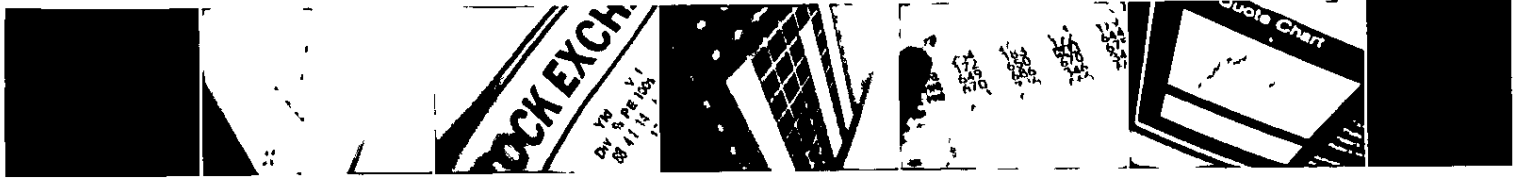


Keydata AIM VCT plc



Annual Report and Accounts Year ended 30 September 2007

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Investment Objective

The objective of the VCT is to achieve long term capital growth and to maximise tax free distributions to shareholders by investing in a diversified portfolio of small capitalised UK Companies primarily traded on AIM. At least 70% of the Company's funds must be invested in qualifying holdings within three years of raising the funds. The balance of the Company's funds will be invested in liquid assets (such as gilts, other fixed interest securities and bank deposits). The Company is managed as a Venture Capital Trust in order that shareholders in the Company may benefit from the tax relief available.

FINANCIAL HIGHLIGHTS

Ordinary Shares:	2007	2006	%Change
Net asset value per share	104 48p	107 04p	-2 4%
Cumulative distributions paid since launch	10 00p	5 00p	
Net asset value total return	114 48p	112 04p	+2 2%
Net asset value total return since launch at 95p	114 48p	N/A	+20 5%
Share price (mid)	100p	106p	-5 7%
Discount to Net Asset Value	4 06%	0 98%	
Returns per share			
Revenue return	0 40p	0 33p	
Capital return	2 04p	8 00p	
Total return	2 44p	8 33p	
Dividends			
Interim paid	5 0p	5 0p	
Final proposed	-	-	
Total dividend for year	5 0p	5 0p	+0%
C Ordinary Shares	2007	2006	%Change
Net asset value per share	96 07p	96 19p	-0 1%
Cumulative distributions paid since launch	1 75p	0 00p	
Net asset value total return	97 82p	96 19p	+1 7%
Net asset value total return since launch at 95p	97 82p	N/A	+3 0%
Share price (mid)	93p	100p	-7 0%
Discount/(premium) to Net Asset Value	3 43%	(3 96%)	
Returns per share			
Revenue return	1 63p	1 16p	
Capital return	0 00p	0 73p	
Total return	1 63p	1 89p	
Dividends			
Interim paid	0 75p	-	
Final proposed	0 75p	1 0p	
Total dividend for year	1 5p	1 0p	+50 0%
Total expense ratio	2 33%	2 09%	

CHAIRMAN'S STATEMENT

I am pleased to report that your Company continued to make good progress in the year ended 30 September 2007

Results - Ordinary Fund

The net asset value per ordinary share decreased by 2.4% to 104.48 pence during the year. After adjusting for the interim ordinary dividend paid in June 2007 of 5 pence per share, the underlying increase in NAV was 2.2% in the year. Earnings per ordinary share for the year were 2.44 pence per share (comprising revenue earnings of 0.40 pence and capital earnings of 2.04 pence).

The Investment Manager, Hargreave Hale, invested a further £4.0 million in 20 qualifying AIM companies during the year and made disposals or part disposals of five of the AIM investments, realising a net gain on sale of £0.61 million in the year. The main contributors to this realised gain were Ascribe, Egdon Resources and Internet Business Group. The bid value of qualifying investments at 30 September 2007 was £11.6 million invested in 47 AIM companies. With respect to the 70% investment test, as at 30 September 2007, 81.9% of the Company's investments were in Qualifying companies, comfortably ahead of the required 70% level. The balance was held in non-qualifying AIM stocks and short dated Treasury gilts.

Results - C Fund

The net asset value per C share decreased by 0.1% to 96.07 pence during the year. After adjusting for the interim C dividend paid of 0.75 pence per share and the final dividend for 2006 of 1 pence per share, the underlying increase in NAV was 1.7% in the year. Earnings per C share for the year were 1.63 pence per share (comprising revenue earnings of 1.63 pence and capital earnings of 0.00 pence).

The Investment manager invested £5.1 million in 25 AIM investments during the year. The bid value of qualifying investments at 30 September 2007 was £6.3 million invested in 29 AIM companies. With respect to the 70 per cent investment test, as at 30 September 2007, 39.6% of the Company's investments were in Qualifying companies. The balance was held in short dated Treasury gilts. We have until 30 September 2008 to meet the 70% test in relation to the combined fund (Ordinary and C together). As at 30 September 2007, the combined fund was 60.1% invested in qualifying companies.

Dividend

An interim dividend of 5 pence was paid on 20 June 2007 (2006 - 5 pence) to ordinary shareholders on the share register on 8 June 2007. No final dividend is proposed on the Ordinary shares (2006 - Nil).

An interim dividend of 0.75 pence was paid on 20 June 2007 (2006 - nil) to C shareholders on the share register on 8 June 2007. A final dividend of 0.75 pence is proposed on the C shares, payable on 31 January 2008, subject to AGM approval, to C shareholders on the register on 4 January 2008.

Outlook

In the last few months the fallout from the US sub-prime mortgage sector and in September, the Northern Rock saga "rocked" public confidence in the banking system with a consequent knock-on effect in the stock markets. Confidence will only return when the extent of the sub-prime related exposure and subsequent losses is known. Until that point, the impact on the wider financial equity markets will remain unclear.

Although there has been a period of economic uncertainty and a weakening of the pipeline of new issues on the AIM market over the summer, we remain confident that we will achieve the required 70% investment in qualifying companies for the C share fund on or before 30 September 2008.

Shareholder Communication

The Company's daily share price can be found on various financial websites under the EPIC code "KEY" for ordinary shares and "KEYC" for C shares, or on our own dedicated website at www.keydataaimvct.co.uk

Sir Aubrey Brocklebank Bt
Chairman
23 November 2007



BOARD OF DIRECTORS

Sir Aubrey Thomas Brocklebank Bt, ACA (aged 55)

Sir Aubrey worked for Guinness Mahon from 1981 to 1986, initially in its corporate finance department before assisting in the establishment of a specialist development capital department. From 1986 to 1990 he was a director of Venture Founders Limited, managing a £12 million venture capital fund, which had been raised to invest in early stage ventures. He managed the Avon Enterprise fund (a venture capital fund of £4.5 million investing in approximately 20 companies) from 1990 until all investments had been realised in 1997. He is on the board of eight other VCTs, Keydata AIM VCT 2 PLC, the Aim Distribution Trust PLC, Puma VCT PLC, Puma VCT II PLC, Puma VCT III PLC and Puma VCT IV PLC (all as chairman) and Close Second AIM VCT PLC and Pennine AIM VCT 6 PLC (as a non-executive director). He is also a director of Top Ten Holdings PLC, The Media Vehicle Group Limited, Backglass Limited, Legacy Holdings Limited and Medcell Bioscience Limited.

Stewart Owen Ford (aged 43)

Stewart is the managing director of Keydata Investment Services Limited and its parent company, Keydata UK Limited. Stewart has experience of establishing new media, design, advertising, marketing and financial services organisations. Stewart founded Keydata UK Limited in 1997 to take advantage of a gap in the market place for the provision of marketing and sales information to independent financial advisers. Keydata Investment Services Limited was acquired in May 2001 and assets under management have since increased from £30 million to £1.8 billion. He is also a director of Keydata AIM VCT 2 PLC, Keydata Income VCT 1 PLC and Keydata Income VCT 2 PLC.

David Hurst-Brown FSI (aged 58)

David worked for over 25 years in the investment banking industry starting as an investment analyst with Rowe and Pitman and becoming a partner of the firm in 1985. Following takeover by SG Warburg and Swiss Bank Corporation and the subsequent merger with Union Bank of Switzerland, David ultimately became an executive director in the corporate finance division of UBS Warburg. In this capacity, amongst his various duties, he was responsible for establishing a smaller companies business unit. He was consultant to UBS from 1999 to 2002 and at the same time was an adviser to techMark, the London Stock Exchange's market for technology companies. He is also a director of Keydata AIM VCT 2 PLC, Keydata Income VCT 1 PLC, Keydata Income VCT 2 PLC, Electra Kingsway VCT 3 PLC, Ffastfill PLC and Imagination Technologies Group PLC.

MANAGER'S REPORT

Market Overview

Following strong runs in April and May, equity markets became increasingly volatile as investor confidence wavered and then finally collapsed in mid-July in response to events in the US. The ensuing paralysis within credit markets and repricing of risk, in conjunction with fear and technical factors, led to corrections of 10% or more in the FTSE 100, FTSE All-Share and FTSE Small Cap. The AIM All-Share was worst hit and shed some 13%.

Equity markets bounced back strongly, initially buoyed by the 50 basis point reduction in the Fed Funds rate. Perversely, each release of weak US economic data led the markets higher as investors pencilled in further rate cuts which, the optimists speculated, would reduce the risk of the US dipping into recession.

The equity markets may stand within two percentage points of all time highs, but we caution that the credit markets, which continue to struggle, appear to discount a less positive scenario. We note that the FTSE 100 trades on a not unreasonable 12.5x estimated earnings, but also observe that it is a little over a month since we witnessed the first run on a UK bank for over a century and that many of the contributory factors remain in play. UK GDP growth forecasts have been trending down and consensus earnings estimates may yet come under pressure.

The rally has not been universal, with the blue chips, perhaps not unsurprisingly, being the major beneficiaries with mid and small caps lagging behind. As a result the FTSE 100 recorded a gain of 2.5% during the second half of the financial year, whilst the FTSE 250, FTSE Small Cap and FTSE AIM All-Share returned losses of 5.6%, 5.9% and 2.5% respectively. On a full year basis, the indices all reported gains of between 6.6% and 10.4%.

Ordinary Shares

As at 30th September 2007, we had invested £10.0m in 47 companies with a combined bid value of £11.6m. Our unrealised gain on the portfolio of £1.6m represents a 16.0% uplift in value on the book cost. We also held £3.0m in gilts and £0.35m in cash. The total return now stands at 20.5%.

The Net Asset Value (NAV) per share stood at 104.48p. Adding back the two 5p dividends paid out brings the Total Return to 114.48p, a 1.3% reduction in the Total Return of 115.95p as quoted at the interim stage, but a gain of 2.2% on the full year.

C Shares

As at 30th September 2007, we had £6.1m invested in 29 companies with a market value of £6.3m. The NAV total return increased by 1.7% to 97.82p during the year. The fund remains relatively liquid, with 37% by market value invested in equities. The fund had £10.5m invested in two gilts and cash of £0.37m. The total return now stands at 3.0%.

Our inability, to date, to reproduce the strong performance of the Ordinary Share Fund within the C Share Fund continues to frustrate. Those of you invested in both funds will recall that the Ordinary Share Fund has had a number of very successful investments. Egdon, Ascibe, Accuma and Internet Business Group spring to mind. Clearly, these are a factor, however, I would also like to highlight the different market conditions that have formed the backdrop against which we have operated, for the contrast is quite marked and does in part explain their relative performance. The FTSE Small Cap and FTSE AIM All-Share have risen 40% and the 13.7% respectively since we first took receipt of Ordinary Share Funds, whilst the FTSE Small Cap has struggled to a more modest 3.7% gain and the FTSE AIM All-Share has lost 7% since we took control of the C Share Fund. Despite the obvious effect difficult markets have on individual share prices, particularly in Small and Micro Caps, there has been a more subtle impact on the pipeline of investments, which has become more lumpy and, arguably, of slightly lower quality.

Investment Test

As you will be aware, the VCT must be 70% invested by its third anniversary, and every day thereafter. Naturally, fundamental analysis remains the cornerstone upon which our investment decisions are founded but other factors, most obviously the outlook and market timing weigh heavily on our decisions. The strength of the Ordinary Share Qualifying Portfolio has allowed us to remain selective and gradually invest, taking us up through the qualifying threshold and onto 80% invested with relative ease. It has not been such an easy journey for the C Share Fund, where we find ourselves carefully balancing short term market risks with a need to invest in qualifying companies as we head into the third year.

Outlook

I would like to conclude by reporting that we remain upbeat despite the frustrations of the past six months. A couple of our investments have disappointed but the majority just need more time to mature and should emerge unscathed in the longer time. A few would benefit from a little more broker support. We continue to see plenty of interesting investment opportunities and valuations are becoming more attractive. Whilst we remain wary of the investment test, we will not be rushed. We will continue to be selective and focus on quality over quantity, tangible over intangible and, above all else, we like to see positive cash flows.

Giles Hargreave
Hargreave Hale Limited
23 November 2007

INVESTMENT PORTFOLIO SUMMARY

Ordinary Share Fund

As at 30 September 2007

	Book Cost £000	Valuation £000	Valuation %
Qualifying investments			
Cohort	451	570	3.9
Jelf Group	250	562	3.8
K3 Business Technology Group	270	555	3.8
Egdon Resources	75	552	3.8
Maxima Holdings	251	468	3.2
Abcam	250	457	3.1
FDM Group	250	406	2.8
Hardide	396	405	2.8
Neutra Health	315	360	2.5
St Helens Capital	211	336	2.3
Mama	300	330	2.3
Axeon	200	321	2.2
Vertu Motors	300	310	2.1
Vicorp Group	250	292	2.0
Brulines	270	292	2.0
Work Group	300	287	2.0
Optimisa	202	287	2.0
York Pharma	250	283	1.9
Clerkenwell Ventures	250	267	1.8
Energetix Group	250	256	1.8
Pressure Technologies	170	249	1.7
BBI	139	233	1.6
Intercede	231	231	1.6
Gourmet Holdings	300	225	1.5
Internet Business Group	173	206	1.4
Expansys	194	201	1.4
Autoclenz	256	199	1.4
Universe Group	193	193	1.3
Idox	150	190	1.3
Sectorguard	250	179	1.2
Rotala	200	176	1.2
EBTM	184	174	1.2
Mount Engineering	180	170	1.2
Tasty	140	165	1.1
Invocas Group	169	160	1.1
Darwen	150	150	1.0
Tangent Communications	150	147	1.0
Sports Media Group	150	142	1.0
Enfis	146	138	0.9
Zenith Hygiene Group	277	125	0.9
Reneuron	168	104	0.7
Mediasurface	120	96	0.7
Centrom	400	80	0.5
Debts co uk	150	78	0.5
Plethora Solutions	44	23	0.2
Accuma	50	13	0.1
Total qualifying investments	10,025	11,643	79.6%
Non-Qualifying investments			
Non-qualifying AIM investments	29	28	0.2
Treasury 4% Stock 2009	2,977	2,953	20.2
Total non-qualifying investments	3,006	2,981	20.4
Total Investments	13,031	14,624	100.0%

INVESTMENT PORTFOLIO SUMMARY

C Ordinary Share Fund

As at 30 September 2007

	Book Cost £000	Valuation £000	Valuation %
Qualifying investments			
Cohort	351	416	2.5
CBG Group	204	370	2.2
Clerkenwell Ventures	300	320	1.9
Vertu Motors	300	310	1.8
Hexagon Human Capital	300	300	1.8
Brulines	270	292	1.7
Optimisa	203	287	1.7
Intercede	287	287	1.7
Energetix Group	250	256	1.5
Darwen	250	250	1.5
Pressure Technologies	170	249	1.5
BBi	139	232	1.4
Mount Engineering	220	207	1.2
Expansys	194	201	1.2
Universe Group	193	193	1.1
Invu	200	180	1.1
Craneware	150	178	1.1
Rotala	200	176	1.0
EBTM	184	174	1.0
Vicorp Group	150	169	1.0
Feedback	201	168	1.0
Infoserve	200	160	0.9
Debts co uk	300	157	0.9
Tasty	149	149	0.9
Tangent Communications	150	147	0.9
Sports Media Group	150	142	0.8
Business Direct	150	137	0.8
Innovision Research & Technology	174	136	0.8
Mediasurface	120	97	0.6
Total qualifying investments	6,109	6,340	37.5
Non-Qualifying investments			
Non-qualifying AIM investments	4	4	0.0
Treasury 5% Stock 2008	6,381	6,390	37.8
Treasury 4% Stock 2009	4,170	4,184	24.7
Total non-qualifying investments	10,555	10,578	62.5
Total investments	16,664	16,918	100.0

TOP TEN INVESTMENTS

As at 30 September 2007

The top ten investments across both classes of share fund by market value on 30th September 2007 are shown below. Each of the AIM investments is valued by reference to the bid price.

1. Cohort plc

Investment date	Feb & July 2006	Year ended 30 April	2007	2006
Equity held	2.08%	Turnover (£'000)	34,556	17,823
Purchase price per share	123p & 135p	Profit before tax (£'000)	2,460	1,359
Cost (£'000)	802	Retained profit (£'000)	1,770	920
Valuation (£'000)	986	Net assets (£'000)	20,316	8,924

Cohort provides independent consultancy support combining technical expertise with practical experience and domain knowledge to the defence sector. Initially focusing on operational and non-operational CIS strategy and projects, especially in the Land Systems area, the company has expanded into a range of complementary business areas. The company's two trading divisions, SCS and MASS, have an impressive client base that includes the MOD and its agencies, NATO, and major defence contractors such as BAE, EDS, General Dynamics and Lockheed Martin. Cohort recently acquired SEA Ltd for an initial consideration of £20.7m. The earnings enhancing acquisition brings with it additional expertise in systems engineering and product development in the maritime and space industries.

2. Vertu plc

Investment date	December 2006	Unaudited interim to 31 August	2007
Equity held	1.1%	Turnover (£'000)	290,262
Purchase price per share	60p	Loss before tax (£'000)	(356)
Cost (£'000)	600	Retained loss (£'000)	(308)
Valuation (£'000)	620	Net assets (£'000)	58,152

Vertu Motors was formed in late 2006 to acquire and consolidate UK motor retail businesses. The Directors are experienced within the sector, having previously held senior positions within Reg Vardy plc, the previously quoted motor retail group. On 27th March 2007 the Group acquired the 13th largest motor retailer in the United Kingdom, Bristol Street Motors. It then acquired 3 additional dealerships on 2 May 07 and in the process became the tenth largest motor retailer in the United Kingdom. The Company will continue to seek to acquire businesses with the potential for performance improvements and which may contain freehold property portfolios.

3. Clerkenwell Ventures plc

Investment date	September 2007	Year ended 30 September	2006	2005
Equity held	1.77%	Turnover (£'000)	-	-
Purchase price per share	37.5p	Profit before tax (£'000)	51	77
Cost (£'000)	550	Retained profit (£'000)	34	61
Valuation (£'000)	586	Net assets (£'000)	4,283	4,249

Clerkenwell Ventures was formed in 2004 to acquire businesses in the leisure sector. Targets are expected to meet the following criteria: potential for rapid growth and/or above average cash flow, strong operational management, proven business model and attractive returns on invested capital. The company is actively pursuing a number of acquisition targets.

4. Brulines plc

Investment date	October 2006	Year ended 31 March	2007	2006
Equity held	1 82%	Turnover (£'000)	16,756	11,076
Purchase price per share	123p	Profit before tax (£'000)	1,908	1,626
Cost (£'000)	541	Retained profit (£'000)	995	999
Valuation (£'000)	585	Net assets (£'000)	11,249	2,734

Brulines is a leading provider of volume and revenue protection systems for draught alcoholic drinks for the UK Licensed on-trade, in particular the tenanted pub sector. The Dispense Monitoring Division, which represents the Group's core product, measures the actual volume of liquid dispensed each hour against legitimate deliveries and protects the pub owners from the potential loss of revenue from 'buying out'. The Group also has a Brand Quality Monitoring solution undergoing commercial trials with a number of customers.

5. Optimisa plc

Investment date	May 2006	Year ended 31 December	2006	2005
Equity held	5 08%	Turnover (£'000)	5,894	2,263
Purchase price per share	900p	Profit before tax (£'000)	768	257
Cost (£'000)	405	Retained profit (£'000)	663	371
Valuation (£'000)	574	Net assets (£'000)	4,699	3,139

The Optimisa Group has four subsidiaries that provide market research along with consultancy advice in strategic marketing, business strategy and media analysis. The Group is positioned between large management consultancies and the traditional market research, market intelligence and business intelligence providers. Optimisa has made a £7.4m offer for EQ Group plc, an AIM listed marketing services vehicle. Optimisa will also inherit £5.8m of debt. The acquisition is expected to be earnings enhancing in its first full year.

6. Jelf plc

Investment date	February 2006	Year ended 30 September	2006	2005
Equity held	0 92%	Turnover (£'000)	25,095	11,501
Purchase price per share	106	Profit before tax (£'000)	2,111	1,011
Cost (£'000)	250	Retained profit (£'000)	1,190	663
Valuation (£'000)	562	Net assets (£'000)	16,327	4,432

Jelf Group is a broker of corporate services, with separate divisions in Healthcare, Insurance, and Financial Services. Customers are in the corporate and private client sectors. The business has grown acquisitively since it started in 1989 and has bought numerous companies in the last five years. The market is very fragmented, with smaller players unable to compete due to rising costs of training and compliance. Acquisitions are earnings enhancing as back office costs can be easily stripped out. Acquisitions normally present additional cross selling opportunities to the acquired customer base.

7. K3 Business Technology Group plc

Investment date	September 2005	Year ended 31 December	2006	2005
Equity held	1 28%	Turnover (£'000)	27,346	22,029
Purchase price per share	90p	Profit before tax (£'000)	501	227
Cost (£'000)	270	Retained loss (£'000)	(309)	(266)
Valuation (£'000)	555	Net assets (£'000)	12,371	10,800

K3 supplies enterprise software for businesses into two core verticals, retail and manufacturing. K3 is the largest supplier of manufacturing software in the UK. Following the disposal of its distribution software business, the company intends to focus on the mid-tier retail sector with a new multi-channel Microsoft Dynamics solution that includes a warehouse management offering.

8 Egdon Resources plc

Investment date	December 2004	Year ended 31 July	2007	2006
Equity held	0 37%	Turnover (£'000)	42	14
Purchase price per share	30p	Loss before tax (£'000)	(538)	(519)
Cost (£'000)	75	Retained loss (£'000)	(538)	(519)
Valuation (£'000)	552	Net assets (£'000)	21,185	9,878

Egdon is an independent UK based energy company with interests in 24 exploration licenses in the UK and France. Management's intention is to become a significant and profitable oil and gas producer through an active and focused exploration and appraisal programme, with the first well was brought into production in July 2007. The company has submitted a planning application for a 36 bcf underground gas storage facility at Portland, Dorset. Egdon recently raised a further £2.3m at 215p to provide equity capital for a new subsidiary, Portland Gas NI Ltd, to progress a new underground gas storage project in NI.

9 Intercede Group plc

Investment date	May 2007	Year ended 31 March	2007	2006
Equity held	4 34%	Turnover (£'000)	2,620	2,142
Purchase price per share	33p	Loss before tax (£'000)	(439)	(434)
Cost (£'000)	518	Retained loss (£'000)	(368)	(358)
Valuation (£'000)	518	Net liabilities (£'000)	(1,736)	(1,477)

Intercede Group plc is a leading developer and supplier of smart card and identity credential management software. The company's principal product, MyID, is a software solution that manages the secure registration, issuance and lifecycle of identity credentials and devices.

10. Energetix Group plc

	July 2007	Year ended 31 December	2006	2005
Investment date				
Equity held	0.76%	Turnover (£'000)	67	183
Purchase price per share	120p	Loss before tax (£'000)	(1,021)	(302)
Cost (£'000)	500	Retained loss (£'000)	(1,021)	(302)
Valuation (£'000)	513	Net assets (£'000)	8,007	2,861

Energetix Group is a developer of new energy products, focusing on using robust proven technologies to deliver fast to market low cost product solutions. With an initial focus on distributed generation and energy storage, Energetix has grown businesses to develop and commercialise new products for these markets. In particular two wholly owned subsidiaries are completing the development and commercialisation of a microCHP boiler and a compressed air battery.

Co-Investment

As at 30 September 2007, other funds managed by Hargreave Hale Limited were also invested in 22 of the qualifying investments - Abcam, Axion, BBI Holdings, Centrum, Cohort, Edgon Resources, Energetix, Enfis, Expansys, FDM, Gourmet, Idox, Invu, K3 Business Technology Group, Mama, Maxima, MediaSurface, NeutraHealth, Plethora Solutions, Sports Media, Tasty and Vertu.

DIRECTORS' REPORT

For the year end 30 September 2007

The Directors present their report together with the audited financial statements of the Company for the year from 1 October 2006 to 30 September 2007

The Company was incorporated and registered in England and Wales on 16 August 2004 under the Companies Act 1985, registered number 5206425

Principal Activity and Status

The Company has been granted provisional approval by HMRC under section 842AA of the Income and Corporation Taxes Act 1988, as a Venture Capital Trust. The shares of the Company were first admitted to the Official List of the UK Listing Authority and trading on the London Stock Exchange on 29 October 2004

On 23 May 2006, the Company revoked its investment company status to facilitate the payment of dividends out of capital profits.

The Company's principal activity is to invest in a diversified portfolio of qualifying small capitalised UK based companies, primarily trading on AIM, with a view to maximise tax free dividend distributions to shareholders

The Directors have managed and continue to manage the Company's affairs in such a manner as to comply with Section 842AA of the Income and Corporation Taxes Act 1988

Business Review

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

Key Performance Indicators

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

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

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

Principal Risks and Uncertainties

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

- (i) Discount volatility - venture capital trust shares tend to trade at discounts to their underlying net asset values, which can fluctuate considerably. To minimise the impact of such fluctuations, the Company intends to establish a share buy back policy where the Company will purchase shares for cancellation
- (ii) Regulatory risk - the Company operates in a complex regulatory environment and faces a number of related risks. A breach of section 842AA of the Income and Corporation Taxes Act 1988 could result in the Company being subject to capital gains tax on the sale of its investments. The Board receives monthly compliance reports from the Manager to monitor compliance with regulations

Revenue and Dividends

The revenue profit after tax for the year amounted to £348,000. An interim ordinary dividend of 5p per Ordinary share and 0.75 pence per C Ordinary share was paid on 20 June 2007. The Directors do not recommend the payment of a final dividend on the Ordinary shares.

A final dividend of 0.75 pence per C share is proposed, subject to shareholder approval at the AGM. This dividend will be paid on 31 January 2008 to C Shareholders on the share register on 4 January 2008. This dividend will be paid out of revenue reserves to comply with the VCT tax requirement to distribute at least 85% of income.

Share Valuations

On 30 September 2007, the mid-market price and the net asset value per ordinary share were 100p and 104.48p respectively. The comparative C Ordinary shares figures were 93p and 96.07p.

Management

Hargreave Hale Limited manages the Company's investments. The principal terms of the Company's agreement with Hargreave Hale Limited are set out in Note 3 to the Financial Statements.

The Investment Manager's remuneration was agreed at the time of the launch of the Company. The initial appointment was for a period of three years and the appointment may be terminated by either party on giving one year's notice. The Directors review the Investment Manager's performance at each Board Meeting.

Keydata Investment Services Limited provides administration services to the Company.

VCT Status Monitoring

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

Substantial Holdings in the Company

At 30 September 2007, there were no holdings of 3% and over of the Company's ordinary share capital.

Directors

The present directors are listed below. There have been no changes to the Board during the year. In accordance with the Company's Articles of Association, David Hurst-Brown will retire at this year's AGM and, being eligible, offer himself for re-election.

Directors' Interests

The beneficial interests of Directors of the Company in the ordinary and C ordinary share capital are shown below.

	Ordinary Shares		C Ordinary Shares	
	2007	2006	2007	2006
Sir Aubrey Brocklebank	5,000	5,000	-	-
David Hurst-Brown	25,750	25,750	-	-
Stewart Ford	25,000	25,000	53,250	53,250

There have been no changes to the beneficial interests of Directors between 30 September 2007 and the date of this report.

Directors' and Officers' Liability Insurance

All directors and officers benefit from qualifying third party indemnity insurance cover.

Disclosable Interests

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

Financial Instruments

The Company's financial instruments and principal risks are disclosed in Note 17 to the accounts.

Supplier Payment Policy

It is the Company's policy to obtain the best terms for all business and to abide by those agreed terms. It is the Company's policy to settle all investment transactions according to settlement periods operating for the relevant markets. The Company had no trade creditors at the year end.

Charitable and Political Donations

The Company made no charitable or political donations in the year (2006: nil).

Auditors

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

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

Annual General Meeting

The Notice of AGM to be held on 22 January 2008 is set out on page 35.

At the AGM there is one non-routine item of business.

Resolution 6, if passed, will renew the Directors' authority to purchase (for cancellation) up to 14.99% of the issued ordinary share capital and up to 14.99% of the issued C share capital as at the date of this report.

By order of the Board



CRAIG McNEIL
Company Secretary

Registered office
Keydata AIM VCT plc
19 Cavendish Square,
London W1A 2AW

23 November 2007

DIRECTORS' REMUNERATION REPORT

For the year ended 30 September 2007

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

Your Company's auditors are required to audit certain disclosures provided in this Report. Where disclosures have been audited, they are indicated in this Report. The auditors' opinion is included in their Report on pages 22 and 23.

Remuneration Responsibilities

The Board has resolved that a remuneration committee is not appropriate for a Company of this size and nature. Remuneration is part of the Board's responsibilities, to be addressed regularly.

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

Policy on Directors' Remuneration

The Board's policy is that the remuneration of Directors should be fair and reasonable in relation to the time commitment and responsibilities of the Directors and in line with the remuneration paid by other listed venture capital trusts and investment trusts. The Board aims to review Director's remuneration on a regular basis.

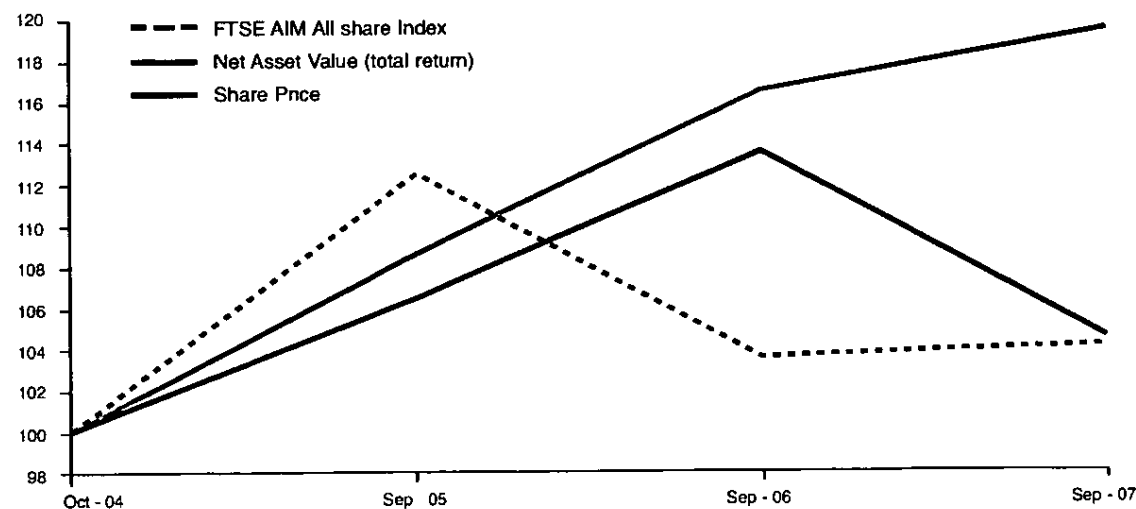
Fees for the Directors are determined by the Board within the limits stated in the Company's Articles of Association. The maximum permitted by the Company's Articles of Association is £200,000 per annum. The Directors are not eligible for bonuses, pension benefits, share options or other incentives or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

Directors' Service Contracts

It is the Board's policy that none of the Directors has a service contract. Each of the Directors has entered into an agreement with the Company dated 10 September 2004. The terms of appointment provide that a Director shall retire and be subject to re-election at the first annual general meeting after appointment and at least every three years thereafter. Either party can terminate the agreement by giving to the other at least 3 months notice in writing.

Your Company's Performance

The Company was incorporated on 16 August 2004 and commenced trading on 29 October 2004, therefore five year performance information is not available. The performance chart below charts the Company's Ordinary share NAV and share price total return from Admission of shares to listing on 29 October 2004 to 30 September 2007 (rebased to 100 at 29 October 2004) compared to the total return of a notional investment in the FTSE AIM All-share Index over the same period. The graph has been plotted as intervals of 12 months. This index was chosen for comparison purposes as it represents a comparable broad equity market index.



Directors' Emoluments for the Year (audited)

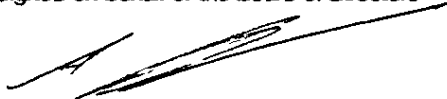
The Directors who served during the year received the following emoluments.

	2007	2006
	£	£
Sir Aubrey Brocklebank (Chairman)	18,000	18,000
David Hurst-Brown	15,000	15,000
Stewart Ford	15,000	15,000
	-----	-----
Total	48,000	48,000
	-----	-----

Approval

The Directors' Remuneration Report on pages 16 and 17 was approved by the Board of Directors on 23 November 2007.

Signed on behalf of the Board of Directors



Sir Aubrey Brocklebank Bt
Chairman

CORPORATE GOVERNANCE

Directors' Statement of Compliance with the 2003 FRC Combined Code on Corporate Governance ("the Code")

The Principles

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

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

Board of Directors

The Board comprises three Directors, all of whom are non-executive and all of whom are considered independent of the Manager. Mr Ford is a director and shareholder in the Administrator, Keydata Investment Services Limited. Mr Ford and Mr Hurst-Brown are also non-executive directors of Keydata Income VCT1 and 2 plc. Notwithstanding the above, both Mr Ford and Mr Hurst-Brown are considered to be independent by virtue of their experience and the manner in which they perform their duties as directors of the Company. The Directors have a range of business, financial and asset management skills and experiences relevant to the direction and control of the Company. Brief biographical details of the members of the Board are shown on page 6.

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

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

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

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

Board Responsibilities

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

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

Company Secretary

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

Nomination Responsibilities

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

The Articles of Association require that each Director retires and stands for election at the Company's first AGM and then retires at an AGM every three years after appointment or (as the case may be) last reappointment, and may offer himself for re-election. No Director serves a term of more than three years before re-election. David Hurst-Brown is required to stand for re-election at this year's AGM. The Chairman confirms that the performance of all Directors continues to be effective and demonstrates commitment to their respective roles.

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

Directors' Induction

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

The Board has formalised arrangements under which the Directors in the furtherance of their duties, may seek independent professional advice at the expense of the Company. The Company also maintains Directors and officers liability insurance to cover legal expenses.

Directors' Remuneration

The Board as a whole reviews Directors' remuneration on a regular basis. Details of the Company's policy on Directors' remuneration and of payments to Directors are given in the Directors Remuneration Report pages on 16 and 17.

Accountability and Audit

The Directors' responsibilities for the Company's accounting records and financial statements are set out on page 21. The Auditors' Report appears on pages 22 and 23.

Performance Appraisal

The Directors recognise the importance of the Code in terms of evaluating the performance of the Board as a whole and individual Directors. This requirement (Code A6.1) was not performed during the year due to the infancy of the Company. The Board intends to carry out performance appraisals during the financial year ending 30 September 2008, with a view to reporting on the outcome of the process in the Annual Report for that year.

Audit Committee

All audit committee responsibilities are performed by the Board.

The Board meets twice each year to review the internal financial and non-financial controls, approving the contents of the draft interim and annual reports to shareholders and reviewing the accounting policies. In addition, the Board reviews the quality of the services of all the service providers to the Company and, together with the Manager and Administrator, reviews the Company's compliance with financial reporting and regulatory requirements. Representatives of BDO Stoy Hayward LLP, the Company's auditors, attend the Board meeting at which the draft annual report and financial statements are reviewed.

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

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

Internal Financial and Non-Financial Controls

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

The effectiveness of the Company's operations has been reviewed at regular intervals by the Board and accords with the guidance set out in the Turnbull Report. In particular, it has reviewed the process for identifying and evaluating the significant risks affecting the Company and the policies and procedures by which these risks are managed.

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

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

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

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

Internal Audit Function

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

Auditors' Non-Audit Services

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

Attendance at Board Meetings

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

	No. of Board Meetings	
	Held	Attended
Sir Aubrey Brocklebank	4	4
David Hurst-Brown	4	4
Stewart Ford	4	3

Relations with Shareholders

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

Going Concern

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

in respect of the financial statements

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

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. The directors have chosen to prepare financial statements for the company in accordance with UK Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

INDEPENDENT AUDITORS' REPORT

To the members of Keydata AIM VCT plc

We have audited the financial statements of Keydata AIM VCT plc for the year ended 30 September 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movement in Shareholders' Funds 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.

Respective Responsibilities of Directors and Auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view 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. Additionally, we report to you whether, the information given in the Directors' Report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

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

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

Basis of Audit Opinion

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

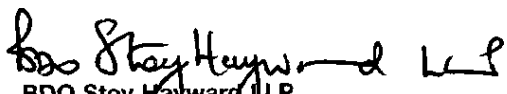
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether

caused by fraud or other irregularity or error in forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs as at 30 September 2007 and of its profit 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



BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors

London

23 November 2007

INCOME STATEMENT

For the year ended 30 September 2007

	Note	Ordinary Shares			C Shares			Company		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Realised gains on investments	7	-	609	609	-	-	-	-	609	609
Unrealised gains on investments	7	-	(229)	(229)	-	112	112	-	(117)	(117)
Income	2	315	-	315	661	-	661	976	-	976
		315	380	695	661	112	773	976	492	1,468
Management fee	3	(44)	(120)	(164)	(46)	(139)	(185)	(90)	(259)	(349)
Other expenses	4	(216)	-	(216)	(254)	-	(254)	(470)	-	(470)
		(260)	(120)	(380)	(300)	(139)	(439)	(560)	(259)	(819)
Profit before taxation		55	260	315	361	(27)	334	416	233	649
Taxation	5	1	34	35	(69)	28	(41)	(68)	62	(6)
Profit after taxation		56	294	350	292	1	293	348	295	643
Earnings per share	6	0 40p	2 04p	2 44p	1 63p	0 0p	1 63p			

INCOME STATEMENT

For the year ended 30 September 2006

	Note	Ordinary Shares			C Shares			Company		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Realised gains on investments	7	-	785	785	-	-	-	-	785	785
Unrealised gains on investments	7	-	474	474	-	142	142	-	616	616
Income	2	374	-	374	356	-	356	730	-	730
		374	1,259	1,633	356	142	498	730	1,401	2,131
Management fee	3	(41)	(123)	(164)	(27)	(80)	(107)	(68)	(203)	(271)
Other expenses	4	(276)	-	(276)	(136)	-	(136)	(412)	-	(412)
		(317)	(123)	(440)	(163)	(80)	(243)	(480)	(203)	(683)
Profit before taxation		57	1,136	1,193	193	62	255	250	1,198	1,448
Taxation	5	(11)	11	-	(37)	37	-	(48)	48	-
Profit after taxation		46	1,147	1,193	156	99	255	202	1,246	1,448
Earnings per share	6	0 33p	8 00p	8 33p	1 16p	0 73p	1 89p			

The total column of this statement is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations.

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

BALANCE SHEET

as at 30 September 2007

	Note	2007			2006		
		Ordinary	C Ordinary	Total	Ordinary	C Ordinary	Total
		£000	£000	£000	£000	£000	£000
Fixed assets							
Investments at fair value through profit or loss	7	14,624	16,918	31,542	14,516	16,747	31,263
Current assets							
Debtors	9	12	37	49	23	49	72
Cash at bank	12	354	374	728	860	499	1,359
		366	411	777	883	548	1,431
Creditors: amounts falling due within one year	10	(11)	(104)	(115)	(52)	(50)	(102)
Net current assets		355	307	662	831	498	1,329
Net assets		14,979	17,225	32,204	15,347	17,245	32,592
Capital and Reserves							
Called up share capital	11	143	897	1,040	143	897	1,040
Special reserve	18	12,999	16,094	29,093	12,999	-	12,999
Capital reserve – realised	18	128	(154)	(26)	322	(43)	279
Capital reserve – unrealised	18	1,593	254	1,847	1,823	141	1,964
Revenue reserve	18	116	134	250	60	156	216
Share premium	18	-	-	-	-	16,094	16,094
Equity shareholders' funds		14,979	-	14,979	15,347	-	15,347
Rights of C shareholders		-	17,225	17,225	-	17,245	17,245
Equity shareholders' funds and rights of C shareholders		14,979	17,225	32,204	15,347	17,245	32,592
Net asset value per share	13	104.48p	96.07p		107.04p	96.19p	

These financial statements were approved and authorised for issue by the Board of directors on 23 November 2007, and signed on its behalf by

Sir Aubrey Brocklebank Bt
Chairman



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

CASH FLOW STATEMENT

for the year ending 30 September 2007

	Note	2007			2006		
		Ordinary	C Ordinary	Total	Ordinary	C Ordinary	Total
		£000	£000	£000	£000	£000	£000
Net cash (outflow)/inflow from operating activities	15	(60)	248	188	(36)	114	78
Net financial investment	15	271	(59)	212	(3 755)	(16 606)	(20,361)
Dividends paid (Note 19)		(717)	(314)	(1 031)	(717)	-	(717)
Cash outflow before management of liquid resources		(506)	(125)	(631)	(4 508)	(16 492)	(21,000)
Financing	15	-	-	-	-	16,991	16,991
(Decrease)/Increase in cash		(506)	(125)	(631)	(4,508)	499	(4,009)

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

for the year ending 30 September 2007

Ordinary Shares	Share Capital £000	Share Premium £000	Capital Reserve Realised £000	Capital Reserve Unrealised £000	Special Reserve £000	Revenue Reserve £000	Total £000
At 1 October 2006	143	-	322	1,823	12,999	60	15,347
Previously recognised gains now realised	-	-	609	(609)	-	-	-
Unrealised gains on investments	-	-	-	379	-	-	379
Management fee charged to capital	-	-	(120)	-	-	-	(120)
Tax relief	-	-	34	-	-	-	34
Transfer between reserves	-	-	-	-	-	-	-
Equity dividends paid (Note 19)	-	-	(717)	-	-	-	(717)
Profit after taxation for the period	-	-	-	-	-	56	56
At 30 September 2007	143	-	128	1,593	12,999	116	14 979
C Shares							
At 1 October 2006	897	16,094	(43)	141	-	156	17,245
Unrealised gains on investments	-	-	-	113	-	-	113
Equity dividends paid	-	-	-	-	-	(314)	(314)
Transfer between reserves	-	(16 094)	-	-	16,094	-	-
Management fee charged to capital	-	-	(139)	-	-	-	(139)
Tax relief	-	-	28	-	-	-	28
Profit after taxation for the year	-	-	-	-	-	292	292
At 30 September 2007	897	-	(154)	254	16,094	134	17 225

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

for the year ending 30 September 2006

Ordinary Shares	Share Capital £000	Share Premium £000	Capital Reserve Realised £000	Capital Reserve Unrealised £000	Special Reserve £000	Revenue Reserve £000	Total £000
At 1 October 2005	143	-	(113)	1,348	13 478	14	14 870
Previously recognised gains now realised	-	-	785	(785)	-	-	-
Unrealised gains on investments	-	-	-	1 260	-	-	1,260
Management fee charged to capital	-	-	(123)	-	-	-	(123)
Tax relief	-	-	11	-	-	-	11
Transfer between reserves	-	-	479	-	(479)	-	-
Equity dividends paid (Note 19)	-	-	(717)	-	-	-	(717)
Profit after taxation for the period	-	-	-	-	-	46	46
At 30 September 2006	143	-	322	1 823	12,999	60	15,347
C Shares							
At 1 October 2005	-	-	-	-	-	-	-
Unrealised gains on investments	-	-	-	141	-	-	141
Proceeds from issue of shares	897	17 032	-	-	-	-	17,929
Costs related to issue of shares	-	(938)	-	-	-	-	(938)
Management fee charged to capital	-	-	(80)	-	-	-	(80)
Tax relief	-	-	37	-	-	-	37
Profit after taxation for the year	-	-	-	-	-	156	156
At 30 September 2006	897	16 094	(43)	141	-	156	17,245

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

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments, and in accordance with UK GAAP and with the Statement of Recommended Practice (SORP) for "Financial Statements of Investment Trust Companies" issued in December 2005

Investments

Listed investments and investments traded on AIM are stated at closing bid market prices. Investments are recognised and derecognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are measured initially at fair value. Subsequent to initial recognition, investments are valued at fair value which is deemed to be bid market prices.

Gains and losses arising from changes in fair value (realised and unrealised) are included in the net profit or loss for the period as a capital item in the Income Statement and are ultimately recognised in the unrealised capital reserve or realised capital reserve (as appropriate). Previously recognised gains are transferred to the realised capital reserve upon disposal of the investment.

Income

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

Expenditure

All expenditure is accounted for on an accruals basis. 75% of investment management fees are allocated to the capital reserve – realised and 25% to the revenue account in line with the Board's expected long term split of investment returns in the form of capital gains and income respectively. Expenses incidental to the acquisition or disposal of an investment are charged to the capital column of the Income statement. All other expenditure is charged to the revenue account.

Capital Reserves

Realised profits and losses on the disposal of investments and 75% of Investment management fees are accounted for in the Capital Reserve – realised.

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

Taxation

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

Deferred taxation 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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the accounts. Deferred tax assets are only recognised to the extent they are recoverable.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Dividends

Only dividends paid during the year are deducted from revenue or capital reserves. Dividends which are declared subsequent to the balance sheet date will not be shown as a liability in the balance sheet.

2. Income	2007			2006		
	Ord £000	C Ord £000	Total £000	Ord £000	C Ord £000	Total £000
Income from listed investments						
UK dividends	60	17	77	28	1	29
Unfranked investment income	223	613	836	270	267	537
	-----	-----	-----	-----	-----	-----
	283	630	913	298	268	566
Other income						
Deposit interest	32	31	63	76	88	164
	-----	-----	-----	-----	-----	-----
Total income	315	661	976	374	356	730

3 Management Fees

Ordinary Shares	2007			2006		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Management fees	37	102	139	35	105	140
Irrecoverable VAT thereon	7	18	25	6	18	24
	-----	-----	-----	-----	-----	-----
	44	120	164	41	123	164
	-----	-----	-----	-----	-----	-----
C Ordinary Shares						
Management fees	39	118	157	23	68	91
Irrecoverable VAT thereon	7	21	28	4	12	16
	-----	-----	-----	-----	-----	-----
	46	139	185	27	80	107

The Company's Investment Manager is Hargreave Hale Limited. The investment management agreement dated 10 September 2004 will continue for a period of 3 years from 29 October 2004, the date of Admission, and thereafter terminate on 12 calendar months' notice, subject to earlier termination in certain circumstances.

The Investment Manager receives an investment management fee of 0.9% per annum of the net asset value of the Company, calculated and payable quarterly in arrears. At 30 September 2007, £28,000 was owed in respect of management fees.

A performance related incentive fee will be payable at the rate of 20% of any dividends paid to shareholders in excess of 6p per ordinary share per annum, provided that the net asset value per share is at least 95p. The first payment will be made after 30 September 2007 provided cumulative distributions in the first three accounting periods exceed 18p per ordinary share. Thereafter, a performance related incentive fee will be payable annually provided the hurdles have been exceeded, with any cumulative shortfalls below 6p per ordinary share having to be made up in subsequent years before the incentive fee becomes payable. Any performance related incentive fee payable will be shared equally between the Investment Manager and Keydata Investment Services Limited ("KISL"). No performance related incentive fee is payable as at 30 September 2007.

4 Other Expenses

	2007			2006		
	Ordinary £000	C Ordinary £000	Total £000	Ordinary £000	C Ordinary £000	Total £000
General expenses	188	224	412	229	119	348
Directors fees	23	25	48	36	12	48
Auditors remuneration						
- for audit services	5	5	10	9	4	13
- for non-audit services (interim review)	-	-	-	2	1	3
	-----	-----	-----	-----	-----	-----
	216	254	470	276	136	412

The maximum aggregate Directors emoluments authorised by the Articles of Association are £200,000 per annum. Transaction costs of £4,000 (2006 £4,000) were expensed during the year (purchases £2,000 and sales £2,000).

5. Tax on ordinary activities

The tax charge for the year is lower than the standard rate of UK Corporation Tax of 30%. The differences are explained below

	<u>2007</u>	<u>2006</u>
	<u>Total</u>	<u>Total</u>
	<u>£000</u>	<u>£000</u>
Profit on ordinary activities before taxation	649	1,448
UK Corporation Tax at 30 per cent	194	434
Effect of non taxable gains on investments	(148)	(420)
Effect of non taxable UK dividend income	(23)	(9)
Effect of prior year losses utilised	(17)	(5)
Actual tax charge	<u>6</u>	<u>-</u>

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

6. Earnings per share

	<u>2007</u>			<u>2006</u>		
	<u>Revenue</u>	<u>Capital</u>	<u>Total</u>	<u>Revenue</u>	<u>Capital</u>	<u>Total</u>
Return per ordinary share - basic	0 40p	2 04p	2 44p	0 33p	8 00p	8 33p
Return per C ordinary share - basic	<u>1 63p</u>	<u>0 00p</u>	<u>1 63p</u>	<u>1 16p</u>	<u>0 73p</u>	<u>1 89p</u>

Revenue return per ordinary share is based on a net revenue profit on ordinary activities after taxation of £56,000 and on 14,337,731 ordinary shares, being the weighted average number of ordinary shares in issue during the year. The comparative figures for the C ordinary shares are £292,000 and 17,928,720 C ordinary shares.

Capital return per ordinary share is based on a net capital profit of £294,000 for the year and on 14,337,731 ordinary shares, being the weighted average number of ordinary shares in issue during the year. The comparative figures for the C ordinary shares are £1,000 and 17,928,720 C ordinary shares.

7. Investments

	<u>AIM Quoted</u>		<u>Listed</u>		<u>Total</u>	
	<u>Investments</u>	<u>Investments</u>	<u>Investments</u>	<u>Investments</u>	<u>Investments</u>	<u>Investments</u>
a) Ordinary share fund	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Investments	11,671	8,428	2,953	6,088	14,624	14,516
Movement in year						
Opening valuation	8,428	5,482	6,088	4,019	14,516	9,501
Purchases at cost	3,995	3,930	2,991	2,977	6,986	6,907
Sales - proceeds	(1,121)	(2,302)	(6,137)	(849)	(7,258)	(3,151)
- realised gains	630	791	(21)	(6)	609	785
Movements unrealised	(261)	527	32	(53)	229	474
Closing valuation	11,671	8,428	2,953	6,088	14,624	14,516
Closing book cost	10,054	6,550	2,977	6,143	13,031	12,693
Closing unrealised	1,617	1,878	(24)	(55)	1,593	1,823
Realised gain/(loss) on sales	630	791	(21)	(6)	609	785
Unrealised gain/(loss) on investments	(261)	527	32	(53)	(229)	474
Gain / (loss) on investments	<u>369</u>	<u>1,318</u>	<u>11</u>	<u>(59)</u>	<u>380</u>	<u>1,259</u>

b) C Ordinary share fund

	AIM Quoted Investments		Listed Investments		Total Investments	
	2007 £000	2006 £000	2007 £000	2006 £000	2007 £000	2006 £000
Investments	6,344	1,149	10,574	15,598	16,918	16,747
Movement in year						
Opening valuation	1,149	-	15,598	-	16,747	-
Purchases at cost	5,120	993	9,971	15,612	15,091	16,605
Sales - proceeds	-	-	(15,032)	-	(15,032)	-
- realised gains	-	-	-	-	-	-
Movements unrealised	75	156	37	(14)	112	142
Closing valuation	6,344	1,149	10,574	15,598	16,918	16,747
Closing book cost	6,113	993	10,551	15,612	16,664	16,605
Closing unrealised	231	156	23	(14)	254	142
Realised gain on sales	-	-	-	-	-	-
Unrealised profit on investments	75	156	37	(14)	112	142
Gain / (loss) on investments	75	156	37	(14)	112	142

8. Significant Interests

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

Centrom Group plc	7.46%	St Helens Capital plc	4.97%	Vicorp Group plc	5.34%
EBTM plc	3.12%	Rotala plc	3.19%		
Feedback plc	8.14%	Universe Group plc	4.79%		

9. Debtors

	2007			2006		
	Ordinary £000	C Ordinary £000	Total £000	Ordinary £000	C Ordinary £000	Total £000
Payments and accrued income	12	37	49	23	49	72

10. Creditors: amounts falling due within one year

	2007			2006		
	Ordinary £000	C Ordinary £000	Total £000	Ordinary £000	C Ordinary £000	Total £000
Accruals and deferred income	11	104	115	52	50	102

11. Called up share capital

	2007			2006		
	Ordinary £000	C Ordinary £000	Total £000	Ordinary £000	C Ordinary £000	Total £000
Authorised						
50,000,000 ordinary shares of 1p each	500	-	500	500	-	500
30,000,000 C ordinary shares of 5p each	-	1,500	1,500	-	1,500	1,500
	500	1,500	2,000	500	1,500	2,000
Allotted, called-up and fully paid						
14,337,731 ordinary shares of 1p each	143	-	143	143	-	143
17,928,720 C ordinary shares of 5p each	-	897	897	-	897	897
	143	897	1,040	143	897	1,040

11. Called up share capital (continued)

The C ordinary shares will convert into Ordinary shares at a rate determined by the ratio between the net asset value attributable to each C ordinary share and to each Ordinary share. Conversion will be triggered and the conversion ratio calculated when 70% of the C ordinary share fund is invested in Qualifying companies, or on 30 September 2008, at the latest.

The C shareholders may attend and vote at any general meeting of the Company. They are entitled to any dividends paid out of the net assets attributable to the C shares and, on a winding up of the Company, to their share of the net assets attributable to the C shares.

12. Analysis of changes in net funds

	At 1 October 2006	Cash Flows	At 30 September 2007
	£000	£000	£000
Cash at bank	1,359	(631)	728

	At 1 October 2005	Cash Flows	At 30 September 2006
	£000	£000	£000
Cash at bank	5,368	(4,009)	1,359

13. Net asset value per ordinary share

The net asset value per ordinary share and the net asset values attributable at the year end were as follows:

	Net asset value per share		Net assets attributable	
	2007	2006	2007	2006
	pence	pence	£000	£000
Ordinary shares - Basic	104.48	107.04	14,979	15,347
C Ordinary shares - Basic	96.07	96.19	17,225	17,245

Net asset value per share is based on net assets at the year end and on either 14,337,731 ordinary shares or 17,928,720 C ordinary shares, being the number of shares in issue at year end.

14. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments of the Company at the year end (2006: nil).

15. Notes to the Cash Flow Statement

(a) Reconciliation of operating profit to operating cash flows

	2007			2006		
	Ordinary	C Ordinary	Total	Ordinary	C Ordinary	Total
	£000	£000	£000	£000	£000	£000
Profit on ordinary activities before taxation	55	361	416	57	193	250
Investment management fee charged to capital	(120)	(139)	(259)	(123)	(80)	(203)
Decrease/(Increase) in debtors	11	12	23	23	(49)	(26)
(Decrease)/Increase in creditors	(6)	14	8	7	50	57
Net cash (outflow)/inflow from operating activities	(60)	248	188	(36)	114	78

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

	2007			2006		
	Ordinary £000	C Ordinary £000	Total £000	Ordinary £000	C Ordinary £000	Total £000
Net financial investment	(6,986)	(15,091)	(22,077)	(6,907)	(16,606)	(23,513)
Purchase of investments	7,257	15,032	22,289	3,152	-	3,152
Sale of investments	271	(59)	212	(3,755)	(16,606)	(20,361)

	2007			2006		
	Ordinary £000	C Ordinary £000	Total £000	Ordinary £000	C Ordinary £000	Total £000
Financing						
Net proceeds from issue of C ordinary shares	-	-	-	-	16,991	16,991
Net proceeds from issue of redeemable preference shares	-	-	-	-	-	-
Redemption of redeemable preference shares	-	-	-	-	-	-
	-	-	-	-	16,991	16,991

16. Related party transactions

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

KISL, in its capacity as Promoter of the Offer for Subscription, receives annual commission of 0.9% per annum of the net asset value of the Company, calculated and payable quarterly in arrears. KISL is responsible for payment of all trail commission due to intermediaries. KISL also receives a fee of £35,980 per annum for administration services. In total, KISL earned fees of £333,000 during the year. Of those fees, £24,000 was still owing at the year end.

KISL has agreed to indemnify the Company against annual running costs (excluding VAT) exceeding 3.5% of its net asset value.

Any performance related incentive fee payable to the Investment manager (as detailed in Note 3) will be shared equally between the Investment Manager and KISL.

17. Financial Instruments

Investment in securities exposes the Company to certain inherent risks, the most predominant of which are interest rate risk, market price risk and liquidity risk. The Company seeks to mitigate the liquidity risk by investing mainly in AIM securities for which there is an active market. It seeks to mitigate interest rate risk by using equity (as opposed to debt) funding to grow its investment portfolio.

a) Interest rate risk

The interest rate risk of the portfolio of financial assets is as follows:

As at 30 September 2007	Floating interest £000	Fixed interest bearing £000	Non-interest bearing £000	Total £000
Investments	-	13,527	18,015	31,542
Cash	728	-	-	728
	728	13,527	18,015	32,270
Other net short term assets	-	-	(60)	(60)
Net assets	728	13,527	17,955	32,210

17 Financial instruments (continued)

Interest received on cash balances is variable and is dependent on UK bank base rates

Interest on Treasury 5% Stock 2008 and Treasury 4% Stock 2009 is fixed

The Company had no borrowing facilities at the year end, either committed or uncommitted

The non interest bearing assets represent the equity element of the portfolio. Interest rate risk is mitigated by holding a large element of the non-qualifying investment portfolio in fixed interest government securities

b) Market price risk

The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the investment manager in pursuance of the investment objectives set out on page 3

Market price risk is mitigated by building a portfolio of equity investments across a broad spread of sectors in order to reduce the risks arising from factors specific to one sector

c) Liquidity risk

The Company's assets comprise readily realisable securities which can be sold to meet funding commitments if necessary. The Investment manager has not invested in any unquoted companies to mitigate liquidity risk

18. Reserves

An analysis of movements in reserves is set out on page 26

The Company has obtained court approval to cancel both its ordinary and C ordinary share premium account which became effective on 30 August 2005 and 6 June 2007 respectively. The special reserve created may be treated as a distributable reserve for all purposes

19 Dividends

	2007			2006		
	Ord £000	C Ord £000	Total £000	Ord £000	C Ord £000	Total £000
Paid						
Interim dividend of 5 pence (Ord) and 0.75p (C Ord) for year ended 30 September 2007	717	135	852	717	-	717
Proposed						
Final dividend of 0.75 pence (C Ord) for year ended 30 September 2007	-	135	135	-	179	179

GLOSSARY OF TERMS

Discount

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

Market Capitalisation

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

Net Asset Value

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

Shareholders' Funds

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

Net Assets

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

Total Expense Ratio

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

Total Return

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of Keydata AIM VCT ("the Company") will be held at 19 Cavendish Square, London W1A 2AW on Tuesday 22 January 2008 at 11 00am for the following purposes

Ordinary Business

- 1 To receive and, if thought fit, to accept the Reports of the Directors and Auditor and the audited financial statements for the year ended 30 September 2007,
- 2 To receive and approve the Directors Remuneration Report for the year ended 30 September 2007,
- 3 To reappoint BDO Stoy Hayward LLP as Auditors to the Company and to authorise the Directors to determine their remuneration,
- 4 To re-elect David Hurst-Brown as a Director of the Company,
- 5 To approve a final dividend of 0 75 pence per C ordinary share,

Special business

To consider and, if thought fit, pass the following resolution as a special resolution

- 6 THAT in substitution for any existing authority but without prejudice to the exercise of any such power prior to the date hereof, the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 163(3) of the Act) of Ordinary Shares and/or C Shares provided that
 - a) the maximum aggregate number of C Shares authorised to be purchased is such number thereof being 14 99% of the issued C Shares,
 - b) the maximum aggregate number of Ordinary Shares authorised to be purchased is such number thereof being 14 99% of the issued Ordinary Shares
 - c) the maximum price which may be paid for Ordinary Shares or a C Share is an amount equal to the maximum amount permitted to be paid in accordance with the rules of the UK Listing Authority in force as at the date of purchase,
 - d) the minimum price which may be paid for an Ordinary Share or a C Share is their respective nominal value,
 - e) this authority shall expire at the conclusion of the Company's next annual general meeting in 2009 or on the expiry of 15 months following the passing of the resolution, which ever is the earlier, and
 - f) the Company may make a contract or contracts to purchase Ordinary Shares or C Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Ordinary Shares or C Shares in pursuance of any such contract or contracts

By order of the Board

Craig McNeil
Company Secretary

Registered Office
19 Cavendish Square
London W1A 2AW

23 November 2007

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

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 specifies that only those Shareholders registered in the register of members of the Company as at 6 00pm on 20 January 2008 or, in the event that the meeting is adjourned, on the register of members 48 hours before the time of the adjourned meeting, shall be entitled to attend or vote at the aforesaid annual general meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant registrar of securities after 6 00pm on 20 January 2008 (or in the event that the meeting is adjourned, as at 6 00pm two days prior to the adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting notwithstanding any provisions in any enactment, the Articles of Association of the Company or any other instrument to the contrary.

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

Note

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

- a) The Articles of Association
- b) The Directors' letters of appointment

Keydata AIM VCT plc

Form of Proxy

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

I/We the undersigned

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

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 19 Cavendish Square, London W1A 2AW on Tuesday 22 January 2008 at 11 00am and at any adjournment thereof

Signature

Dated 2008

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

Ordinary Business		For	Against
Resolution 1	To receive the reports of the Directors and Auditor and the audited financial statements for the year ended 30 September 2007		
Resolution 2	To receive and approve the Directors' Remuneration Report for the year ended 30 September 2007		
Resolution 3	To reappoint BDO Stoy Hayward LLP as Auditor to the Company and to authorise the Directors to determine their remuneration		
Resolution 4	To re-elect David Hurst-Brown as a Director		
Resolution 5	To approve a final dividend of 0.75 pence per C ordinary share		
Special Business		For	Against
Resolution 6	Renewal of the Company's authority to buy-in its ordinary shares and C shares		

Notes

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

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