



Neptune-Calculus Income & Growth  
VCT plc  
11 Lees Place  
London  
W1K 6LN

Telephone: 020 7493 4940  
Fax: 020 7499 1898  
Email: info@calculuscapital.com

5 December 2007

Dear Shareholder

### **Forthcoming Top-Up Offer & Investment Update**

The Board is delighted to enclose an update on the **Neptune-Calculus Income & Growth VCT plc** (VCT) and news of a planned “top-up” offering of New Ordinary and New “C” Shares.

#### **Top-Up Offer**

This top-up offer of New Ordinary and New “C” Shares in the VCT will initially be open only to existing shareholders. It represents an exciting opportunity for you to further participate in an established, diversified portfolio of companies with the potential for early realisations. Investors will receive 30% upfront income tax relief (provided the shares are held for 5 years and limited to an amount that reduces their income tax liability to nil). The tax relief is available to all UK income tax payers regardless of their marginal tax rate. Please look out for additional details, which will be sent to you shortly.

#### **Investment Update**

As at 31 October 2007, the unaudited Net Asset Value of the Ordinary Share Fund and the “C” Share Fund was 102.5 pence and 97.6 pence respectively, giving a total return inclusive of cumulative dividends paid of 108.5 pence and 99.6 pence respectively. This compares to a cost of investment net of income tax relief of 60 pence.

As you know, the VCT focuses on investment in more mature VCT qualifying unquoted investments. During 2007, we have participated in several management buy-outs and buy-ins of established businesses. I have described below some examples of our recent investment activity:

#### **Caterplus Services Limited**



#### **[www.caterplus.co.uk](http://www.caterplus.co.uk)**

The VCT participated in the management buy-in of Caterplus Services Limited, the largest privately-owned provider of specialist contract catering and support services to the nursing home and residential care sector. The investment was £500,000 in a combination of equity and long term loan stock. Caterplus Services provides a range of catering and domestic services to over 35 clients across 80 sites. Increasing bed and occupancy rates combined with an ageing population should ensure the market for Caterplus Services' products remains robust.

#### **Directors**

Philip Stephens, Chairman • David Kempton • David McEuen • John Glencross

Registered number: 5300876  
Incorporated in England and Wales  
Registered Office: 11 Lees Place, London W1K 6LN



## RMS Europe Limited

### RMS Europe Group

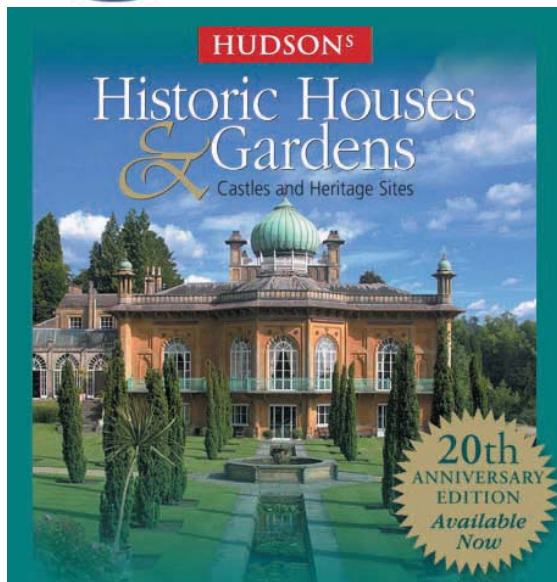


### [www.rms-europe.co.uk](http://www.rms-europe.co.uk)

The VCT participated in the secondary buy-out of RMS Europe. The activities of the Group are rooted on the UK's busiest trading estuary, the River Humber. The Group provides shipping, stevedoring, storage/ warehousing and supporting logistics services for both import and export cargoes moving between Northern Europe, Scandinavia & the Baltic, Russia, the Iberian Peninsula and the Mediterranean.

In 2006, the Group handled in excess of 28,000 containers and 2.1 million tons of cargo through its five strategically located terminals on the Rivers Humber and Trent. All five terminals are within easy reach of the UK's industrial heartland via the country's motorway network, with three also being rail-connected with the added possibility of canal distribution. The VCT's investment was £500,000 in a combination of equity and long term loan stock.

## Heritage House Media Limited



### [www.hhgroup.co.uk](http://www.hhgroup.co.uk)

The VCT participated in the management buy-in of Heritage House Media, a newly-formed media company focused on the heritage sector, including stately homes, castles, gardens, museums, galleries and other historical institutions. The Company intends to create a market-leading media business focused exclusively on the heritage sector by way of a buy-and-build strategy. In addition, the Company intends to capitalise on the growing demand for a digital media presence in the heritage sector by developing an online offering.

Heritage House Media has already completed its first two acquisitions. The first of these was *Hudson's Historic Houses and Gardens*, the UK's leading guide to historic houses, including National Trust and English Heritage properties. In addition, Heritage House Media has acquired the assets of Heritage House Group, a provider of publishing services and souvenirs to stately homes and heritage sites throughout the UK, including the Royal estates of Balmoral and Sandringham. The VCT's investment was £600,000 in a combination of equity and long term loan stock.

### Directors

Philip Stephens, Chairman • David Kempton • David McEuen • John Glencross

Registered number: 5300876  
Incorporated in England and Wales  
Registered Office: 11 Lees Place, London W1K 6LN



## Quintus Group Limited



### [www.quintusgroup.com](http://www.quintusgroup.com)

In 2007, we sold our investment in Quintus Group, which owns the rights to sporting and entertainment events, including The BlackRock Masters' Tennis Tournament and the Michelob ULTRA London Triathlon.

Although the VCT normally invests with a medium term investment horizon, we were pleased to support management in the sale of the Company to IMG, the world's leading sports and entertainment marketing and media company, in under one year. The exit represented a 42% uplift on the original investment and an Internal Rate of Return of 53% over the period of investment.

We look forward to keeping you informed about the VCT's future progress.

Yours sincerely

John Glencross  
Director

### **Risk Warning**

Past performance is no guide to future performance. The value of an investment in the Neptune-Calculus Income & Growth VCT may go down as well as up and you may not get back the full amount invested. An investment in a VCT may be higher risk than investing in other securities listed on the London Stock Exchange official list. You should regard the Neptune-Calculus Income & Growth VCT as a longer-term investment. The Neptune-Calculus Income & Growth VCT invests mostly in unquoted companies which are small and which by their nature carry a heightened level of risk. In the past there has been limited liquidity in VCT shares listed on the London Stock Exchange; it may therefore be difficult to realise shares in the Neptune-Calculus Income & Growth VCT in the future. The share price may not reflect the underlying net asset value. Tax rules and regulations are subject to change.

### **Directors**

Philip Stephens, Chairman • David Kempton • David McEuen • John Glencross

Registered number: 5300876  
Incorporated in England and Wales  
Registered Office: 11 Lees Place, London W1K 6LN