IBIS Media VCT 1 plc

Annual Report & Financial Statements

for the year ended 31 January 2009

Contents

Financial Summary

Year ended 31 January	2009	2008
Net assets	£7,423,978	£7,649,317
Net asset value per share	92.25p	95.17p
Investment income	£341,146	£343,103
Return on ordinary activities before tax		
- Revenue	£130,685	£138,203
- Capital	£(239,652)	£49,018
- Total	£(108,967)	£187,221
Return per share		
- Revenue	1.34p	1.51p
- Capital	(2.76)p	0.99p
- Total	(1.42)p	2.50p
Dividend per share declared in respect of the year		
- Revenue	1.0p	1.0p
- Capital	0.5p	0.5p
- Total	1.5p	1.5p
Share price at end of year	£0.95	£1

Investment Policy

The over-riding objective of IBIS Media VCT 1 plc ("IBIS" or the "Company") is to make investments in unquoted companies within the media sector that have the potential to grow and to achieve capital appreciation on a subsequent exit.

Whilst the Company's directors ("Directors") and the Company's investment committee ("Investment Committee") are primarily targeting investments in privately owned companies, suitable opportunities to acquire VCT qualifying investments in smaller AIM and PLUS-quoted (Ofex) stocks will also be considered where there is potential to achieve the level of return targeted by the Company's board of directors ("Board"). It is also the intention of the Directors to build a balanced portfolio with interests in a mixture of cyclical and non-cyclically exposed media companies operating both in mature and high growth areas of the market. IBIS is, however, unlikely to invest in all media sub-sectors as factors such as growth prospects, the competitive environment and valuations may mean that the prospective investment performance of certain of those sub-sectors would be unlikely to provide satisfactory rates of return.

Investments in business start-ups will generally be avoided unless the management team has a strong profile in the media sector and a track record of value creation for shareholders.

The Company's investment adviser is IBIS Capital Limited ("IBIS Capital" or "Investment Adviser").

Chairman's Statement

Company overview

I am pleased to report a year of further steady progress. In an extremely challenging economic and financial climate, our portfolio has stood up well; we made several new investments and we have developed a healthy investment pipeline.

A consequence of the new investment activity was that, in November 2008, well before the relevant deadline, the Company satisfied the HMRC investment criteria for the funds raised through the Company's original offer for subscription. Furthermore, at the year end, several opportunities were being researched which make it highly probable that the same criteria will be satisfied for the funds raised through the Company's second offer for subscription well before the 31 January 2010 deadline.

Financial performance

The Board, in consideration of the Company's financial performance and taking account of the comparatively long-term nature of the Company's investments, pays particular attention to net asset value total return per share, total expense ratio and performance against the FT All Share Media Index (which the Investment Adviser considers to be the most appropriate broad equity market index for comparative purposes).

The net asset value total return per share comprises the net asset value plus cumulative dividends paid per share. As at 31 January 2009, it stood at 93.75p. The Company's net asset value is calculated at least quarterly with investments valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. During the year under review, the Company's net assets decreased by £225,339. The most significant contribution to this decrease was the unrealised loss of £361,240 on the Company's only AIM-quoted investment, Freshwater UK Limited.

The Company's total expense ratio fell from 4.0% to 3.9%.

Over the year ended 31 January 2009, the FT All Share Media Index fell by 26.5% while the Company's net asset value total return per share fell by only 1.49%, dropping from 95.17p to 93.75p.

Dividends

During the year, the Company paid a maiden dividend of 1.5p per share which was a final dividend in respect of the year ended 31 January 2008. At the forthcoming annual general meeting, a final dividend of 1.5p per share will be proposed in respect of the year ended 31 January 2009.

Investment performance

A full report on the performance of the Company's investments is given in the Investment Adviser's Review. The portfolio has weathered the harsh economic climate well to date and the Board is grateful for the close attention paid by the Investment Adviser not only to sourcing fresh investment opportunities but also to supporting the management of the Company's investee companies. The Board is also grateful for the significant contribution made by the Company's investment committee.

The Company's cash, pending its investment in qualifying venture capital holdings, is invested in a number of liquidity funds with the emphasis on capital preservation.

Outlook

In the year ending 31 January 2010, our focus will be on investing the remainder of the fund and on continuing to support the Company's existing investments. The Board will also give consideration to the possibility of raising further funds. The Investment Adviser, supported by the Investment Committee, has satisfied the Board that it can generate a very healthy investment pipeline across a wide range of businesses within the media sector; less certain is how successfully further funds may be raised in a fairly hostile economic climate. Beyond January 2010, our attention will increasingly shift to the realisation of the Company's portfolio in what we hope will be a more benign environment.

Sir Robin Miller
Chairman

30 May 2009

The Board, Investment Committee & Investment Adviser

The Board

Sir Robin Miller, independent non-executive chairman

Robin Miller was formerly chief executive (1985-98 and 2001-03) and chairman (1998-2001) of Emap plc, one of the UK's leading media groups with businesses including consumer and trade publishing, commercial radio and music TV channels and events. At Emap he participated in their entry into commercial radio with the acquisition of a stake in Kiss FM followed by the acquisition of Radio City, Transworld and Metro Radio.

In 2003, Robin became senior media advisor to HgCapital, a leading investor in the European private equity market with funds under management of some £900 million, where he participated in the evaluation of media and music investments. He has also been non-executive director of Channel Four Television (1999-2006), and is currently chairman of their New Business Board, was non-executive chairman of the HMV Group (2004-2005), senior non-executive director at Mecom Group plc (2005-2009), chairman of Entertainment Rights plc (2008-2009) and has recently been appointed as non-executive director of The Racing Post and chairman of Setanta Sports.

Peter English, independent non-executive director

Peter English co-founded VCF LLP, which now trades as Foresight Group, in 1985. Foresight Group has managed or advised Fleming Ventures Limited and a number of venture capital trusts including Foresight VCT plc, TriVest VCT plc, Foresight 2 VCT plc, Foresight 3 VCT plc (formerly Advent VCT plc) and Foresight 4 VCT plc (formerly Advent VCT 2 plc).

Lucy MacDonald, independent non-executive director

Lucy MacDonald is a Managing Director and member of the board of RCM (UK), a subsidiary of Allianz Global Investors. She has been the Chief Investment Officer, Global Equities, of RCM since 2001. She is responsible for £5.3 billion of global equity funds. Previously, she was a director of Baring Asset Management and head of UK specialist funds. She has 24 years of investment experience.

Peter Williams, independent non-executive director

Peter Williams has been the group finance director of Daily Mail & General Trust ("DMGT") since 1991. DMGT is a leading UK-based media company with a market capitalisation of approximately £1.2 billion. He is also a non-executive director of Euromoney Institutional Investor plc, a professional information publisher and events organiser.

Simon Jamieson, independent non-executive director

Simon Jamieson is a director of FF&P Asset Management Limited. He is also a member of Flemings Family & Partners Asset Management Limited's investment committee and of FF&P Private Equity Limited's investment committee. Mr Jamieson was the fund manager of FF&P Special Situations 1 LLP, which has invested some £17 million in a portfolio of British and American businesses since 2001. He also manages FF&P Venture Funds 1 and 2 which target private equity funds that invest primarily in US and European businesses.

David Forster, non-independent non-executive director

Between 1986 and 2003, David Forster worked as an equity analyst covering the media sector for firms including Kleinwort Benson, Merrill Lynch and latterly Salomon Smith Barney. For the eight year period to 2001 he was co-head of a team that was ranked first by institutions for its coverage of the UK media sector. Between 1996 and 2003, whilst he was at Salomon Smith Barney, he became a managing director taking over responsibility for the global equity media research product in 2001. In 2003 he left and established IBIS Capital in conjunction with Charles McIntyre.

Charles McIntyre, non-independent non-executive director

Charles McIntyre began his career with Apax Partners, which today is one of Europe's largest private equity investors. In 1999, together with other senior managers, Mr McIntyre spun off the investment banking arm of Apax Partners to form Altium Capital which was developed into a pan-European investment bank. At Altium Capital, he headed up the European media investment banking team and originated deal flow in the small to mid-sized sector of the market.

Chairman's Statement (continued)

The Investment Committee

There are eight members of the Investment Committee comprising all the Company's directors and an independent special adviser, Gary Hughes.

Investment decisions are taken by the Investment Committee. A minimum of two Directors must be in attendance at each meeting of the Investment Committee and each investment must be approved by at least two Directors with no member of the Investment Committee voting against. David Forster and Charles McIntyre have no vote on the Investment Committee but can participate in its discussions.

Gary Hughes

Gary Hughes is a chartered accountant and was appointed as the chief financial officer of Gala Coral Group in October 2008. He was formerly chief executive of CMP Information Limited, a subsidiary of United Business Media plc, and group finance director of EMAP plc between 2000 and 2005. Prior to joining EMAP plc, Mr Hughes was the group finance director of SMG plc (Scottish Media Group) between 1996 and 2000 and deputy finance director of Forte plc from 1994 to 1996. He has also been a non-executive director of J Sainsbury plc since January 2005.

The Investment Adviser

IBIS Capital Limited acts as the investment adviser to IBIS.

IBIS Capital Limited was established in August 2003. It is an FSA registered business offering not only asset management services, including a long/short equity hedge fund focused on the global media industry, but also a full range of corporate finance services to clients in the media sector. In terms of enterprise value, its corporate finance clients range in size from approximately £10 million to £1.5 billion.

Investment Adviser's Review

Investment overview

The financial year ending 31 January 2009 represented IBIS Media VCT 1's third year of operations. It was a year of steady progress, achieved against a backdrop of an extremely challenging economic and financial environment. Investments in two new companies, Masher and Polyview, were made and in addition there were two follow-on investments in Heritage House. Since the period end there has also been a follow-on investment in Get Me Media.

Tangible evidence of the support that IBIS is able to provide its portfolio companies with regards to their strategic and operational development was demonstrated by our active involvement in the appointment of new non-executive chairmen to three of our portfolio companies. In August 2008 Andrew Flanagan (former CEO of SMG Group plc and current CEO of the NSPCC) was appointed non-executive chairman of Heritage House, while in October 2008 Alan Page (who founded and ran a number of companies in the digital marketing space, including Harari Page and 13 Ten) was appointed as non-executive chairman of Skive. More recently, in May 2009, it was announced that Sir Robin Miller, IBIS's non-executive chairman, was joining the board of Get Me Media in a similar capacity.

A consequence of the tumultuous conditions that prevailed through most of the year under review was that overall investment activity was lower that we had originally hoped. However, in the circumstances we, and our Investment Committee, were naturally cautious with regards to committing funds to new investments. Notwithstanding, we were pleased to comfortably exceed the minimum level of investment required to meet HMRC's investment criteria to maintain VCT qualification status in relation to our initial fundraising, well within the statutory deadline.

A further benefit of our measured pace of investment is reflected in our net asset value per share, which was 92.25p at the year end, after the payment of a maiden dividend of 1.5p. As referenced in the Chairman's statement our performance comfortably exceeded that of the quoted media sector. This, we believe, is explained by three significant factors. Firstly, the portfolio we have constructed has only a limited exposure to advertising, which is one of media's most cyclical revenue streams. Many quoted media companies with significant advertising exposure experienced dramatic share price falls during the course of 2009. Second, the majority of our investments have been focused on businesses operating in areas of media where we saw secular growth characteristics, which helped in offsetting cyclical effects. Third, a significant proportion of the fund was still in cash for much of the year.

By the end of the year £4,022,338 had been invested in qualifying companies since the launch of IBIS. Since the year end the fund's thirteenth investment has been completed; a £210,000 follow-on investment in Get Me Media. This leaves the fund with up to £2,810,877 of cash to invest.

Although the trading environment remains extremely tough in many areas of media, and the outlook uncertain, there is no question that conditions have improved from the second half of 2009. We are very pleased with the current new investment pipeline and are actively pursuing two new investments that have received preliminary Investment Committee approval. While there is no guarantee that either of these investments will complete, we do believe that we are set to get the balance of the fund invested during the course of the new financial year.

As indicated in IBIS' initial Prospectus it is expected that the principal driver of returning cash to our shareholders will be the distribution of proceeds resulting from successful exits of the fund's portfolio of investments. Clearly the recent market environment has not been conducive to achieving satisfactory valuations and in any event we believe that it would be premature to seek exits from most of our portfolio companies given the upside we see in their valuation potential. In conclusion, we expect the focus of the current year to be on investing the balance of the fund and helping nurture the portfolio, whereas in 2010 and 2011 we would hope to be able to begin the process of harvesting and returning cash to our shareholders.

Portfolio review

Get Me Media

Date of Initial Investment:	22 January 2007
Investment:	£350,000 comprising a mixture of ordinary shares and unsecured loan notes
Date of Follow-on Investment:	28 May 2009 (NB: post year end)
Investment:	£210,000 of ordinary shares
Total Investment:	£560,000

Get Me Media, which trades as Getmemedia.com, is an online directory of marketing and media spend ideas. The company helps marketers and their agencies find relevant and up to date marketing opportunities for their brands. The company serves two needs: 1) for media owners, it gives them a shop window to promote their inventory of media opportunities to advertisers and their agencies, from whom the media owners hope to attract a share of marketing spend; and 2) for advertisers and their agencies, it gives them an easily navigable and searchable database of alternative media and ideas for their marketing campaigns.

Since IBIS VCT's initial investment, Get Me Media has made strong progress in developing its market presence. Getmemedia.com now has over 1,000 marketing, media and sponsorship ideas on its website, from hundreds of media and rights owners, including ITV, Microsoft Advertising and IPC Media. Nearly 7,000 individuals from advertisers and agencies across the UK are members; using the site to find inspiration for campaigns for their brands.

Investment Adviser's Review (continued)

Get Me Media has not been immune to the difficult trading environment but it has still managed to achieve revenue growth and a very encouraging level of client renewals, demonstrating that its service offers value even in a recessionary environment. The company has invested in improving its online offering through enhanced software and new service offerings, such as the recently launched briefing tool which has the potential to be a major new growth driver.

The initial investment in Get Me Media was valued at the year end at £427,224.

Skive

Date of Initial Investment:	24 May 2007
Investment:	£350,000 of ordinary shares

Skive is a creative digital marketing agency. Skive delivers websites and interactive content for a wide range of clients, including Nestle, Publicis Modem and TBWA. Skive has a particular strength and reputation for high quality interactive 'desktop' games produced on a bespoke basis for client marketing campaigns.

Skive made good progress in turnover and profits in 2008. With regards to the current financial year the impact of the recession is still a risk and the management team expects some downturn in agency production work and pressure on margins from all clients. Notwithstanding, the outlook for 2009 is encouraging. In the final quarter of 2008 Skive won important new contracts, including Kit Kat, the British Army, and Cadbury. The company also launched a separate division during the year to focus on providing clients with internet search optimisation services.

The investment in Skive was valued at the year end at £595,456.

Riva

Date of Initial Investment:	23 May 2007
Investment:	£300,000 of ordinary shares
Date of Follow-on Investment:	17 December 2007
Investment:	£45,015 of ordinary shares
Total Investment:	£345,015

Riva's core activity is the design, production and distribution of Epacs. Each Epac is a bundled collection of premium content which is digitally wrapped in a unique branded skin and is downloadable to a customer's personal computer. The components of an Epac can include video clips, MP3 files, ring tones, digital wall paper and customized information.

Riva has launched a number of high profile Epacs, including for Joe Calzaghe, the boxer, Ant & Dec, the television presenters, and for the London west-end musical Wicked.

Despite the high profile nature of the Epacs that have been published, the pipeline of new business has been slower than originally anticipated. Consequently, the company is currently re-visiting its business model to explore ways to improve its offering to users and business customers. The company has also substantially reduced its cost base to reflect the reduced level of revenue. The current trading climate for the company remains challenging.

The investment in Riva was valued at the year end at £69,003.

Freshwater

Date of Investment:	18 July 2007
Investment:	£697,850 of ordinary shares

Freshwater is a Public Relations led marketing group with teams operating in five UK regions and across five specialisms. The company has four support divisions offering: marketing, graphic design and media buying (Freshwater Creative, Merlin Marketing and PR); Conferences (Waterfront conferences); training and coaching (Freshwater Academy); and interactive and online media (Freshwater Digital, Merlin Marketing and PR).

The company employs approximately 100 staff working from nine locations across the UK, with more than 300 clients. With Cardiff acting as the service centre and headquarters, Freshwater's other offices are located in Bristol, Birmingham, Glasgow, Leeds, London, Sheffield and Southampton.

Freshwater is listed on AIM and its share price performance has been disappointing since IBIS's investment. This is partly explained by the widespread fall in value in many smaller AIM listed companies over the last year during a period of flight by investors into cash and more liquid investments. However, some of the share price decline is explained by Freshwater's own financial performance, which has suffered from the economic downturn, leading it to miss market expectations.

Recent news has been more encouraging, with the company starting to see more stable trading and the flow through of cost restructuring initiatives to its bottom line. The company announced its interim results for the half year to February 28, 2009 on 11 May. Reported turnover was up 10% to £4.51 million while EBITDA (earnings before interest, tax, depreciation and amortisation) fell to £0.25 million from £0.51 million. The company noted that its second half had started well, with March and April showing growth in profits. We were also pleased to see that Freshwater's industry reputation is continuing to build, reflected in its award as the top regionally-based agency for 2009 by PR Week, the PR industry's leading trade journal.

The investment in Freshwater was valued at the year end at £295,560, based on the bid price on AIM.

Heritage House

Date of initial investment:	6 September 2007
Investment:	£825,000, comprising a mixture of ordinary shares and loan notes
Date of follow-on investment:	30 November 2007
Investment:	£175,000 (Subsequently realised on 14 December 2007 for a modest gain.)
Date of follow-on investment:	27 May 2008
Investment:	£179,473
Date of follow-on investment:	1 December 2008
Investment:	£100,000
Total investment:	£1,279,473

Heritage House represents IBIS' largest investment to date. The company is a publisher and a provider of souvenirs that focuses on heritage houses, castles, gardens, museums, galleries and other historical institutions.

Since its initial investment IBIS has made a number of follow-on investments in Heritage House to provide the business with additional acquisition, development and working capital. The company has had to work its way through a period of restructuring and reorganization as it integrated newly acquired businesses against a backdrop where the economic downturn limited the prospects for new launches and dampened re-ordering of existing products. Furthermore, last year's UK weather was less than helpful in encouraging visits to many outdoor tourist attractions. However, in the circumstances Heritage House's core publishing products proved extremely resilient.

The current outlook for Heritage House is encouraging. The UK domestic tourist market is expected to grow strongly this year as the recession and weak sterling encourage UK citizens to holiday domestically with the weak currency also helping to boost overseas visitors. The National Trust has announced that in the period from the start of March to 5 May 2009 total visitor numbers at their properties were up 38% on the same period in the previous year. In addition Visit Britain has announced that because of the uncertain economic environment up to 5 million more people are considering vacationing in the UK, who would have otherwise gone abroad. Even the weather appears more promising!

The pick-up in the tourist market is starting to feed through into Heritage House's sales. The company's financial year end is December and by end May it had already achieved over 80% of forecast publishing sales (delivered sales and confirmed orders) and 75% of souvenir sales.

The investment in Heritage House was valued at the year end at £1,261,549.

Masher

Date of initial investment:	14 July 2008
Investment:	£375,000, comprising a mixture of ordinary shares and unsecured loan notes, of which £307,694 had been drawn down at the year end

Masher is an online application that allows users to create personal videos which combine content provided by the BBC together with their own videos and photos. The resulting "mashed" video can be further enhanced with the addition of music and digital effects before being uploaded to a social networking site or emailed to friends. Masher is a B2C (business to consumer) widget application with simple and intuitive drag and drop functionality.

The Masher website was successfully launched in 2008 and the application has also been deployed commercially with, amongst others, Nike and the ICC (International Cricket Council).

The investment in Masher was valued at the year end at £375,000.

Investment Adviser's Review (continued)

Polyview

Date of Initial Investment:	17 November 2008
Investment Structure:	£800,000 comprising a mixture of ordinary shares and loan notes with warrants attached

Polyview operates the law firm search and comparison website TakeLegalAdvice.com, which provides B2B and B2C services in the UK legal market. The company seeks to address consumer concerns relating to the selection of legal representation, whilst offering law firms access to new business in a cost effective manner. It provides a confidential and verisign secure matching service to individuals and businesses looking to appoint a law firm.

Polyview was launched in 2006 by Mark Wyatt and Mary Heaney, co-founders of Global Professional Media Ltd, the publisher of Legal Week and legalweek.com, which was sold to Incisive Media plc in 2005.

The company has been successfully building its customer base and since the year end Polyview has acquired the business and assets of the European Lawyer, which include 21 reference books, guides and directories. The acquisition has been integrated into Polyview's business and is having a positive impact on trading.

The investment in Polyview was valued at the year end at £800,000.

Investment Portfolio
as at 31 January 2009

	Cost £	Valuation £	2009 % of net assets by value	Cost £	Valuation £	2008 % of net assets by value
Venture capital investments						
Get Me Media	350,000	427,224	5.75	350,000	350,000	4.57
Riva	345,015	69,003	0.93	345,015	345,015	4.51
Skive	350,000	595,456	8.02	350,000	350,000	4.57
Heritage House	1,104,473	1,261,549	16.99	825,000	825,000	10.79
Freshwater	697,850	295,560	3.98	697,850	656,800	8.59
Masher	375,000	375,000	5.05	n/a	n/a	n/a
Polyview	800,000	800,000	10.79	n/a	n/a	n/a
Total venture capital investments	4,022,338	3,823,792	51.51	2,567,865	2,526,815	33.03
Total fixed asset investments	4,022,338	3,823,792	51.51	2,567,865	2,526,815	33.03
Net current assets		3,600,186	48.49		5,122,502	66.97
Net assets		7,423,978	100.00		7,649,317	100.00

Venture Capital Investments
as at 31 January 2009

Get Me Media Limited
Get Me Media is a B2B online information provider.

The Company's investment has been valued on the basis of discounted cash flow and valuations from transactions involving comparable companies.

VCT Investment		Annual Financial Statements	31 Dec '07	31 Dec '06
Cost	£350,000	Net assets	£(122,076)	£(92,385)
Valuation	£427,224			
Equity holding	25%			
Income paid to VCT in y/e 31 Jan '09	Nil			

Riva Digital Media Limited
Riva is a digital media agency.

The Company's investment has been valued on the basis of original cost as adjusted by an impairment provision.

VCT Investment		Annual Financial Statements	31 Dec '07	31 Dec '06
Cost	£345,015	Net assets	£188,137	£204,870
Valuation	£69,003			
Equity holding	9%			
Income paid to VCT in y/e 31 Jan '09	Nil			

Skive Creative Limited
Skive is a digital media agency.

The Company's investment has been valued on the basis of discounted cash flow and valuations from transactions involving comparable companies.

VCT Investment		Annual Financial Statements	31 Dec '07	31 Dec '06
Cost	£350,000	Turnover	£1,605,685	£1,663,742
Valuation	£595,456	Operating profit/(loss)	£(73,653)	£111,522
Equity holding	14%	Profit/(loss) for year	£(72,381)	£89,561
Income paid to VCT in y/e 31 Jan '09	Nil			

Freshwater UK plc
Freshwater is a regional PR network.

The Company's investment is valued on the basis of bid price on AIM.

VCT Investment		Annual Financial Statements	31 Aug '08	31 Aug '07
Cost	£697,850	Turnover	£9,513,211	£6,535,746
Valuation	£295,560	Operating profit	£1,212,846	£1,017,115
Equity holding	7%	Profit for year	£746,662	£650,286
Income paid to VCT in y/e 31 Jan '09	£24,630			

Heritage House Media Limited

Heritage House is a media solutions provider to the heritage sector.

The Company's investment has been valued on the basis of the equity element held at cost as adjusted for an impairment provision and the debt element held at cost plus accrued interest.

VCT Investment		Annual Financial Statements	30 Sep '08	N/a
Cost	£1,104,473	Net assets	£(830)	
Valuation	£1,261,549			
Equity holding	20%			
Income payable to VCT in y/e 31 Jan '09	£85,105			

Masher Technologies Limited

Masher is an online application for the creation of personal videos including BBC content.

The Company's investment has been valued at cost.

VCT Investment		Annual Financial Statements
Cost	£375,000	
Valuation	£375,000	
Equity holding	20%	
Income payable to VCT in y/e 31 Jan '09	£500	Masher's first accounts will be for the period ending 31 December 2008.

Polyview Media Limited

Polyview operates the law firm search and comparison website TakeLegalAdvice.com, which provides B2B and B2C services in the UK legal market.

The Company's investment has been valued at cost.

VCT Investment		Annual Financial Statements	31 Dec '07	31 Dec '06
Cost	£800,000	Net assets	£298,739	£801,736
Valuation	£800,000			
Equity holding	7.9%			
Income paid to VCT in y/e 31 Jan '09	Nil			

Directors' Report

The Directors present the financial statements of the Company for the year ended 31 January 2009 and their report on its affairs.

Business and principal activities

The Company was launched in February 2006 to invest in private equity type transactions at the smaller end of the UK media industry.

The over-riding objective of the Company is to make investments in unquoted companies within the media sector that have the potential to grow and to achieve capital appreciation on a subsequent exit.

IBIS invests principally in smaller unquoted companies, although AIM and PLUS-quoted (Ofex) companies are also considered. The focus is on providing development capital, second stage fundraisings, pre-IPO fundraisings and acquisition capital to investee companies. Investments in business start-ups will generally be avoided unless the management team has a strong profile in the media sector and a track record of value creation for shareholders.

The Directors and the Investment Committee look for the following characteristics when considering potential investments:

- A sustainable business model
- High quality management team
- A competitive advantage within their target markets
- The scope for organic revenue growth
- Profitability or reasonable expectation of achieving profitability within a foreseeable timeframe

The Directors do not foresee any major changes in the activity undertaken by the Company in the foreseeable future.

VCT status

The Company was granted provisional approval as a venture capital trust by HM Revenue & Customs under section 842AA of the Income and Corporation Taxes Act 1988 with effect from 5 April 2006. The Directors managed the affairs of the Company in compliance with this section throughout the year under review and intend to continue to do so. With its investment in Polyview in November 2008, the Company met the requirement of having at least 70% by value of its investments (arising from its first fundraising) in VCT qualifying holdings by no later than 31 January 2009.

Business review

A detailed review of the Company's development and performance during the year and consideration of its future prospects may be obtained by reference to this Report, the Chairman's Statement (page 2) and the Investment Adviser's Review (pages 5 to 8). Details of the venture capital investments made by the Company are given in the Investment Portfolio summary (page 9) and the Venture Capital Investments report (pages 10 and 11). A summary of the Company's key financial measures is given on page 1.

The Board is responsible to shareholders for the proper management of the Company and for determining the Company's investment policy. Investment and divestment proposals are originated, negotiated and recommended to the Investment Committee by IBIS Capital Limited. Company secretarial and accountancy services are provided to the Company by The City Partnership (UK) Limited.

In reviewing the work of the Investment Committee and the Investment Adviser, the Board looks to be satisfied that:

- The Company's investment policy is being followed
- Each investment or divestment decision is subjected to rigorous due diligence
- Risk is spread by investing across a sufficiently diverse range of businesses within the media sector and by maintaining a balance between equity and loan stock exposure
- The portfolio will meet the HMRC VCT conditions

In consideration of the Company's financial performance, the Board, taking account of the comparatively long term nature of the Company's investments, pays particular attention to net asset value total return per share, total expense ratio and performance against the FT All Share Media Index (which is considered to be the most appropriate broad equity market index for comparative purposes).

Net asset value total return per share

The net asset value total return per share comprises the net asset value plus cumulative dividends paid per share. Net asset value is calculated at least quarterly with investments valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. During the year under review, the Company's net assets decreased by £225,339. The most significant contribution to this decrease was the unrealised loss of £361,240 on the Company's investment in the AIM-quoted company, Freshwater. The Company also paid a dividend totalling £120,716, while its annual revenue exceeded total running costs by £48,529. The net asset value per share fell 2.92p, a decrease of 3.07%, and the net asset value total return per share fell from 95.17p to 93.75p, a decrease of 1.49%.

Over the same period, the FT All Share Media Index fell by 26.5%

Total expense ratio

The total expense ratio, calculated as the year's expenses (as disclosed in the profit & loss account) divided by the average net asset value across the year, was 3.9% (2008: 4.0%). Although this ratio is higher than that achieved by many other venture capital trusts, the Board is satisfied with the ratio given that the Company's net asset value is significantly lower than that of many of its peers.

Under the terms of the Investment Adviser agreement, the running costs of the Company (excluding the Investment Adviser's performance related incentive fee, irrecoverable VAT, trail commission and costs of any significant corporate activity) are restricted to a maximum of 3.5% of the average value of the Company's net assets. Any excess will be paid by the Investment Adviser.

Results and dividends

As shown in the Company's Income Statement on page 26, the Company's returns in the year ended 31 January 2009 were:

Revenue return per share	1.34p
Capital return per share	(2.76)p
Total return per share	(1.42)p

The Board recommends the payment of a final dividend of 1.5p per share in respect of the year ended 31 January 2009. The proposed record and payment dates are 17 and 28 July 2009 respectively.

The Balance Sheet, page 27, shows that the Company's net assets and the net asset value per share have decreased over the year, primarily because of the unrealised loss in value, £(361,240) of the Company's investment in the AIM-quoted company Freshwater.

The cash outflow during the year was £1,511,357 reflecting the spend on investments of £1,387,167, the dividend distribution of £120,716, a cash outflow of £13,024 due to operating activities and net funds raised of £9,550.

Future developments

It is estimated that the Company needs to invest approximately £1.19 million in the year ending 31 January 2010 to satisfy the HMRC VCT criterion of having at least 70% by value of its investments in shares or securities comprised in VCT qualifying holdings. The Board is confident that this minimum target will be met.

While the primary focus will continue to be on the development of an investment portfolio which will deliver attractive returns over the medium to longer term, consideration will also be given to further fund raising.

Risk management

The Board has adopted a risk management programme whereby it continually identifies the principal risks faced by the Company and reviews both the nature and effectiveness of the internal controls adopted to protect the Company from such risks as far as is possible.

The Board believes that the principal risks to which the Company is exposed are:

Economic risk – events such as a downturn in the media sector or a tightening of credit facilities may adversely affect the Company's investee companies and make successful divestments less likely.

Investment risk – the adoption of inappropriate investment policies, sourcing too few investment opportunities of the required standard, and taking investment decisions without having undertaken sufficiently robust due diligence.

Financial risk – poor financial controls which may lead to the misappropriation of assets or inappropriate financial decisions and breaches of regulations through deficient financial reporting.

Regulatory – failure to comply with any of the regulations to which the Company is subject which include the provisions of the Companies Act 1985, the provisions of the Companies Act 2006, the UKLA listing rules, applicable Accounting Standards and HMRC VCT regulations.

Further information about the Company's internal controls is given in the Statement of Corporate Governance on pages 20 to 23.

Corporate information

Directors

The directors of the Company during the year under review were Sir Robin Miller, Peter English, Lucy MacDonald, Simon Jamieson, Peter Williams, David Forster and Charles McIntyre.

Brief biographical details of the Directors are given on page 3.

Lucy MacDonald, Charles McIntyre and Peter Williams will retire at the annual general meeting in 2009 and, being eligible, offer themselves for re-election.

Directors' interests

The interests of the current Directors and their connected persons in the ordinary shares of the Company are shown below.

	No of ordinary shares as at 31 Jan 2009	Percentage holding	No of ordinary shares as at 31 Jan 2008	Percentage holding
Sir Robin Miller	56,122	0.7	56,122	0.7
Peter English	102,520	1.3	102,520	1.3
Lucy MacDonald	81,920	1.0	81,920	1.0
Simon Jamieson	102,040	1.3	102,040	1.3
Peter Williams	51,116	0.6	51,116	0.6
David Forster	643,525	8.0	643,525	8.0
Charles McIntyre	398,437	5.0	398,437	5.0

No options over shares in the capital of the Company have been granted to the Directors.

Directors' remuneration report

An ordinary resolution to approve the Directors' Remuneration Report (presented on pages 18 and 19) will be put to the annual general meeting.

Investment adviser agreement

IBIS Capital Limited is the investment adviser to the Company and provides a range of services to the Company under an investment adviser agreement dated 7 February 2006.

This appointment shall continue until terminated by the expiry of not less than twelve months' notice in writing given by either party to the other at any time after the third anniversary of the last date (30 June 2006) on which ordinary shares issued pursuant to the prospectus published in February 2006 were admitted to the Official List and to trading on the London Stock Exchange. This appointment may also be terminated in circumstances of material breach by either party.

IBIS Capital Limited receives an annual advisory fee. The fee is payable quarterly in advance, such quarterly fee (exclusive of VAT) being equal to one-quarter of 2.25% of the net asset value of the Company as at the commencement of the quarter but excluding any amount taken into consideration in the calculation of that net asset value which is intended to be distributed to shareholders within that quarter.

Total annual running costs have been capped at 3.5% of average net assets (excluding the Investment Adviser's performance related incentive fee, irrecoverable VAT, trail commission and costs of any significant corporate activity) with any excess being borne by the Investment Adviser.

In the opinion of the Directors, the continuous appointment of the Investment Adviser is in the interests of the shareholders as a whole.

Performance related incentive fee

The Investment Adviser and each member of the Investment Committee (other than Messrs. Forster and McIntyre who will benefit through their shareholdings in IBIS Capital Limited) will each be entitled to share in a performance related incentive fee equal to 20% of the increase in the Performance Value per ordinary share over an initial period of three years and thereafter each successive period of six months. No fee will be payable unless two tests are met. First, a performance hurdle must be achieved that requires the Performance Value per ordinary share to exceed 150 pence and that cumulative cash distributions are not less than 60 pence per ordinary share. Second, the Performance Value per ordinary share must be higher than the highest previously recorded Performance Value per ordinary share.

Each member of the Investment Committee will be entitled to a 3% share of the performance related incentive fee, save that the Chairman of the Board will be entitled to a share of 3.5%. The Investment Adviser will be entitled to the remaining 81.5% of the performance related incentive fee.

Share capital

The Company was incorporated on 21 December 2005 with the name IBIS Media VCT 1 plc.

The Company's authorised share capital on incorporation was £300,000 divided into 25,000,000 ordinary shares of 1p each and 5,000,000 redeemable non-voting shares of 1p each.

On incorporation, 20 ordinary shares were issued, nil paid, to the subscribers to the Memorandum of Association of the Company.

To enable the Company to obtain a certificate under section 117 of the Companies Act, on 18 January 2006, 5,000,000 redeemable shares were allotted by the Company at par for cash, paid up as to one quarter of their nominal value, to IBIS Capital Limited. The 5,000,000 redeemable shares were redeemed in full on 6 April 2006. The authorised but unissued shares so arising were redesignated as ordinary shares and the Articles were amended by the deletion of all references to the redeemable shares and the rights attaching to them.

Between 30 March 2006 and 30 June 2006, a total of 5,839,009 ordinary shares of 1p each were issued at a price of £1 per share.

Between 1 February 2007 and 31 January 2008, a total of 2,198,735 ordinary shares of 1p each were issued at a price of £1 per share.

In April 2008, 10,000 ordinary shares of 1p each were issued at a price of £1 per share.

As at 31 January 2009 a total of 8,047,764 ordinary shares of 1p each of the Company were in issue.

The Company will consider requests to buy back shares but is mindful that investment in the Company was promoted as comparatively long-term with venture capital portfolios typically taking from five to seven years to mature.

Substantial shareholdings

As at the date of this report the Company was aware of the undernoted individual shareholdings exceeding 3% of the issued share capital:

- M Alen-Buckley, 7.6% (614,162 shares)
- D Forster, 5.7% (459,661 shares)
- C Davies, 5.1% (410,081 shares)
- A Beckingham, 5.1% (408,162 shares)
- C McIntyre, 4.4% (357,621 shares)

Authority to make market purchases of shares

By a special resolution passed at the 2008 annual general meeting of the Company held on 30 June 2008, the Company was generally and unconditionally authorised pursuant to section 163 of the Act to make market purchases of up to 14.99% of the ordinary shares in issue from time to time. The price paid must not be less than 1p per ordinary share nor more than 5 per cent above the average of the market value of the ordinary shares for the five business days prior to the day the purchase is made. The authority, unless renewed or revoked prior to such time, expires on the earlier of 18 months from the passing of the resolution and the conclusion of the Company's 2009 annual general meeting. Renewal of the authority will be sought at the 2009 annual general meeting.

Special reserve

By a special resolution of the Company passed at an extraordinary general meeting of the Company held on 23 January 2006, the Company was authorised to cancel the amount standing to the credit of the share premium account of the Company at the date the order was made confirming such cancellation. Court approval was granted on 23 August 2006.

The cancellation of the share premium account created a special reserve that can be used, amongst other things, to fund buy-backs of the Company's shares when the Board considers that it is in the best interests of the Company to do so.

Disclosure of information to auditors

The Directors who held office at the date of the approval of this Directors' Report confirm that, so far as they are aware: there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution to re-appoint Scott-Moncrieff as auditors to the Company will be proposed at the forthcoming annual general meeting. A separate resolution will be proposed at the meeting authorising the Directors to fix the remuneration of the auditors.

Creditor payment policy

The Company's policy is to pay all suppliers' invoices in accordance with agreed terms. There was one trade creditor as at 31 January 2009.

Annual general meeting

The annual general meeting will be held at 6.00pm on 2 July 2009 at the Company's offices. Notice of the meeting and a proxy form are set out on pages 40 and 43 respectively of this report.

The business of the meeting is outlined below.

Resolution 1 – Annual Report and Financial Statements

The Directors are required to present to the annual general meeting the Annual Report and Financial Statements for the financial year ended 31 January 2009.

Resolution 2 – To declare a final dividend

The final dividend cannot exceed the amount recommended by the Directors and can only be paid after the members at a general meeting have approved it. The Directors recommend a final dividend of 1.5p per share payable on 28 July 2009 to the holders of ordinary shares registered at the close of business on 17 July 2009 which will bring the total dividend for the year to 1.5p per share.

Resolution 3 – Directors' Remuneration Report

Under the Directors' Remuneration Report Regulations 2002, the Company is required to produce a Directors' Remuneration Report for each relevant financial year and to seek shareholder approval for that report at the annual general meeting. The Directors' Remuneration Report is on pages 18 and 19 of the Annual Report and Financial Statements.

Resolution 4 – Re-election of Director

Lucy MacDonald retires by rotation in accordance with the Company's Articles of Association and, being eligible, offers herself for re-election.

Resolution 5 – Re-election of Director

Charles McIntyre retires by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.

Resolution 6 – Re-election of Director

Peter Williams retires by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.

Resolution 7 – Re-appointment of the Auditors

The Company is required to re-appoint auditors at each annual general meeting of the Company to hold office until the next general meeting at which accounts are presented. This resolution proposes that the Company's current auditors, Scott-Moncrieff, be re-appointed as auditors of the Company.

Resolution 8 – Remuneration of the Auditors

This resolution proposes that the Directors be authorised to set the auditors' remuneration.

Resolution 9 – Renewal of Directors' authority to allot shares

By virtue of Section 80 of the 1985 Act, the Directors require the authority of the shareholders of the Company to allot shares or other relevant securities in the Company. This resolution authorises the Directors to make allotments of up to an additional 1,207,000 shares (representing approximately 15% of the issued share capital of the Company as at the date of this report (being the latest practicable date prior to the publication of this document). The existing authority will expire at the forthcoming annual general meeting and, by proposing this resolution, the Board seeks its renewal. The Directors have no present intention of exercising the authority given by this resolution. This authority will be effective until the earlier of the date of the annual general meeting of the Company to be held in 2010 and the date which is 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting).

Resolution 10 – Disapplication of pre-emption rights

Resolution 10, which will be proposed as a special resolution, supplements the Directors' authority to allot shares in the Company given to them by Resolution 9. The Resolution authorises the Directors to allot equity shares for cash up to a total nominal value of £12,070 (representing approximately 15% of the share capital currently in issue). This authority will be effective until the earlier of the date of the annual general meeting of the Company to be held in 2010 and the date which is 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting).

Resolution 11 – Purchase of ordinary shares by the Company

Resolution 11, which will be proposed as a special resolution, will, if passed, authorise the Company to purchase in the market up to 14.99% of the issued share capital of the Company from time to time at a minimum price of 1p per share and a maximum price per share of not more than an amount equal to 105% of the average of the middle market prices shown in the quotations for an ordinary share in The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is purchased. This authority will be effective until the earlier of the date of the annual general meeting of the Company to be held in 2010 and the date which is 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting).

By Order of the Board

The City Partnership (UK) Limited
Company Secretary

30 May 2009

Directors' Remuneration Report

This report has been prepared by the Directors in accordance with the requirements of Schedule 7A to the Companies Act 1985. A resolution to approve the report will be proposed at the annual general meeting.

The Company's auditors, Scott-Moncrieff, are required to give their opinion on certain information included in this report. The disclosures which have been audited are indicated as such. Their report is set out on page 25.

Nominations and Remuneration Committee

During the period under review, the members of the Nominations and Remuneration Committee, a fully constituted board committee, were Lucy MacDonald (Chairman) and Simon Jamieson. The committee's remit regarding remuneration is included in the Statement of Corporate Governance which is set out on pages 20 to 23.

The committee did not meet in the year ended 31 January 2009. Such a meeting in the Company's third year of business was thought unnecessary given that no Director retired and that the Directors' initial fees had been agreed in their letters of appointment.

The committee has not received any advice or services from any person in respect of the Directors' remuneration during the period.

Directors' remuneration policy

The committee considers that directors' fees should reflect the time commitment required and the high level of responsibility borne by directors, and should be broadly comparable to the fees paid by similar companies. The Company's Articles of Association do not place an overall limit on directors' remuneration. None of the Directors is eligible for pension benefits, share options, bonuses or other benefits in respect of their services as non-executive directors of the Company.

As members of the Investment Committee, each Director (other than David Forster and Charles McIntyre) is entitled to share in a performance related incentive fee from the Company. David Forster and Charles McIntyre will benefit through their shareholdings in the Investment Adviser which is also entitled to share in the incentive fee.

The aggregate performance fee payable by the Company is calculated as being equal to 20% of the increase in the Performance Value per ordinary share over an initial period of three years and thereafter each successive period of six months. No fee will be payable unless two tests are met. First, a performance hurdle must be achieved that requires the Performance Value per ordinary share to exceed 150 pence and that cumulative cash distributions are not less than 60 pence per ordinary share. Second, the Performance Value per ordinary share must be higher than the highest previously recorded Performance value per ordinary share when an incentive fee was paid.

Each member of the Investment Committee is entitled to a 3% share of the incentive fee, save that the Chairman of the Board is entitled to a share of 3.5%. The Investment Adviser is entitled to the remaining 81.5% of the fee.

Directors' fees

The fees payable to individual Directors in respect of the year ended 31 January 2009 are shown in the table below. Sir Robin Miller's, Peter English's and Simon Jamieson's fees are paid to RMC Limited, VCF Partners, and FFP Services respectively in consideration for their services.

Director	Annual fee £	Fee for year ended 31 January 2009 £	Annual fee £	Fee for year ended 31 January 2008 £
Sir Robin Miller	15,000	15,000	15,000	15,000
Peter English	12,500	12,500	12,500	12,500
David Forster*	12,500	-	12,500	-
Simon Jamieson	12,500	12,500	12,500	12,500
Lucy MacDonald	12,500	12,500	12,500	12,500
Charles McIntyre*	12,500	-	12,500	-
Peter Williams	12,500	12,500	12,500	12,500

*Both David Forster and Charles McIntyre, who are directors of the Investment Adviser, waived their entitlement to directors' fees in both periods.

Terms of appointment

The Company's Articles of Association provide that the Directors shall retire and be subject to re-election at the first annual general meeting after their appointment and at least every three years thereafter.

Lucy MacDonald, Charles McIntyre and Peter Williams will retire at the annual general meeting in 2009 and, being eligible, offer themselves for re-election.

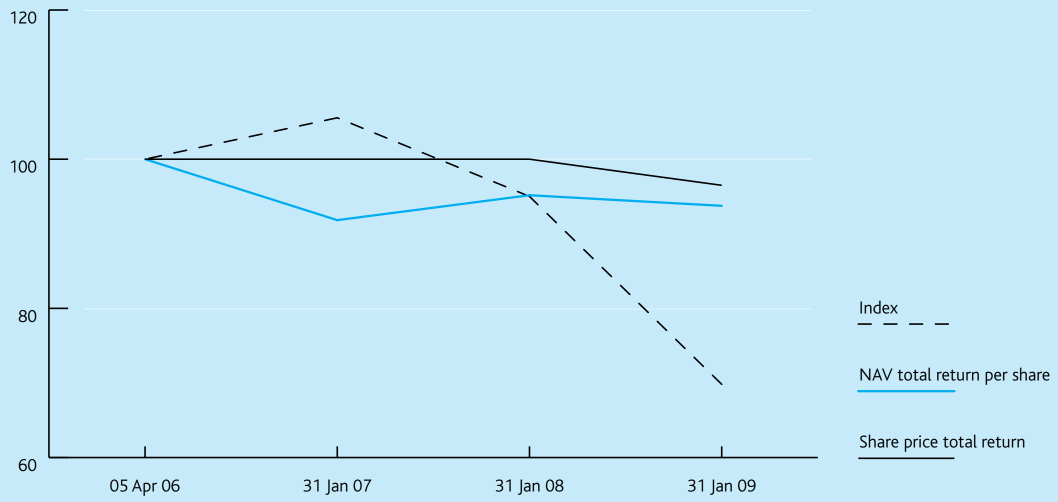
Brief biographical details of these Directors are given on page 3.

None of the Directors has a service contract with the company. On being appointed or re-elected, Directors receive a letter from the Company setting out the terms of their appointment and their specific duties and responsibilities. A Director's appointment may be terminated by the Director or by the Company on the expiry of six months' notice in writing given by the Director or the Company as the case may be.

Company performance

The graph below compares the Company's share price total return and the Company's net asset value total return per share with the total return from a notional investment of 100p in the FT All Share Media Index over the same period. This index is considered to be the most appropriate broad equity market index for comparative purposes.

Return to ordinary shareholders in IBIS Media VCT 1 plc
Period from 5 April 2006 to 31 January 2009



Statement of Corporate Governance

Statement of compliance

The directors of IBIS Media VCT 1 plc confirm that the Company has taken appropriate action to enable it to comply with the Principles of the Combined Code on Corporate Governance ("the Code") issued by the Financial Reporting Council in July 2003 and revised in June 2006.

As a venture capital trust, most of the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. Thus, not all the provisions of the Code are directly applicable to the Company. Apart from the matters referred to in the following paragraphs, the requirements of the Code were complied with throughout the year ended 31 January 2009.

In view of its non-executive nature and the requirements of the Company's Articles of Association that all Directors retire by rotation at the annual general meeting, the Board considers that it is not appropriate for the Directors to be appointed for a specific term as recommended by the Code. Full details of duties and obligations are provided at the time of appointment and are supplemented by further details as necessary. In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to IBIS Capital Limited, Brewin Dolphin Securities Limited, PriceWaterhouseCoopers and the company secretary, the Company has not appointed a chief executive, deputy chairman or a senior independent non-executive director. There is no formal induction programme for Directors.

Board of Directors

The Company has a board of seven non-executive directors, five of whom are considered to be independent. The remaining two, David Forster and Charles McIntyre, are also directors of the Investment Adviser, IBIS Capital Limited. The Company has no staff.

All non-executive Directors have signed letters confirming the terms of their appointment as non-executive directors with effect from 18 January 2006. As these initial appointments were made by the Board, the Company's shareholders were invited to confirm the appointments at the 2007 annual general meeting. All appointments were confirmed. The letters of appointment will be available for inspection by shareholders immediately before and after each annual general meeting.

At each annual general meeting of the Company, at least one-third of the Directors shall retire from office by rotation. A retiring Director is eligible for re-election.

Directors are provided with key information on the Company's activities including regulatory and statutory requirements and internal controls by the Company's VCT status adviser, PriceWaterhouseCoopers, and by the company secretary, The City Partnership (UK) Limited. The Board has direct access to corporate governance advice and compliance services through the company secretary, which is responsible for ensuring that board procedures are followed and compliance requirements are met.

All Directors may take independent professional advice in furtherance of their duties as necessary. Any newly appointed director will be given a comprehensive introduction to the Company's business including meeting the Company's advisers.

The Board is responsible to shareholders for the proper management of the Company and looks to meet on at least four occasions each year. It has formally adopted a schedule of matters which must be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. The chairman together with the company secretary establish the agenda for each board meeting and all necessary papers are distributed in advance of the meetings. The Board considers all matters not included within the remits of the board committees.

Board committees

There are three board committees: an investment committee, an audit committee and a nominations and remuneration committee. Copies of their terms of reference are available from the company secretary.

Investment committee

This is a fully constituted board committee established to perform the duties summarised below and to report on those matters to the Board:

- In respect of equity investment opportunities: to consider each such opportunity of which it is appraised by IBIS Capital; to decide which of the investment opportunities should be accepted by the Company; to ensure that investments fall within the investment policy described in the prospectus; to monitor investee companies and the Company's investments therein.
- In respect of fixed interest investments to monitor the Company's investment in fixed interest securities.
- Generally, to monitor the Company's performance in respect of the VCT investment criteria and to advise the Board as necessary.
- After reviewing the advice of advisers, to determine the valuation of each investment in accordance with the previously agreed valuation guidelines.

The members of the investment committee are all the Company's directors and an independent special adviser, Gary Hughes. The chairman of the committee is Sir Robin Miller.

A quorum shall be two members and must include at least two members of the committee other than David Forster and Charles McIntyre. Each investment must be approved by at least two Directors with no member of the committee voting against the proposed investment. Neither David Forster nor Charles McIntyre has a vote on the investment committee but both may participate in its discussions.

Audit committee

This is a fully constituted board committee established to perform the duties summarised below and to report on those matters to the Board:

- To monitor the integrity of the financial statements of the Company, and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgments contained in them.
- To review the Company's internal financial controls and, unless expressly addressed by a separate board risk committee, or by the Board itself, to review the Company's internal control and risk management systems.
- To make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.
- To review the half-year and annual financial statements before submission to the Board.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary).
- To monitor and review the effectiveness of any internal audit activities. If there is no internal audit function to consider annually if there is a need for such an audit and to make a recommendation to the Board.
- To review the external auditor's management letter and management's response.

The committee shall comprise at least 3 independent Directors. The first members of the committee are Peter Williams (chairman), Peter English and Lucy MacDonald.

A quorum shall be two members.

Nominations & remuneration committee

This is a fully constituted board committee established to perform the duties summarised below and to report on those matters to the Board.

The duties of the committee as regards remuneration shall be:

- To determine and agree with the Board the framework or broad policy for the remuneration of the chairman, the Directors and the secretary. No Director or manager should be involved in any decisions as to their own remuneration.
- To determine targets for any performance related pay schemes operated by the Company; to ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised; within the terms of the agreed policy, to determine the total individual remuneration package of each Director including, where appropriate, bonuses, incentive payments and share options; in determining such packages and arrangements, to give due regard to the contents of the Code as well as the UK Listing Authority's Listing Rules and associated guidance.
- To agree the policy for authorising claims for expenses from the Directors.
- To be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee.
- To report the frequency of, and attendance by members at, remuneration committee meetings in the annual reports.

Statement of Corporate Governance (continued)

The duties of the committee as regards nominations shall be:

- To be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise.
- Before making an appointment, to evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- To review annually the time required from a non-executive Director. Performance evaluation should be used to assess whether the non-executive Director is spending enough time to fulfil their duties.
- To monitor and review the effectiveness and performance of individual directors of the Company.
- To review regularly the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.
- To keep under review the leadership needs of the Company, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.
- To make a statement in the annual report about its activities; the process used for appointments and explain if external advice or open advertising has not been used; the membership of the committee, number of committee meetings and attendance over the course of the year.
- To ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

The committee shall comprise at least two Directors. The first members of the committee are Lucy MacDonald (chairman) and Simon Jamieson.

A quorum shall be two members.

Attendance at Board and committee meetings

During the year ended 31 January 2009 there were:

- 6 full Board meetings
- 5 investment committee meetings
- 1 audit committee meeting
- No meetings of the nominations & remuneration committee

The Directors' attendance at these meetings is noted below.

Director	Board	Investment committee	Audit committee
Robin Miller	6	5	1
Peter English	6	5	1
Simon Jamieson	5	4	
Lucy MacDonald	4	3	
Peter Williams	4	3	1
David Forster	5	5	1
Charles McIntyre	5	4	

Internal control

The Board has established an ongoing process for the identification, evaluation and management of the significant risks faced by the Company. The Board acknowledges that it is responsible for the Company's internal control systems and for reviewing their effectiveness. Internal controls are designed to manage the particular needs of the Company and the risks to which it is exposed. The internal control systems aim to ensure the maintenance of proper accounting records, the reliability of the financial information on which business decisions are made and which is used for publication, and that the assets of the Company are safeguarded. They can by their nature provide only reasonable and not absolute assurance against material misstatement or loss. The financial controls operated by the Board include the authorisation of investments and regular reviews of both the financial results and investment performance.

The Board has delegated to third parties the provision of: investment advisory services; VCT status advisory services; broking services; day-to-day accounting, company secretarial and administration services; and share registration services.

Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers regular reports from the Investment Committee which, in turn, receives and considers regular reports from the Investment Adviser. Ad hoc reports and information are supplied to the Board as required. The Board keeps under review the terms of the agreement with the Investment Adviser.

Review of internal control

The process adopted by the Board for identifying, evaluating and managing the risks faced by the Company includes an annual review of the control systems. The review covers a consideration of the significant risks in each of five areas: statutory and regulatory compliance, financial reporting, investment strategy, investment performance and reputation.

Each risk is considered with regard to: the likelihood of occurrence, the probable impact on the Company, and the controls exercised at source, through reporting and at board level.

The Board has identified no problems with the Company's internal controls.

Relations with shareholders

The Board welcomes the views of shareholders and puts a premium on effective communication with the Company's members.

All written communication with shareholders is reviewed by the Board to ensure that shareholder enquiries are promptly and adequately resolved.

Shareholders are encouraged to attend the Company's annual general meeting where the Directors and representatives of the Company's advisers will be available to answer any questions members may have. The notice of the 2009 annual general meeting accompanies this report – separate resolutions are proposed for each substantive issue.

The Board also communicates with shareholders through interim and annual reports which will include a chairman's statement and an investment adviser's report both of which are reviewed and approved by the Board to ensure that they present a fair assessment of the Company's position and future prospects.

During the period under review, the Company held a shareholder evening at which the Chairman reviewed the Company's progress, presentations were given by several of the Company's investee companies and shareholders were invited to question both the Company's directors and the management of the investee companies.

Accountability and audit

The statement of the directors' responsibility in respect of the financial statements and the independent auditors' report are presented on pages 24 and 25 respectively of this report.

Internal audit

The Company does not have an independent internal audit function. Such a function is thought by the Board to be unnecessary at this time given the size of the Company and the nature of its business. However, the audit committee considers annually whether an independent internal audit function should be introduced and reports its conclusions to the Board.

Going concern

After making enquiries, the Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, the going concern basis has been adopted in the preparation of the Company's financial statements.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements. The Directors have chosen to prepare the financial statements for the Company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view in accordance with the UK GAAP of the state affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period and which comply with UK GAAP and the Companies Act 1985. In preparing those 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 all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with these requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report

to the shareholders of IBIS Media VCT 1 plc

We have audited the financial statements of IBIS Media VCT 1 plc for the year ended 31 January 2009, which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. 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

The Directors' are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Corporate Governance.

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

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

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

We review whether the Statement on Corporate Governance on page 20 reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statement on Internal Control covers all risks or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the annual report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. The other information comprises the Financial Summary & Investment Policy, Chairman's Statement, Investment Adviser's Review, Investment Portfolio, Venture Capital Investments, Directors' Report, Directors' Remuneration Report, Statement of Corporate Governance, Statement of Directors' Responsibilities, Notice of Annual General Meeting and Corporate Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2009 and of the total return for the year then ended;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Scott-Moncrieff
Chartered Accountants
Registered Auditor

30 May 2009 .

17 Melville Street
Edinburgh

Income Statement

for the year ended 31 January 2009

		Year ended 31 January 2009			Year ended 31 January 2008		
		Revenue	Capital	Total	Revenue	Capital	Total
	Note	£	£	£	£	£	£
Realised/unrealised movements on investments		-	(157,496)	(157,496)	-	131,289	131,289
Income	2	341,146	-	341,146	343,103	-	343,103
Investment adviser's fees	3	(27,385)	(82,156)	(109,541)	(27,423)	(82,271)	(109,694)
Other expenses	4	(183,076)	-	(183,076)	(177,477)	-	(177,477)
Return on ordinary activities before tax		130,685	(239,652)	(108,967)	138,203	49,018	187,221
Tax on ordinary activities	6	(22,800)	17,594	(5,206)	(25,306)	25,306	-
Return attributable to equity shareholders		107,885	(222,058)	(114,173)	112,897	74,324	187,221
Transfer to reserves		107,885	(222,058)	(114,173)	112,897	74,324	187,221
Return per share							
Return per ordinary share	8	1.34p	(2.76)p	(1.42)p	1.51p	0.99p	2.50p

The total column of this statement represents the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits. The Company has no gains and losses other than those recognised in the Income Statement above and has not therefore prepared a separate statement of total recognised gains and losses.

The accompanying notes on pages 30 to 39 are an integral part of the financial statements.

Balance Sheet
as at 31 January 2009

	Note	As at 31 January 2009 £	As at 31 January 2008 £
Fixed assets			
Investments	1 & 9	3,823,792	2,526,815
Current assets			
Debtors	11	219,988	144,058
Liquidity funds and cash at bank		3,518,899	5,030,256
		3,738,887	5,174,314
Creditors: amounts falling due within one year	12	(138,701)	(51,812)
Net current assets		3,600,186	5,122,502
Net assets		7,423,978	7,649,317
Capital and reserves			
Called up share capital	13	80,478	80,378
Share premium account	14	2,087,254	2,077,804
Special reserve	14	5,312,236	5,352,475
Capital reserves	14	(196,036)	26,022
Revenue reserves	14	140,046	112,638
Total equity shareholders' funds		7,423,978	7,649,317
Net asset value per share	15	92.25p	95.17p

The accompanying notes on pages 30 to 39 are an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 30 May 2009 and signed on their behalf by:

Sir Robin Miller
Director

David Forster
Director

Cash Flow Statement

for the year ended 31 January 2009

	Note	£	Year ended 31 January 2009 £	£	Year ended 31 January 2008 £
Operating activities					
Investment income received – qualifying		266,191		252,524	
Deposit and similar interest received – non qualifying		4,864		32,554	
Investment adviser's fees paid		(112,166)		(148,570)	
Company secretarial fees paid		(25,850)		(24,675)	
Cash paid to and on behalf of directors		(87,679)		(65,470)	
Other cash payments		(58,384)		(51,530)	
Net cash outflow from operating activities	16		(13,024)		(5,167)
Financial investment					
Purchase of investments	9	(1,387,167)		(2,392,865)	
Sale of investments		-		747,848	
Net cash outflow from financial investment			(1,387,167)		(1,645,017)
Dividends					
Equity dividends paid		(120,716)		-	
Net cash outflow from dividends			(120,716)		-
Net cash outflow before financing			(1,520,907)		(1,650,184)
Financing					
New share issue		10,000		2,159,000	
Share issue expenses		(450)		(57,863)	
Net cash inflow from financing			9,550		2,101,137
Increase/(decrease) in cash	17		(1,511,357)		450,953

The accompanying notes on pages 30 to 39 are an integral part of the financial statements.

Reconciliation of Movements in Shareholders' Funds

	2009 £	2008 £
Total net assets attributable at 31 January 2008 (31 January 2007)	7,649,317	5,362,304
Capital per share issue	10,000	2,198,735
Expenses of offer	(450)	(98,943)
Dividend	(120,716)	
Return for the period	(114,173)	187,221
Total net assets attributable at 31 January 2009 (31 January 2008)	7,423,978	7,649,317

The accompanying notes on pages 30 to 39 are an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting policies

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

a) Basis of accounting

The accounts have been prepared in accordance with applicable Accounting Standards and with the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies' ("SORP"), issued in December 2005.

b) Investments

The Company did not hold any listed investments at any time during the period under review. In accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), investments in unlisted companies, other than those traded on AIM/OFEX, are valued at fair value by the Directors with reference to the following guidelines:

- Investments which have been made within the last twelve months are valued at cost except where the company's performance against plan is significantly below the expectations on which the investment was made, in which case provision against cost is made as appropriate
- Where a company is in the early stage of development, it will normally continue to be held at cost on the basis described above.
- Where a company is well established after one year from the date of investment the shares may be valued by applying a suitable price-earnings ratio to that company's historical post tax earnings. The ratio used is based on a comparable listed company or sector but discounted to reflect lack of marketability. Alternative methods of valuation will include cost, provision against cost, discounted cash flow or net asset value where such factors apply that make one of these methods more appropriate.

Alternatively, where a value is indicated by a material arm's-length transaction by a third party in the shares of a company, the valuation will normally be based on this.

Investments in companies traded on AIM/OFEX will be valued at their bid prices as appropriate.

Realised surpluses or deficits on the disposal of investments and impairments in the value of investments are taken to realised capital reserves, and unrealised surpluses and deficits on the revaluation of investments are taken to unrealised capital reserves.

c) Income

Dividends receivable on listed equity shares are brought into account on the ex-dividend date. Dividends receivable on unlisted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received. 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.

d) Expenses

All expenses (inclusive of VAT where appropriate) are accounted for on an accruals basis. Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment, which are included within the cost of the investment or deducted from the disposal proceeds as appropriate, and with the exception that 75% of the fees payable to IBIS Capital Limited are charged against capital.

e) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or right to pay less, tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Due to the Company's status as a Venture Capital Trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising in the revaluation or disposal of investments.

f) Financial instruments

The Company's financial instruments comprise its investment portfolio and cash balances. The Company holds financial assets that comprise investments in unlisted companies. The fair value is not materially different from the carrying value for all financial assets and liabilities.

2. Income

	2009 £	2008 £
Interest receivable		
- from liquidity funds	227,037	262,607
- from bank deposits	3,874	33,554
- from loan stock	85,605	34,508
Equity dividends	24,630	12,434
	341,146	343,103

3. Investment adviser's fees

	2009 £	2008 £
IBIS Capital Limited	109,929	93,357
Irrecoverable VAT	29,612	16,337
VAT recoverable	(30,000)	-
	109,541	109,694

IBIS Capital Limited has been appointed as the Company's investment adviser. This appointment shall continue until terminated by the expiry of not less than twelve months' notice in writing given by either party to the other at any time after the third anniversary of the last date on which ordinary shares issued pursuant to the prospectus published in February 2006 were admitted to the Official List and to trading on the London Stock Exchange. This appointment may also be terminated in circumstances of material breach by either party.

IBIS Capital Limited receives an annual advisory fee. The fee is payable quarterly in advance, such quarterly fee (exclusive of VAT) being equal to one-quarter of 2.25% of the net asset value of the Company as at the commencement of the quarter but excluding any amount taken into consideration in the calculation of that net asset value which is intended to be distributed to shareholders within that quarter.

The Investment Adviser and each member of the Investment Committee (other than Messrs. Forster and McIntyre who will benefit through their shareholdings in IBIS Capital Limited, the Investment Adviser) will each be entitled to share in a performance related incentive fee equal to 20% of the increase in the Performance Value per ordinary share over an initial period of three years and thereafter each successive period of six months. No fee will be payable unless two tests are met. First, a performance hurdle must be achieved that requires the Performance Value per ordinary share to exceed 150 pence and that cumulative cash distributions are not less than 60 pence per ordinary share. Second, the Performance Value per ordinary share must be higher than the highest previously recorded Performance Value per ordinary share.

Each member of the Investment Committee will be entitled to a 3% share of the performance related incentive fee, save that the Chairman of the Board will be entitled to a share of 3.5%. The Investment Adviser will be entitled to the remaining 81.5% of the performance related incentive fee.

Total annual running costs have been capped at 3.5% of average net assets (excluding the investment adviser's performance related incentive fee, irrecoverable VAT and costs of any significant corporate activity) with any excess being borne by the Investment Adviser.

Notes to the Financial Statements (continued)

4. Other expenses

	2009 £	2008 £
Directors' remuneration	80,676	80,740
Company secretarial fees	22,000	21,000
Auditors' fees – audit services	10,000	9,000
Printing & stationery	6,903	5,128
Other costs	47,803	44,702
Irrecoverable VAT	15,694	16,907
	183,076	177,477

The Company has no employees.

5. Directors' and special adviser's fees

	2009 £	2008 £
Lucy MacDonald	12,500	12,500
Peter Williams	12,500	12,500
Gary Hughes (special adviser)	12,500	12,500
David Forster	-	-
Charles McIntyre	-	-
Amounts paid and payable to third parties for the services of:		
Sir Robin Miller	15,000	15,000
Peter English	12,500	12,500
Simon Jamieson	12,500	12,500
	77,500	77,500
Employer's NICs	3,176	3,240
	80,676	80,740

These sums are shown net of irrecoverable VAT as appropriate.

No pension scheme contributions or other retirement benefit contributions were paid. There are no share option contracts held by the Directors. Since all of the fee earning Directors are non-executive, the other disclosures required by the Listing Rules are not relevant.

6. Tax on ordinary activities

a) Analysis of tax charge

	2009 £	2008 £
Revenue charge	22,800	25,306
Credited to capital return	(17,594)	(25,306)
Current and total tax charge (note (b))	5,206	-

b) Factors affecting tax charge for the year

	2009	2008
Total return on ordinary activities before tax	(108,967)	187,221
Add: unrealised losses/(gains)	157,496	41,050
Less: non-taxable realised gains	-	(172,339)
Add: transaction costs and investment management expense charged to capital	82,156	82,271
Revenue return on ordinary activities before taxation	130,685	138,203
Corporation tax at 20.84% (2008: 19.84%)	27,230	27,420
Non-taxable UK dividends	(5,132)	(2,467)
Non-allowable expenditure	702	353
Taxation on revenue return	22,800	25,306
Taxation on allowable expenditure charged to capital return	(17,118)	(16,323)
Unrelieved expenses	-	-
Utilisation of previous tax losses	(476)	(8,983)
Credited to capital return	(17,594)	(25,306)
Tax charge for year (note (a))	(5,206)	-

Tax relief relating to investment management fees is allocated between revenue and capital where such relief can be utilised.

No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments as the Company is exempt from corporation tax in relation to capital gains or losses as a result of qualifying as a venture capital trust.

There is no potential liability to deferred tax (2008: nil). There is no unrecognised deferred tax asset (2008: £453). The deferred tax asset relates to prior year unutilised expenses.

Notes to the Financial Statements (continued)

7. Dividends paid and proposed

	2009 £	2008 £
Amounts recognised as distributions to equity holders in the year.	120,716	nil

The Directors recommend a final dividend of 1.5p per share (2008: 1.5p) to be paid on 28 July 2009 to all shareholders on the register as at close of business on 17 July 2009. The proposed final dividend is subject to approval by the shareholders at the 2009 annual general meeting and has not been included as a liability in these financial statements.

The total dividend payable in respect of the financial year is set out below.

	2009 £	2008 £
Proposed final dividend – 1.5p per ordinary share (2008: 1.5p)	120,716	120,716

8. Return per share

			2009			2008
	Revenue	Capital	Total	Revenue	Capital	Total
Return per ordinary share	1.34p	(2.76)p	(1.42)p	1.51p	0.99p	2.50p

Basic revenue return per share is based on the net revenue profit (2008: profit) from ordinary activities after taxation of £107,885 (2008: £112,897) and on 8,046,015 (2008: 7,498,719) ordinary shares, being the weighted average number of shares in issue during the year. Basic capital return per share is based on the net capital losses (2008: gains) after taxation of £(222,058) (2008: £74,324) and on 8,046,015 (2008: 7,498,719) ordinary shares, being the weighted average number of shares in issue during the year.

9. Investments

Movements in investments during the year are summarised as follows:

	Venture capital - unquoted £	Venture capital - quoted £	Total £
Book cost at 31 January 2008	1,870,015	697,850	2,567,865
Unrealised gains/(losses) at 31 January 2008	-	(41,050)	(41,050)
Valuation at 31 January 2008	1,870,015	656,800	2,526,815
Movements in the year:			
- Purchases at cost	1,454,473	-	1,454,473
- Disposals - proceeds	-	-	-
- net realised gains/losses	-	-	-
Movement in unrealised gains/(losses)	203,744	(361,240)	(157,496)
Valuation at 31 January 2009	3,528,232	295,560	3,823,792
Comprising:			
- Book cost at 31 January 2009	3,324,488	697,850	4,022,338
- Unrealised gains/(losses) at 31 January 2009	203,744	(402,290)	(198,546)
	3,528,232	295,560	3,823,792

During the year, the Company incurred disposal transaction costs of £nil (2008: £4,108).

10. Significant interests

As at the balance sheet date and from the dates of making the investments the Company has held 10% or more in the undernoted investments:

Investment	Percentage equity holding
Get Me Media	25.0
Heritage House Media Limited	20.0
Skive	14.0
Masher	20.0

11. Debtors

	2009 £	2008 £
Amounts falling due within one year:		
Accrued interest and other accrued income	158,116	61,276
Prepayments	3,473	4,732
Investment adviser	58,399	78,050
	219,988	144,058

12. Creditors: amounts falling due within one year

	2009 £	2008 £
Sundry creditors and accruals	138,701	51,812
	138,701	51,812

13. Called-up share capital

	2009 £	2008 £
Authorised:		
30,000,000 ordinary shares of 1p each	300,000	300,000
Allotted, called-up and fully paid:		
8,047,764 ordinary shares of 1p each (2008: 8,037,764)	80,478	80,378

During the year, the Company issued 10,000 ordinary shares as detailed below:

Allotted, called-up and fully paid:

No of shares	Nominal value £	Consideration received £
10,000 ordinary shares issued on 5 April 2008	100	10,000

Notes to the Financial Statements (continued)

14. Reserves

	Share premium £	Special reserve £	Capital reserve (realised) £	Capital reserve (unrealised) £	Revenue reserves £	Total £
At 31 January 2008	2,077,804	5,352,475	67,072	(41,050)	112,638	7,568,939
Share issue	9,900	-	-	-	-	9,900
Share issue expenses	(450)	-	-	-	-	(450)
Dividend	-	(40,239)	-	-	(80,477)	(120,716)
Movement in realised reserves	-	-	(64,562)	-	-	(64,562)
Movement in unrealised reserves	-	-	-	(157,496)	-	(157,496)
Movement in revenue reserves	-	-	-	-	107,885	107,885
At 31 January 2009	2,087,254	5,312,236	2,510	(198,546)	140,046	7,343,500

15. Net asset value per share

The net asset value per ordinary share at the year end was as follows:

	2009 Net asset values attributable		2008 Net asset values attributable	
	Net assets	Net assets per share	Net assets	Net assets per share
Ordinary shares (basic)	£7,423,978	92.25p	£7,649,317	95.17p

Net asset value per share is based on net assets at the year end and on 8,047,764 (2008: 8,037,764) ordinary shares, being the number of shares in issue at the year end.

16. Reconciliation of net return before taxation to net cash outflow from operating activities

	2009 £	2008 £
Net revenue before taxation for the period	130,685	138,203
Investment adviser's fees charged to capital	(82,156)	(82,271)
Outstanding balance of offer fee charged to share premium	-	(1,345)
(Increase) in debtors	(75,930)	(90,191)
Increase in creditors and accruals	86,889	30,437
Exclude tax-related balances	(5,206)	-
Exclude fixed asset balances	(67,306)	-
Net cash outflow from operating activities	(13,024)	(5,167)

17. Analysis of changes in net funds

	Cash £	Liquid funds £	Total £
As at 1 February 2008	294,962	4,735,294	5,030,256
Cash flows	(131,918)	(1,379,439)	(1,511,357)
As at 31 January 2009	163,044	3,355,855	3,518,899

18. Financial instruments

The Company's financial instruments comprise:

- Equity and fixed-interest investments, and units in open-ended investment companies
- Cash balances and liquid resources

Investments are made in a combination of equity and loans. Surplus funds are held on bank deposit or in listed money market instruments. It is not the Company's policy to trade in financial instruments or derivatives.

Fixed asset investments are valued at fair value. For quoted investments this is bid price. In respect of unquoted investments, these are valued by the Directors in accordance with current industry guidelines. Where no reliable fair value can be estimated, unquoted investments are carried at cost subject to provision for impairment where necessary. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet.

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 31 January 2009:

	2009 (Book cost) £	2009 (Fair value) £	2008 (Book cost) £	2008 (Fair value) £
Assets at fair value through profit and loss				
Investment portfolio	3,955,032	3,823,792	2,526,815	2,526,815
Current investments	3,355,855	3,355,855	4,735,294	4,735,294
Cash at bank	163,044	163,044	294,962	294,962
Loans and receivables				
Accrued income	158,117	158,117	61,275	61,275
Other debtors	61,871	61,871	82,783	82,783
Other creditors	(138,701)	(138,701)	(51,812)	(51,812)
	7,555,218	7,423,978	7,649,317	7,649,317

Unquoted investments account for 92.3% of the investment portfolio (2008: 74.0%) by value. The investment portfolio has a 100% concentration of risk towards small UK based, sterling denominated companies and represents 51.5% (2008: 33.0%) of net assets at the year-end.

Current investments are money market funds which represent 45.2% (2008: 61.9%) of net assets at the year-end.

The main risks arising from the Company's financial instruments are credit risk, market price risk, interest rate risk and liquidity risk. All assets and liabilities are denominated in sterling, hence there is no currency risk.

Credit risk

Credit risk is managed by settling all transactions on the basis of delivery against payment.

Market price risk

The Board manages the market risk inherent in the Company's portfolio by maintaining an appropriate spread of market risk and by ensuring full and timely access to relevant information from the Investment Committee. The Investment Committee reviews the investment performance and financial results, as well as compliance with the Company's investment objectives. The Board seeks to ensure that an appropriate proportion of the Company's portfolio is invested in cash and readily realisable securities which are sufficient to meet any funding commitments which may arise. The Company does not use derivative instruments to hedge against market risk.

The equity and fixed interest stocks of the Company's unquoted investee companies are very seldom traded and, as such, their prices are more uncertain than those of more frequently traded stocks. It is estimated that a 10% fall in the carrying value of the Company's unquoted investments would reduce profit before tax for the year and the Company's net asset value per share by £352,823 and 4.4p respectively.

Notes to the Financial Statements (continued)

Interest rate risk

Some of the Company's financial assets are interest bearing, some of which are at fixed rates and some at variable. As a result, the Company is exposed to interest rate risk due to fluctuations in prevailing levels of market interest rates. The Board seeks to mitigate this risk through regular monitoring of the Company's interest bearing investments. The Company does not use derivative instruments to hedge against interest rate risk.

As at 31 January 2009, the Company's financial assets by value, excluding short-term trade debtors and creditors as permitted by Financial Reporting Standard 25 "Financial Instruments: Disclosure and Presentation", comprised:

Financial assets	£	%	Interest rate	Weighted average interest rate, %	Weighted average period rate fixed, years
Venture capital investments					
- Ordinary shares	2,206,950	30.0	n/a	n/a	n/a
- Loan stock (fixed rate)	100,000	1.4	Fixed	Nil for first three years & then 20	Indefinitely from end of third year
- Loan stock (fixed rate)	709,211	9.7	Fixed	12	Indefinitely
- Loan stock (fixed rate)	92,631	1.3	Fixed	12	Indefinitely
- Loan stock (fixed rate)	100,000	1.4	Fixed	12	Indefinitely
- Loan stock (fixed rate)	175,000	2.3	Variable	2 above base	Three years
				12	Indefinitely after third year
- Loan stock (fixed rate)	440,000	6.0	Fixed	10	Indefinitely
Liquidity funds	3,355,855	45.7	Floating	5.8	n/a
Bank deposits	163,044	2.2	Floating	3.6	n/a
	7,342,691	100.0			

It is estimated that a one percentage point fall in interest rates would have increased the pre-tax loss for the year by 42.4%.

The risk from future fluctuations in interest rate movements should be mitigated by the Company's intention to complete its investment strategy and to hold a majority of its investments in instruments which are not exposed to market interest rate changes.

Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and thus are not readily realisable. At times the Company may be unable to realise its investments at their carrying values because of an absence of willing buyers. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs. To counter such liquidity risk, sufficient cash and money market funds are held to meet running costs and other commitments. The Company invests its surplus funds in high quality liquidity funds which are all accessible on an immediate basis.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, satisfy the relevant HMRC requirements and provide at least adequate returns for shareholders.

As a VCT, the Company must have, and must continue to have, within three years of raising its capital at least 70% by value of its investments in VCT qualifying holdings which are a relatively high risk asset class of small UK companies. In satisfying this requirement, the Company's capital management scope is restricted. Subject to this restriction, the Company may adjust dividends, return capital to shareholders, issue new shares or sell assets to maintain the level of liquidity to remain a going concern.

19. Post balance sheet events

In May 2009, the Company paid for the final instalment of loan stock, £67,306, taken in Masher. The Company also completed a follow-on investment of £210,000 in Get Me Media.

20. Geographical analysis

The operations of the Company are wholly in the United Kingdom.

21. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments of the Company as at 31 January 2009.

22. Transactions with the Investment Adviser

During the year ended 31 January 2009 (year ended 31 January 2008), the Company incurred costs of £168,327 (£258,725) (exclusive of VAT) payable to IBIS Capital, the Investment Adviser:

- £nil (£98,943) as a fund-raising fee in respect of the Company's offer for subscription. IBIS Capital met all the costs of the offer from this fee.
- £168,327 (£159,782) as an investment advisory fee.

As at 31 January 2009 (31 January 2008), the Investment Adviser owed the Company £58,399 (£66,426) (exclusive of VAT) in respect of the cap on the Company's annual running expenses. Under the Company's agreement with the Investment Adviser, this sum is paid by deduction from the Investment Adviser's fee for the year ending 31 January 2010 (31 January 2009).

Details of the Investment Adviser's fee arrangements are given in Note 3.

Notice of Annual General Meeting

Notice is hereby given that the third annual general meeting of IBIS Media VCT 1 plc will be held at 6.00pm on 2 July 2009 at 22 Soho Square, London W1D 4NS for the purpose of considering and, if thought fit, passing the following Resolutions (of which, Resolutions 1 to 9 will be proposed as Ordinary Resolutions and Resolutions 10 and 11 will be proposed as Special Resolutions):

Ordinary Business

1. To receive the Directors' and the Independent Auditors' Reports and the Company's financial statements for the year ended 31 January 2009.
2. To declare a final dividend of 1.5p per share in respect of the year ended 31 January 2009 with a payment date of 28 July 2009 and a record date of 17 July 2009.
3. To approve the Directors' Remuneration Report for the year ended 31 January 2009.
4. To re-elect Ms Lucy MacDonald as a director of the Company.
5. To re-elect Mr Charles McIntyre as a director of the Company.
6. To re-elect Mr Peter Williams as a director of the Company.
7. To re-appoint Scott-Moncrieff as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
8. To authorise the Directors to fix the remuneration of the auditors.

Special Business

As Special Business, to consider and, if thought fit, to pass the following Resolutions:

9. (i) That the Directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (as amended) (the "Act") to exercise all the powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £12,070 during the period commencing on the passing of this resolution and expiring on the earlier of the date of the annual general meeting of the Company to be held in 2010 and the date which is 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require relevant securities to be allotted after such expiry; and

   (ii) That all previous authorities given to the Directors in accordance with section 80 of the Act be and they are hereby revoked, provided that such revocation shall not have retrospective effect.

Special Resolutions

10. The Directors be and are hereby empowered pursuant to Section 95(1) of the Act to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 94(2) of the Act) for cash pursuant to the authority given in accordance with Section 80 of the Act by the Resolution 9 set out in this notice of Annual General Meeting as if section 89(1) of the Act did not apply to such allotment provided that this power shall expire on the date falling 15 months after the date of the passing of this resolution and provided further that this power shall be limited to the allotment and issue of equity securities in connection with:

    (i) the allotment of equity securities with an aggregate nominal value of up to but not exceeding 10% of the issued ordinary share capital where the proceeds of the allotment are to be used in whole or in part to purchase the Company's Ordinary Shares, and

    (ii) the allotment of equity securities from time to time with an aggregate nominal value of up to but not exceeding 5% of the issued Ordinary Share capital of the Company.

11. That the Company be and is hereby generally and unconditionally authorised for the purpose of section 166 of the Act to make market purchases (as defined in section 163(3) of the Act) of ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") provided that:

    (i) The maximum aggregate number of Ordinary Shares hereby authorised to be purchased is an amount equal to 14.99% of the issued ordinary share capital of the Company from time to time;

    (ii) The minimum price which may be paid for an Ordinary Share is 1p per share, the nominal amount thereof;

    (iii) The maximum price which may be paid for an Ordinary Share is an amount equal to 105% of the average of the middle market prices shown in the quotations for an ordinary share in The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is purchased;

(iv) The authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the annual general meeting of the Company to be held in 2010 and the date which is 15 months after the date on which this resolution is passed; and

(v) The Company may make a contract or contracts to purchase its own Ordinary Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of its own Ordinary Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

By order of the Board

The City Partnership (UK) Limited
Secretary

30 May 2009

Notes

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can appoint a proxy only by using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
4. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
   - completed and signed;
   - sent or delivered to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by fax to 01252 719232; and
   - received by Share Registrars Limited no later than 30 June 2009 at 6.00pm.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
7. To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
8. In order to revoke a proxy instruction you will need to inform the Company using the following method:

   Send a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

   The revocation notice must be received by Share Registrars Limited no later than 30 June 2009 at 6.00pm. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the following text, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
9. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6.00pm on 30 June 2009 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote (whether on a show of hands or on a poll) at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6.00pm on 30 June 2009 or, in the event that the meeting is adjourned, in the register of members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
10. Biographical details of the Directors are given on page 3 of the Annual Report and Financial Statements.
11. The issued share capital of the Company at the date of this notice is 8,047,764 ordinary shares. The total number of voting rights in the Company is 8,047,764.
12. The following documents are available for inspection at the registered office of the Company:
    - The Directors' letters of appointment
    - Register of the Directors' interests in the share capital of the Company

Corporate Information

Directors (all non-executive)

Independent
Sir Robin W Miller (Chairman)
Peter D English
Lucy H MacDonald
John P Williams
Simon D A Jamieson

Not independent
David C K Forster
Charles A McIntyre

All of the registered office and principal place of business of IBIS Media VCT 1 plc
22 Soho Square
London
W1D 4NS

VCT web site: www.ibismediavct.com

IBIS Media VCT 1 plc

(incorporated in England and Wales registration number: 5660269)

Reporting Calendar
for year ending 31 January 2010

Year end:	31 January 2010
Results announced:	Interim – August 2009 Annual – May 2010
Annual general meeting	June 2010

Investment Adviser

IBIS Capital Limited
22 Soho Square
London
W1D 4NS

Secretary

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh
EH2 1DF
Telephone: 0131 220 8226
Email: help@thecitypartnershipuk.com

Registrars

Share Registrars Limited
Suite E, First Floor
9 Lion and Lamb Yard
Farnham
Surrey
GU9 7LL

Bankers

Barclays Bank plc
1st Floor
99 Hatton Garden
London
EC1N 8DN

Sponsor & Broker

Brewin Dolphin Investment Banking
34 Lisbon Street
Leeds
LS1 4LX

Auditors

Scott-Moncrieff
Chartered Accountants
17 Melville Street
Edinburgh
EH3 7PH

VCT Status Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Form of Proxy
IBIS Media VCT 1 plc

Annual General Meeting – 2 July 2009

I/We...
(block capitals, please)

of ....

being a member of IBIS Media VCT 1 plc, hereby appoint (see note 3)

....

or failing him/her, the chairman of the meeting to be my/our proxy and vote for me/us on my/our behalf at the third annual general meeting of the Company to be held on 2 July 2009, notice of which was sent to shareholders with the annual report and financial statements for the year ended 31 January 2009, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting:

No.	Resolution	For	Against	Vote withheld
1	To receive the financial statements for the year ended 31 January 2009.			
2	To declare a dividend of 1.5p per share in respect of the year ended 31 January 2009.			
3	To approve the Directors' Remuneration Report in respect of the year ended 31 January 2009.			
4	To re-elect Lucy MacDonald as a director of the Company.			
5	To re-elect Charles McIntyre as a director of the Company.			
6	To re-elect Peter WIlliams as a director of the Company.			
7	To reappoint Scott-Moncrieff as independent auditors.			
8	To authorise the Directors to fix the remuneration of the independent auditors.			
9	To authorise the Directors to allot shares pursuant to Section 80 of the Companies Act 1985.			
10	To disapply Section 89 of the Companies Act 1985 in relation to the allotment of equity securities.			
11	To authorise the Company to make market purchases of ordinary shares in accordance with Section 166 of the Companies Act 1985.			

Signed: .... Date:.. 2009

Notes

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the chairman of the meeting, insert their full name in the space provided. If you sign and return this proxy form with no name inserted in the box, the chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To appoint a proxy using this form, the form must be:
   - completed and signed;
   - sent or delivered to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by fax to 01252 719232; and
   - received by the Company no later than 30 June 2009 at 6.00pm.
7. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.
12. The "vote withheld" option is provided to enable a member to abstain from voting on the resolution; however, it should be noted that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "for" and "against" the resolution.

Attendance indication

Shareholders who intend to attend the annual general meeting are requested to place a tick in the box below in order to assist with administrative arrangements.

I intend to attend the annual general meeting at 6.00pm on 2 July 2009 at 22 Soho Square, London W1D 4NS ☐

Signed: .... Date: 2009

Second Fold

Business Reply Service:
GI 2155

Share Registrars Limited
Suite E, First Floor,
9 Lion and Lamb Yard,
Farnham, Surrey
GU9 7LL

First Fold

Third fold and tuck in.

IBIS Media VCT 1 plc
22 Soho Square
London
W1D 4NS

Tel: 020 7070 7080
www.ibismediavct.com