Revenue £000	2010 Capital £000	2010 Total £000	2009 Revenue £000	2009 Capital £000	2009 Total £000
Profit/(loss) on ordinary activities before tax	292	4,695	4,987	595	(9,990)	(9,395)
Tax on profit/(loss) on ordinary activities	–	–	–	–	–	–
Profit/(loss) on ordinary activities after tax	292	4,695	4,987	595	(9,990)	(9,395)
Unrealised gains on revaluation of available-for-sale investments	–	630	630	–	189	189
Total recognised (gains)/(losses) during the year	292	5,325	5,617	595	(9,801)	(9,206)
Total recognised gains/(losses) per ordinary share	0.71p	13.07p	13.78p	1.45p	(23.94)p	(22.49)p

The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objective, both of which are detailed on the front inside cover of this report.

The Company does not have any externally imposed capital requirements.

Notes to the Financial Statements

34 continued

19 Contingent Liabilities

As detailed in note 4 a potential long term incentive is payable to Rensburg Sheppards Investment Management Limited should investment performance exceed defined contractual targets. If the 28 February 2010 Net Asset Value ('NAV') were maintained until the end of the current incentive period on 29 February 2012 a payment of £559,000 would be made at that time. Should NAV rise further an increased payment would be made, but equally, should the NAV fall, the liability may be reduced or completely removed.

20 Three year analysis of investments written off or impaired

	Book cost £000 Note 1	Income Statement Gain/(loss) £000 Note 2	Gain/(loss) over historic cost £000 Note 3
Year to 28 February 2010			
Fair value through profit and loss investments			
Hexagon Human Capital plc	400	(110)	(400)
Total	400	(110)	(400)
Year to 28 February 2009			
Fair value through profit and loss investments			
Vianet Group plc	29	(13)	(29)
Cains Beer Company plc	123	(46)	(123)
Loans and receivables			
Vianet Group plc	195	(195)	(195)
Total	347	(254)	(347)
Year to 29 February 2008			
Fair value through profit and loss investments			
Inter Link Foods plc	247	(96)	(247)
Available-for-sale investments			
Primal Pictures Limited	326	(326)	(326)
Forward media Limited	125	(125)	(125)
Loans and receivables			
Vianet Group plc	94	(94)	(94)
Total	792	(641)	(792)

Note 1 – Historic cost of investments less previous write offs for permanent diminutions in value

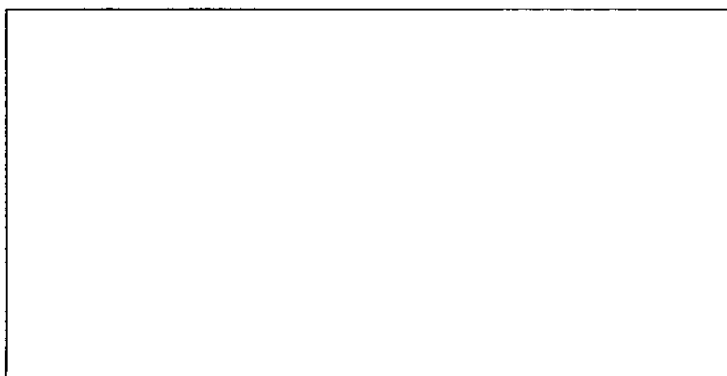
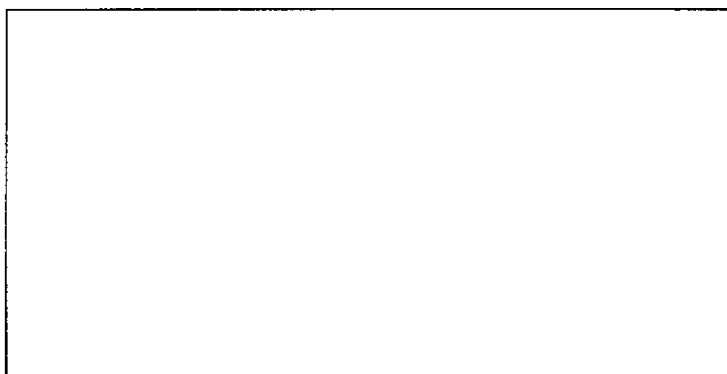
Note 2 – The Income statement gain/(loss) represents the value of the investment at the previous year end written off

Note 3 – The gain/(loss) over historic cost represents the historic cost (Note 1) of the investment written off

Trading History

35

	2010	2009	2008	2007	2006
Income (£000)	£568	£716	£903	£693	£387
Profit/loss before tax (£000)	£4,987	(£9,395)	(£2,912)	£2,149	£5,011
Earnings/(losses) per share	12 23p	(22 95)p	(6 96)p	4 98p	20 12p
Dividends paid per share	4 25p	3 00p	7 00p	3 00p	3 00p
Cost to Purchase own shares (£000)	£0	£358	£721	£1,153	£1,122
Cumulative dividends paid and pending approval	35 75p	31 00p	28 00p	21 00p	17 00p
Net assets (£000)	£20,601	£16,717	£27 916	£33,649	£28,084
Net asset value per share (pence)	50 53p	41 00p	67 44p	79 37p	77 67p
Number of qualifying investments	41	44	49	43	43
Value of qualifying investments (£000)	£11,002	£9,424	£13,936	£16,287	£15,433



Useful Information for Shareholders

36

Annual General Meeting

This year's Annual General Meeting will be held at Quayside House, Canal Wharf, Leeds, LS11 5PU on Wednesday 21 July 2010 at 11.00 am

Payment of Dividend

Cash dividends will be sent by cheque on 29 July 2010, to the first named Shareholder on the Register at close of business on 9 July 2010 to their registered address. At the request of Shareholders, dividends may instead be paid direct into the Shareholder's bank account through the Banker's Automated Clearing System (BACS). This may be arranged by contacting the Company's registrar on 0871 664 0300, calls cost 10p per minute plus network extras.

Price and Performance Information

The Company's ordinary shares are traded on the London Stock Exchange.

Share price information is also available

- from the Company's website at www.rensburgaimvct.co.uk
- on the London Stock Exchange website at www.londonstockexchange.co.uk,
- from Rensburg Sheppards Investment Management Limited on 0113 245 4488, and
- from any stockbroker

Venture Capital Trusts (VCTs)

VCTs are listed, tax efficient companies with substantial tax advantages for UK resident individuals aged 18 or over. The tax benefits for such individuals subscribing for new VCT shares after 6 April 2008 are

- Tax relief available in the tax year of investment of 30% relief against income tax (i.e. invest £10,000 and receive an income tax refund of £3,000). A husband and wife can each invest up to £200,000 in any one tax year.
- An investor must hold the investment for at least five years to preserve the income tax relief.

There are also three further tax benefits from investing in a VCT

1. There is no tax on dividends.
2. There is no tax on any capital gain resulting from the sale of shares.
3. The Company itself suffers no tax on any capital gains arising from its own investments.

Explanation of Terms

The Company is required within three years of issuing each tranche of share capital and at all times thereafter, to have at least 70% by value (as defined in the legislation) of its investments in qualifying holdings. 30% of the qualifying holdings must be in eligible shares.

Qualifying holdings are shares or securities first issued to the VCT in unquoted companies which satisfy the gross assets and qualifying trade tests and other requirements of the VCT legislation. Gross assets of an investee company at the time of investment may not exceed £15m for VCTs which raised funds before 5 April 2006. A qualifying trade, broadly, is one that is conducted wholly or mainly in the UK and generally excludes dealing in land, financial services, leasing and/or licensing.

Companies whose shares are dealt in on AIM are regarded as unquoted for these purposes. Shares in companies who move from AIM to the Official List are regarded as unquoted for a period of five years from the date of listing on the Official List.

Eligible shares are ordinary shares with no present or future preferential rights.

Company Information

37

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VCT Status Adviser

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Brokers

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