

UNICORN
AIM VCT II PLC

Annual Report and Accounts
for the year ended 31 December 2008

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Investment Objective

The objective of the Company is to provide Shareholders with an attractive return from a diversified portfolio of investments predominantly in the shares of AIM-quoted companies. This will be achieved by maximising the stream of dividend distributions to Shareholders from the income and capital gains generated by the portfolio.

To achieve Venture Capital Trust qualifying status, 70% of the Company's total investments must be invested in qualifying investments within three years of each share issue.

Investment Policy

In order to achieve the Company's Investment Objective, the Board has agreed an Investment Policy which requires the Investment Manager to identify and invest in a diversified portfolio, predominantly of VCT qualifying companies quoted on AIM, that displays a majority of the following characteristics:

- experienced and well-motivated management;
- products and services supplying growing markets;
- sound operational and financial controls; and
- good cash generation to finance development allied with a progressive dividend policy.

Asset allocation and risk diversification policies, including maximum exposures, are to an extent governed by prevailing VCT legislation. Specific conditions for HMRC approval of VCTs include the requirement that at no time must any single holding represent more than 15% (by value) of the Company's investments.

The Investment Manager is responsible for managing sector and stock specific risk and the Board does not impose formal limits in respect of such exposures. However, in order to maintain compliance with HMRC rules and to ensure that an appropriate spread of investment risk is achieved, the Board receives and reviews comprehensive reports from the Investment Manager and the Administrator on a regular basis. When the Investment Manager proposes to make an investment in an unquoted company the prior approval of the Board is required.

Where capital is available for investment while awaiting suitable VCT qualifying opportunities, or in excess of the 70% VCT qualification threshold, it may be invested in collective investment funds or in non-qualifying shares and securities of smaller listed UK companies.

To date the Company has operated without recourse to borrowing. The Board may however consider the possibility of introducing modest levels of gearing up to a maximum of 20% of net assets, should circumstances suggest that such action is in the interests of Shareholders.

Chairman's Statement

Both portfolios are now well diversified and the majority of investments are in companies which remain profitable and cash generative.

The twelve months to 31 December 2008 were an extraordinarily difficult period for equity markets. The crisis in the global financial system triggered a rapid and comprehensive collapse in investor & consumer confidence, which in turn has tipped developed economies around the world into recession. The prospect of earnings declining, coupled with severe difficulty in securing debt funding, meant that many UK quoted companies across all sectors, suffered significant and sustained falls in their market value. In the year under review, the FTSE All-Share Index fell by almost 30% on a total return basis, whilst the FTSE AIM All-Share Index declined by almost 62%.

Almost all classes of equity investment have been affected by the recent turmoil and the performance of your Company has been no exception. It is disappointing to report that as at 31 December 2008, the Net Asset Value (NAV) of the Ordinary Share Fund was 67.54 pence per share representing a decline in the period of 31.82% after adding back dividends paid, whilst the NAV of the C Share Fund fell 35.65% to 58.07 pence per share. The non-qualifying OEIC holdings accounted for approximately 17% of the Ordinary Share Fund decline and 44% of the C Share Fund decline during the year.

The NAVs quoted above reflect an upward adjustment for reclaim of VAT from HMRC of 0.8 of a penny per Ordinary Share and 0.4 of a penny per C Share. The Company is in the process of claiming this amount from HMRC and expects to receive proceeds in the near future.

As shareholders will be aware, the technical requirements of AIM based VCTs are such that the Investment Manager has limited flexibility to reposition portfolios. Because of the rules imposed by HMRC, at least 70% of the Company's total assets must be held in VCT qualifying investments. The available investment universe therefore consists of smaller, illiquid, AIM quoted companies which tend to suffer disproportionately in times of fear and uncertainty. Given these constraints and despite serious setbacks from a number of investee companies, the Funds have at least weathered the storm significantly better than the FTSE AIM All-Share Index.

Unsurprisingly, given market conditions, the flow of new VCT qualifying investment opportunities during the past twelve months has been significantly weaker than in previous years. As a result, there have been relatively few changes to the Ordinary Share Fund, which made three new investments in VCT qualifying companies and participated in one secondary fundraising. The total cost of these purchases was £934,000 whilst total proceeds from partial disposal of non-qualifying investments amounted to £2.1m. The C Share Fund added six new businesses to its VCT qualifying portfolio and made two follow on investments in existing holdings at a combined total cost of £1.04m. Partial disposal of non-qualifying investments

raised £1.1m. The scale of new investment in the Funds was modest in comparison to previous years, reflecting the Investment Manager's cautious approach.

At the financial year end, the portfolio of the Ordinary Share Fund contained forty-two VCT qualifying companies, whilst the C Share Fund portfolio comprised twenty-seven qualifying investments. Further details on the performance of both Funds and on the companies in which the Funds have invested can be found in the Investment Manager's Review on pages 7 – 9.

Following the closure of a small top-up Share Offer in April 2008, a total of 276,628 new Ordinary Shares and 79,246 new C Shares were issued. The Board would like to take this opportunity to welcome new Shareholders to the Company.

During the period 1,306,593 Ordinary Shares were bought back for cancellation at an average price of 68.5 pence per share.

The Board has previously stated that it will seek to maximise the stream of tax free dividend distributions to Shareholders whilst maintaining the NAV in each Fund at around 100 pence per share. Because of the extremely difficult market conditions experienced in recent months, the NAVs of both Funds are currently considerably below this level. After careful consideration of the reserves available for distribution and the cash resources available to fund such a distribution, the Board is proposing to pay a capital dividend of 1 pence per share to holders of Ordinary Shares. The Board does not propose paying a dividend to holders of C Shares at this time.

Although showing significant and painful declines, the NAVs in both Funds nonetheless performed significantly better than the FTSE AIM All-Share Index, thus reversing the experience of the previous year. As highlighted in last year's Annual Report, the AIM has developed a significant concentration in a small number of sectors. Despite heavy falls, the Oil & Gas and Mining sectors still accounted for almost 28% of the FTSE AIM All-Share Index by value as at the end of December 2008. It is worth repeating that your Company does not invest in businesses operating in these areas of the market since they tend to be early stage and unprofitable. In addition, under existing HMRC legislation they typically fail to achieve VCT qualifying status.

Unfortunately, during the past twelve months, a considerable number of investee companies were obliged to issue profit warnings. In the majority of cases, these warnings were related to the rapidly deteriorating economic conditions rather than being specifically caused by internal issues. However, in certain cases, the level of debt and the difficulties associated with attempting to refinance that debt has become an insurmountable problem. As a result of funding difficulties Fishworks, Greatfleet and Shieldtech have all been forced to suspend trading in their shares pending clarification of their

Chairman's Statement

financial position. Sadly, in the case of Greatfleet, administrative receivers have since been appointed and, since the year end, Fishworks has also appointed administrators. The carrying value of each of these investments has been written down to zero in the portfolios in which they were held.

It has to be expected that there will be many more companies which become permanent casualties of the current economic downturn and these may well include companies in which the Funds have invested. However, on a more positive note, a healthy proportion of the value in each Fund is held in businesses which are well managed, have little or no debt and which will almost certainly survive the current malaise.

In summary, both portfolios are now well diversified and the majority of investments are in companies which remain profitable and cash generative. Investor sentiment and market conditions will undoubtedly improve eventually, at which point the Board is confident that the process of recovering the ground lost in the past twelve months will begin. In the meantime, the Investment Manager will maintain focus on preserving capital wherever possible and on selectively taking advantage of investment opportunities that meet its defined criteria.

Peter Andrews

Chairman

4 March 2009

Key Data

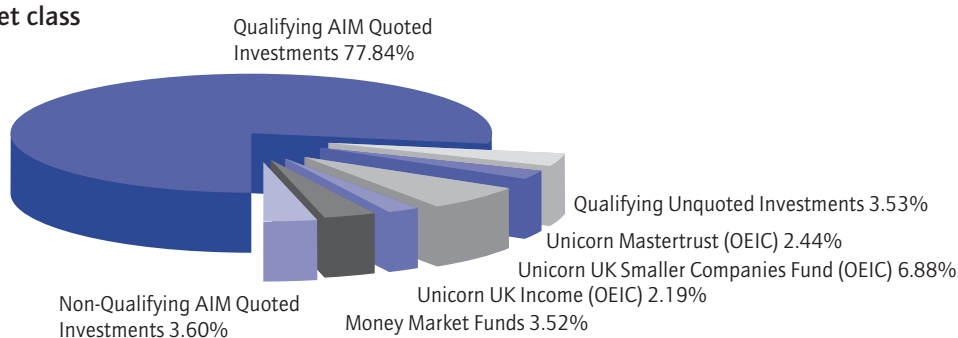
Ordinary Share Fund (listed on 7 January 2005)

Initial net asset value per share	94.5 pence
Initial net assets	£21,837,827

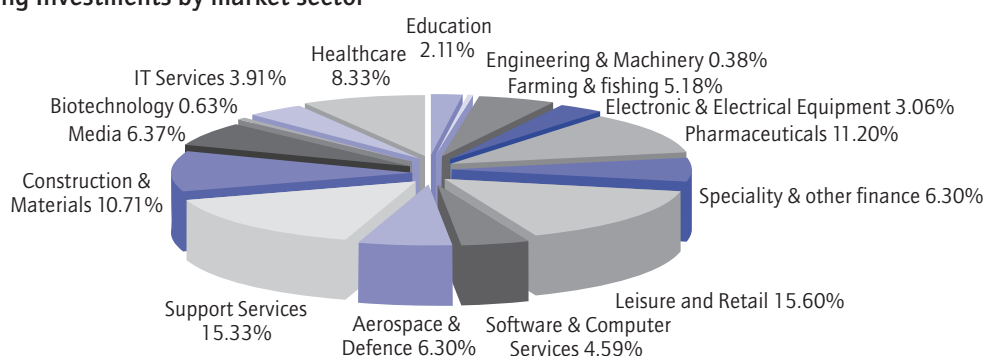
	31 December 2008	31 December 2007
Net assets	£14,873,268	£24,521,943
Net asset value per share	67.54 pence	106.38 pence
Cumulative dividends paid per share since launch	6.00 pence	1.00 pence
Total return since launch*	(22.18)%	13.63%
Total return of FTSE All-Share Index since listing	(16.48)%	48.88%
Total return of FTSE AIM Index since listing	(59.20)%	7.01%

* Based on initial net asset value per share

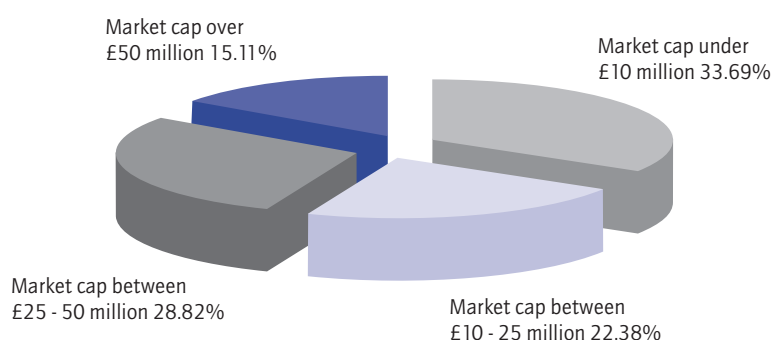
Ordinary Fund – Investments by asset class



Ordinary Fund – Qualifying Investments by market sector



Ordinary Fund – Investments by market capitalisation



Key Data

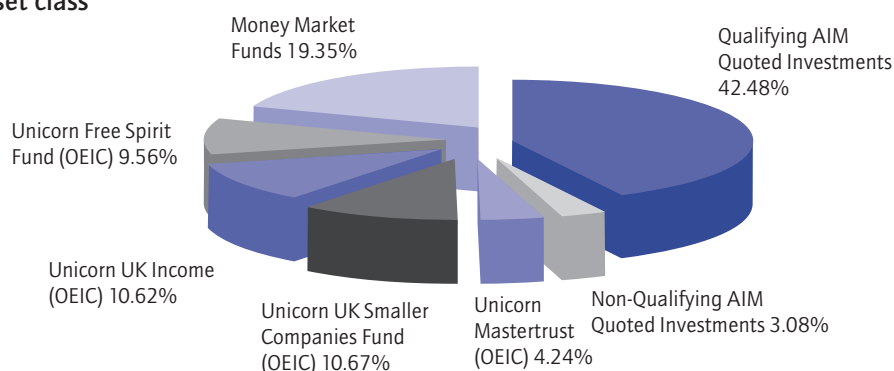
C Share Fund (listed on 5 January 2006)

Initial net asset value per share	94.5 pence
Initial net assets	£11,823,214

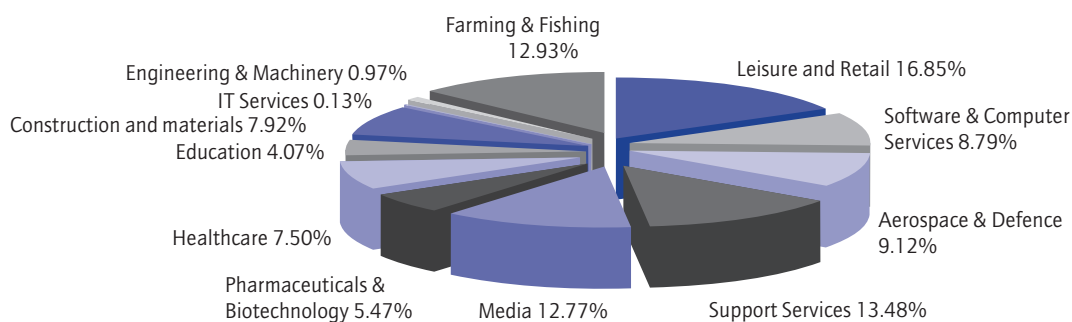
	31 December 2008	31 December 2007
Net assets	£7,304,227	£11,474,721
Net asset value per share	58.07 pence	91.80 pence
Cumulative dividends paid per share since launch	2.00 pence	1.00 pence
Total return since launch*	(36.43)%	(1.80)%
Total return of FTSE All-Share Index since listing	(31.91)%	21.37%
Total return of FTSE AIM Index since listing	(61.78)%	0.23%

* Based on initial net asset value per share

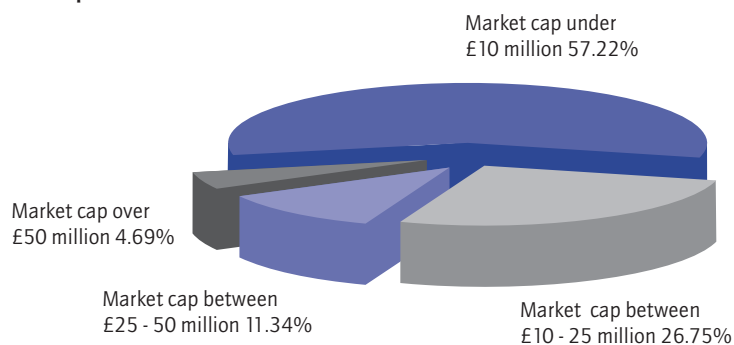
C Fund – Investments by asset class



C Fund – Qualifying Investments by market sector



C Fund – Investments by market capitalisation



Investment Manager's Review

Investment policy

It is the aim of the Investment Manager to identify and invest in a diversified portfolio of companies that display a majority of the following characteristics:

- experienced and well-motivated management;
- products and services supplying growing markets;
- sound operational and financial controls; and
- good cash generation to finance ongoing development allied with a progressive dividend policy.

Performance

The NAV of the Ordinary Share Fund on a bid price basis as at 31 December 2008 was 67.54 pence per share, representing a decline of 31.82% over the previous year after adding back dividends paid. Since shares were first allotted in November 2001, the initial NAV of the Ordinary Share Fund has decreased by 22.18% on a total return basis.

The NAV of the C Share Fund on a bid price basis was 58.07 pence per share, which represents a decrease for the year of 35.65% after adding back dividends paid. The total return on initial NAV is a decline of 36.43%.

Investment strategy

The policy of investing in companies which have a demonstrable record of profitability and positive cash generation remains unchanged. The Ordinary Share Fund and the C Share Fund portfolios are now well diversified both by sector and by number of investments held. The Funds are now comfortably above the threshold required to retain VCT qualifying status (whereby a minimum of 70% of combined assets must be invested in VCT qualifying holdings). The Investment Manager will continue to adopt a highly selective approach to new investment opportunities for the Funds.

Alternative Investment Market review

In the year under review, the FTSE AIM All-Share Index fell by almost 62%.

The past twelve months has been a period of unprecedented global financial turmoil during which stock markets worldwide have suffered significant falls. One of the immediate consequences of the rapidly deepening banking crisis has been a wholesale re-assessment of risk. Smaller quoted companies, which are traditionally perceived as being at the riskier end of the investment spectrum, have been hit particularly hard. Liquidity in the smaller end of the market has almost completely dried up, which in turn has caused further downward pressure on share prices. In addition, from June 2008 onwards there has been a severe de-rating of the junior mining and oil exploration stocks quoted on AIM. As commented upon in last year's Review, the FTSE AIM All-Share Index has been dominated by mining and resource stocks which together accounted for 32% of the Index by value at the start of 2008. As the financial crisis deepened, a realisation dawned that demand for oil and metals was likely to fall dramatically as developed economies entered a period of

recession and as supernormal growth from emerging markets such as China slowed dramatically. Given their very significant weighting, it is estimated that between them the Oil and Mining sectors accounted for over twenty percentage points of the total fall in the FTSE AIM All-Share's Index.

In this environment it is unsurprising that the flow of opportunities to invest in high quality businesses seeking an initial listing on AIM also dried up. Fortunately, the portfolios are well invested and the Company was comfortably above the minimum threshold required to maintain VCT status with over 75% of total assets held in qualifying investments as at the financial year end.

Qualifying investments

The Ordinary and the C Share Funds are well diversified with their portfolios containing forty-two and twenty-seven qualifying holdings respectively. However, in the year under review, many of the individual holdings in these portfolios suffered share price declines that were at least as steep as the falls suffered by the wider market. Performance in the Funds was also affected by a higher than average incidence of profit warnings. In addition, given weak investor appetite, there were very few investee companies which managed to produce a positive contribution for the year under review.

At the smaller end of the quoted market, companies which fail to meet expectations invariably get hit hard. In addition, share price declines tend to be harsher during periods of uncertainty and fear. Unfortunately, many of our investee companies generated earnings that were lower than originally anticipated, which, in general, reflects the fact that they have been operating in a rapidly deteriorating trading environment. The impact on the share price of these companies has been severe and sadly, in some cases, terminal. The major contributors to NAV decline in the year include:—

Claimar Care is a provider of domiciliary care services to the public sector. Claimar has experienced a year of operational difficulties related to increased labour and fuel costs combined with delays to, and costs associated with, implementing new contracts. As a result, profits for the financial year to 30 September 2008 were significantly below expectations. The management team has since implemented a number of initiatives designed to stabilise the business and have confirmed that trading in the current financial year has started well.

Discover Leisure has grown rapidly since flotation in May 2005 to become one of the UK's leading caravan and leisure industry retailers. However, the Group has built its market presence primarily through debt-funded acquisitions. A sharp slowdown in sales of caravans and motorhomes combined with the collapse in commercial property values experienced over the past twelve months has placed Discover Leisure's balance sheet under increasing strain. At the end of December 2008, Discover Leisure released its results for the financial year ended 31 August 2008. The auditors have reported on these accounts and although their report was unqualified it did include an emphasis of matter paragraph which highlighted a dependence on continued

Investment Manager's Review

support from the Group's bankers and therefore indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Fishworks is a specialist fish restaurant chain. In the past year the Company has experienced increasingly challenging market conditions as discretionary consumer spending tightened. Regrettably, administrators were appointed to the Company on 21 January 2009. Discussions with potential buyers of the business are ongoing, but it has to be considered unlikely that any value will be recovered for shareholders and the holding has been written down to zero after the year end.

Greatfleet was a specialist recruitment company which, having struggled to recover from a long history of operational issues under previous management, found itself operating in an increasingly challenging and competitive market. Greatfleet suffered a cashflow crisis and despite a change of management and a modest injection of capital, the Company was eventually forced into administration by a major creditor in August 2008.

Hexagon Human Capital is a recruitment company specialising in Senior Interim Management and Executive Search. In the Interim Report released at the end of November 2008, the Board of Hexagon confirmed that although current trading levels remain positive, medium term trading conditions were uncertain given the global economic downturn. Hexagon's share price has suffered a significant decline over the past twelve months reflecting a collapse in confidence in the prospects for the recruitment sector as a whole.

Individual Restaurant Company operates thirty-one restaurants across the UK which predominantly trade under the Piccolino brand name. The business had been expanding rapidly through a roll-out programme. However, it is now clear that the programme of new restaurant openings will need to be shelved for the time being whilst management focus on securing the survival of the Group in what is a fiercely competitive sector entirely dependent on discretionary consumer spending.

Maxima Holdings is an IT managed services and systems integration company, which has grown rapidly through a combination of both organic and acquisitive growth. Maxima Holdings floated on AIM in November 2004 and has since completed ten acquisitions. In that time turnover has grown revenues from approximately £10m to over £45m per annum, whilst profits before tax have risen from £1m to £5.2m. Unfortunately, following the loss of a major client, the £5.2m of pre-tax profit delivered in the year to 31 May 2008 was lower than expected and the share price more than halved. The business remains profitable, is inherently cash generative and has manageable levels of debt. However, it will take an extended period of consistent performance before investor confidence is restored.

Shieldtech came to AIM in July 2007 with the intention of pursuing a buy and build strategy focused on acquiring businesses which supply products and services to the Homeland Security market. The funding environment for small, acquisitive businesses like Shieldtech has deteriorated significantly and the Group was unable to secure the financing needed to fund acquisitions. In addition, the core business; Aegis, which specialises in the manufacture and supply of body armour systems to police forces, experienced delays to a number of significant expected orders. As a result of these delays and because the Group had built a central overhead designed to accommodate a much larger entity, Shieldtech delivered losses in the year to 30 June 2008. Despite a recent trading update confirming strong sales and a return to profitability for the current financial year, the shares have been suspended from trading pending the completion of a required re-financing. There can be no certainty that attempts to re-finance the Company will be successful.

Tangent is a technology led digital marketing group. In 2007 Tangent acquired Ravensworth, a market leader in digital printing. Ravensworth's revenues were heavily dependent on producing the printed listing particulars required by Estate Agents and the Group has struggled primarily because the volume of property transactions has collapsed in the wake of the emerging financial crisis.

In a particularly difficult year for smaller quoted companies, there was nonetheless a select group of companies held in the Funds, which delivered meaningful share price gains and which deserve special mention:-

Abcam is a manufacturer and distributor of therapeutic antibodies which has successfully exploited web based technology to build a substantial business targeting the worldwide life science research market. The company has grown rapidly from humble beginnings in 1998 and now generates annual sales of more than £30m from an online catalogue of over 44,000 products. The business is inherently high margin and cash generative and prospects for continued growth remain strong. In the past year, the Board has invested significantly in expanding their own manufacturing capability. The new facilities are now complete and production of commercial scale antibodies have commenced. In time, this initiative should further enhance margins as well as giving Abcam much greater control over the antibody market as a whole. During the past twelve months Abcam's share price has risen by 55%, outperforming the FTSE AIM All-Share Index by over 115%.

Animalcare, Pressure Technologies, Tracsis and Vindon Healthcare also performed strongly during the year, delivering share price gains of 59.1%, 28.8%, 19.3% and 18.8% respectively.

New qualifying investments

In view of the increasingly difficult market conditions, the Investment Manager made only a limited number of new VCT qualifying investments during the year under review, including:–

Essentially is an independent sports marketing, media, management and services agency. In April, the Group raised £6m to help fund the acquisition of a successful and consistently profitable competitor which specialises in stadium perimeter advertising and which has exclusive arrangements with the owners of some of the biggest stadia in the UK. This acquisition has now been successfully integrated. However, the particularly dramatic decline in business confidence experienced in the second half of 2008 has impacted on the Group's profitability. Earnings for the financial year to 31 December 2008 are now expected to be significantly below market expectations.

IS Pharma is a profitable, cash generative and fast growing hospital medicines business which targets the development and commercial exploitation of late-stage pharmaceuticals and medical devices in the specialist hospital medicines sector. In April 2008, the company successfully raised £10m to fund the acquisition of SEPI AG, a Swiss-based pharmaceutical company with a profitable portfolio of specialist hospital pharmaceutical products. The combined Group is now primarily focused in the areas of critical care, neurology and oncology and operates internationally through a strong network of distributors.

Optare manufactures buses and coaches which it sells into the UK public transport market. Following a reverse acquisition in July 2008, the enlarged Group has become an important competitor in the UK bus and coach industry and is focused on developing the next generation of fuel efficient vehicles.

Praesepe is an operator of adult gaming centres in the UK. The intention is to grow the business through a series of acquisitions in what remains a highly fragmented market. The business is run by Nick Harding who previously created substantial shareholder value for investors in Talarius, which was a similar business that also expanded rapidly and successfully through acquisition and was then sold to a trade buyer at the end of 2006.

A follow on investment in **Snacktime**, the UK's only national snack vending company, was made by both Funds in the form of 8% Convertible Loan Notes.

The C Share Fund also invested a further £100,000 in **Tracsis**, a small, but highly specialised provider of resource optimisation software used in the processing of labour scheduling by passenger rail and bus service operators.

Non-qualifying investments

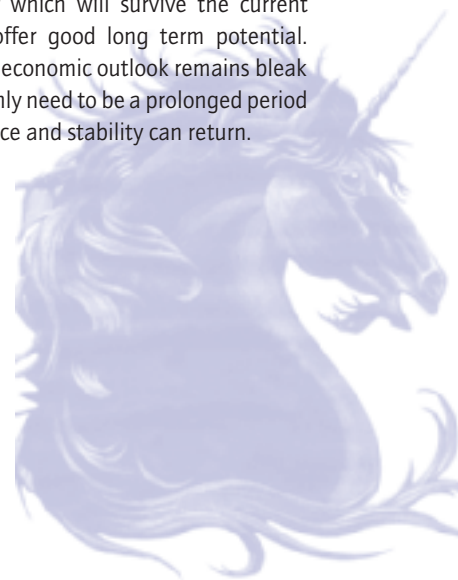
The contribution to performance from the investment in sub-funds of the Unicorn Investment Funds OEIC was negative in line with wider equity market declines. Market exposure was significantly reduced in both Funds via a series of disposals of the OEIC investments, which raised over £2m in cash for the Ordinary Share Fund and over £1m for the C Share Fund.

Prospects

It has been a torrid year for equity markets. As many investors have discovered to their cost, even the biggest, most highly regarded and internationally diverse businesses can be hugely risky investment propositions. The disintegration and subsequent part-nationalisation of the UK banking sector bears witness to this fact.

The Investment Manager has previously highlighted the particular risks associated with investment in small, illiquid, AIM quoted companies, whilst also setting out a clear Investment Policy designed to mitigate this risk as far as possible. Inevitably, at the smaller end of the market and with a limited number of qualifying companies to choose from, there will always be investments which disappoint. However, during the past twelve months there has been extraordinary upheaval in financial systems around the world which has fundamentally changed people's perception of risk. The dramatic decline in the value of AIM quoted companies is an example of this re-pricing of risk.

It is important to note that the Company's Investment Policy continues to be consistently applied. Each Share Fund now contains a diverse range of predominantly profitable, well-capitalised businesses, most of which will survive the current malaise and which therefore offer good long term potential. However, for the time being the economic outlook remains bleak and there will now almost certainly need to be a prolonged period of readjustment before confidence and stability can return.



Investment Portfolio Summary

Ordinary Share Fund

	Date of first investment	Book cost £'000	Valuation £'000	Valuation basis	Type of security	Market sector
Qualifying investments						
AIM quoted investments						
Abcam plc Online distributor of antibodies for research purposes	Oct 2005	451	1,336	Bid price	Ordinary shares	Pharmaceuticals
Pressure Technologies plc Designs and manufactures speciality high pressure, seamless steel gas cylinders	May 2007	550	898	Bid price	Ordinary shares	Construction and materials
Concateno plc Drug and alcohol abuse testing services	Oct 2006	745	789	Bid price	Ordinary shares	Support services
Cohort plc Provision of a wide range of technical services to clients in the defence and security sectors	Feb 2006	831	751	Bid price	Ordinary shares	Aerospace and defence
Mattioli Woods plc Consultants in the provision of pension and wealth management services	Nov 2005	483	751	Bid price	Ordinary shares	Speciality and other finance
Vindon Healthcare plc Manufacture of environmental control products for the pharmaceutical industry, life sciences and food sectors	May 2007	750	675	Bid price	Ordinary shares	Healthcare
Animalcare Group plc Manufacturer & supplier worldwide of livestock, healthcare & management products	Jan 2008	425	618	Bid price	Ordinary shares	Farming and fishing
Crawshaw Group plc Award winning family butchers	Apr 2007	811	596	Bid price	Ordinary shares	Leisure and retail
Brulines (Holdings) plc Dispense monitoring equipment for use in pubs and clubs	Oct 2006	584	594	Bid price	Ordinary shares	Support services
SnackTime plc Operator of vending machines	Dec 2007	743	558	Bid price	Ordinary shares & loan stock	Leisure and retail
Hasgrove plc Pan-European marketing and communications services	Nov 2006	600	440	Bid price	Ordinary shares	Media
IDOX plc Produces and develops software for document, content and information management through a web based application	May 2007	398	437	Bid price	Ordinary shares	IT services
Driver Group plc Provision of commercial project planning and dispute resolution services to the construction industry	Apr 2006	425	379	Bid price	Ordinary shares	Construction and materials
Maxima Holdings plc Implementation and support of enterprise software solutions	Sep 2005	500	303	Bid price	Ordinary shares	Software and computer services
Melorio plc Vocational training	Oct 2007	400	252	Bid price	Ordinary shares	Education
Mount Engineering plc Electronics manufacturer	Jun 2007	300	236	Bid price	Ordinary shares	Electronic & electrical equipment
PHSC plc Health and Safety and Environmental Health Consultancy and Training throughout the UK	Mar 2007	450	187	Bid price	Ordinary shares	Healthcare
Vitesse Media plc Online, print publishing & events company specialising in growing businesses	Nov 2007	250	170	Bid price	Ordinary shares	Media

	% of equity held	% of net assets by value	Date of latest accounts	Turnover £'000	Profit/(loss) before tax £'000	Net assets/(liabilities) £'000	% of equity held by funds managed by Unicorn Asset Management Limited	Website address	
	0.8%	9.0%	30-Jun-08	36,694	7,952	24,122	2.5%	www.abcam.com	
	3.2%	6.0%	30-Sep-07	15,124	1,409	7,865	4.1%	www.pressuretechnologies.co.uk	
	0.8%	5.3%	31-Dec-07	26,064	323	103,188	1.5%	www.concateno.com	
ence	1.6%	5.0%	30-Apr-08	57,093	5,569	40,843	3.2%	www.cohortplc.com	
	2.1%	5.0%	31-May-08	10,828	3,509	14,027	6.3%	www.mattioli-woods.com	
	4.2%	4.5%	31-Dec-07	4,968	1,338	4,886	5.4%	www.vindonhealthcare.com	
	3.9%	4.2%	30-Jun-08	11,755	1,113	14,645	8.3%	www.animalcaregroup.co.uk	
	8.5%	4.0%	Annual report not yet published					10.5%	www.crawshawgroupplc.com
	1.7%	4.0%	31-Mar-08	17,063	4,165	13,258	1.7%	www.brulines.com	
	5.9%	3.8%	31-Mar-08	3,808	123	4,129	16.7%	www.snacktimeuk.co.uk	
	2.2%	3.0%	31-Dec-07	21,675	2,401	18,396	5.6%	www.hasgrove.com	
	1.5%	2.9%	31-Oct-07	20,625	1,119	19,904	1.5%	www.idoxplc.com	
	2.2%	2.6%	30-Sep-07	12,684	1,114	5,421	3.9%	www.driver-group.com	
	1.2%	2.0%	31-May-08	46,657	5,208	35,506	7.4%	www.maximaholdings.com	
	1.0%	1.7%	31-Mar-08	7,826	1,728	30,623	2.9%	www.melorio.com	
ical	1.8%	1.6%	31-Dec-07	5,433	1,305	16,722	1.8%	www.mountengineering.co.uk	
	7.7%	1.3%	31-Mar-08	5,078	757	4,894	7.7%	www.phscplc.co.uk	
	3.9%	1.1%	31-Jan-08	4,940	(98)	1,767	6.3%	www.vitessemedia.co.uk	

Ordinary Share Fund	Date of first investment	Book cost	Valuation	Valuation basis	Type of security	Market sector
		£'000	£'000			
Hexagon Human Capital plc Recruitment	Feb 2007	710	163	Bid price	Ordinary shares	Support services
Tracsis plc Provides resource optimisation software to transport companies	Nov 2007	120	150	Bid price	Ordinary shares	Software & computer services
HML Holdings plc Provision of property management and related services in the South East of England	Jul 2007	480	142	Bid price	Ordinary shares	Support services
Tangent Communications plc Provision of customised marketing services	Dec 2007	500	125	Bid price	Ordinary shares	Media
Datong Electronics plc Development of a range of advanced covert tracking and location systems	Sep 2005	333	115	Bid price	Ordinary shares	Electronic & electrical equipment
Surgical Innovations Group plc Design, development and manufacture of devices for use in minimally invasive surgery and industrial markets	May 2007	500	107	Bid price	Ordinary shares	Healthcare
Individual Restaurant Company plc High Street restaurant chain	Dec 2006	538	102	Bid price	Ordinary shares	Leisure and retail
Praesepe plc Adult gaming centres	Jul 2008	198	81	Bid price	Ordinary shares	Leisure
Kiotech International plc Manufacturer of animal feed supplements	Nov 2006	300	75	Bid price	Ordinary shares	Biotechnology
Universe Group plc The provision of managed services, payment and loyalty systems for the Petrol forecourt & Retail sector	Mar 2007	294	74	Bid price	Ordinary shares	Support services
ACM Shipping Group plc Ship Broker	Dec 2006	68	67	Bid price	Ordinary shares	Support services
Access Intelligence plc Software and computer services	Sep 2006	176	59	Bid price	Ordinary shares	Software and computer services
Optare Group plc Bus manufacturer	Jul 2008	150	45	Bid price	Ordinary shares	Engineering & machinery
eg solutions plc Provisions of proprietary workflow management tools designed to improve operational efficiencies	May 2005	250	35	Bid price	Ordinary shares	Software and computer services
Optimisa plc Marketing services group providing marketing consultancy and research	Oct 2007	273	25	Bid price	Ordinary shares	Media
Claimar Care Group plc Provision of care services to the public sector and private individuals	Sep 2007	411	25	Bid price	Ordinary shares	Healthcare
INVU plc Business document management company, assisting with the organisation and storage of files	May 2007	200	20	Bid price	Ordinary shares	IT services
Belgravium Technologies plc Development and supply of rugged, hand-held, battery powered, real time data capture devices	Sep 2005	117	14	Bid price	Ordinary shares	Electronic & electrical equipment
Cantono plc Managed IT services	Jul 2007	350	9	Bid price	Ordinary shares	IT services
Discover Leisure plc UK retailer of Caravans and Motor homes	Sep 2006	235	6	Bid price	Ordinary shares	Leisure and retail
		15,899	11,409			

	% of equity held	% of net assets by value	Date of latest accounts	Turnover £'000	Profit/(loss) before tax £'000	Net assets £'000	% of equity held by funds managed by Unicorn Asset Management Limited	Website address	
	2.2%	1.1%	31-Mar-08	28,664	2,872	16,854	5.2%	www.hexagonhc.com	
ter	1.6%	1.0%	31-Jul-08	805	393	2,592	9.9%	www.tracsis.com	
	5.6%	1.0%	31-Mar-08	7,497	312	6,270	8.8%	www.hmlholdings.com	
	2.3%	0.8%	29-Feb-08	17,361	2,094	19,384	2.3%	www.tangentuk.com	
ical	1.9%	0.8%	31-Mar-08	10,717	1,960	11,360	5.7%	www.datong.co.uk	
	3.8%	0.7%	31-Dec-07	4,770	731	7,410	4.9%	www.sigrouplc.com	
	1.3%	0.7%	31-Dec-07	50,852	2,581	40,425	1.3%	www.individualrestaurants.co.uk	
	0.5%	0.5%	31-Dec-07	nil	(547)	4,035	2.0%	www.praesepeplc.com	
	4.0%	0.5%	31-Dec-07	5,352	464	7,128	13.3%	www.kiotech.com	
	3.7%	0.5%	31-Dec-07	13,186	(1,882)	19,531	3.7%	www.universe-group.co.uk	
	0.2%	0.5%	31-Mar-08	19,638	4,815	7,865	0.2%	www.acmshipping.co.uk	
	1.8%	0.4%	30-Nov-07	4,068	(478)	7,686	7.2%	www.accessintelligence.com	
	0.5%	0.3%	Annual report not yet published					1.5%	www.optare.com
	2.1%	0.2%	31-Jan-08	4,123	(815)	1,861	4.1%	www.eguk.co.uk	
	1.4%	0.2%	31-Dec-07	11,415	1,257	12,653	2.1%	www.optimisapl.com	
	0.6%	0.2%	30-Sep-08	52,617	899	40,582	1.1%	www.claimar.co.uk	
	0.6%	0.1%	31-Jan-08	8,711	1,722	8,687	0.6%	www.invu.net	
ical	0.8%	0.1%	31-Dec-07	10,637	2,053	9,187	2.5%	www.belgravium.com	
	1.2%	0.1%	31-May-08	8,534	(8,550)	5,605	3.3%	www.cantono.com	
	1.1%	0.0%	31-Aug-08	135,767	(3,727)	26,648	1.6%	www.discoverleisure.co.uk	
	76.7%								

Ordinary Share Fund	Date of first investment	Book cost	Valuation	Valuation basis	Type of security	Market sector
		£'000	£'000			
Unquoted investments						
Amber Taverns Limited Development of a chain of unbranded, managed, freehold, public houses in the North of England	Apr 2005	500	518	Earning multiple	Ordinary and preference shares	Leisure and retail
The Debt Advisor Group plc (in administration) Consumer financial solutions through mortgages, secured & unsecured loans and IVAs	Feb 2006	1,000	0	Full provision	Ordinary shares	Financial services
Shieldtech plc Designs, manufactures and supplies body armour	June 2007	750	0	Full provision	Ordinary shares	Support services
Greatfleet plc (in administration) Recruitment consultant specialising in legal and financial search and selection	Feb 2007	249	0	Full provision	Ordinary shares	Support services
		2,499	518			
Total qualifying investments		18,398	11,927			
Non-qualifying investments						
Unicorn UK Smaller Companies Fund (OEIC)	May 2005	1,269	1,008	Bid price	B shares	
Non-qualifying AIM quoted investments		709	528	Bid price		
Money Market Funds*	Jan 2005	516	516	Bid price	Participating shares	
Unicorn Mastertrust Fund (OEIC)	Apr 2005	434	358	Bid price	B shares	
Unicorn UK Income (OEIC)	May 2005	450	321	Bid price	B shares	
Total non-qualifying investments		3,378	2,731			
Total investments		21,776	14,658			
Other assets			343			
Current liabilities			(128)			
Net assets			14,873			
* Disclosed within 'Current investments' in the Balance Sheet						
C Share Fund						
Qualifying investments						
AIM quoted investments						
Animalcare Group plc Manufacturer & supplier worldwide of livestock, healthcare & management products	Jan 2008	275	400	Bid price	Ordinary shares	Farming & fishing
Cohort plc Provision of a wide range of technical services to clients in the defence and security sectors	Jul 2006	350	282	Bid price	Ordinary shares	Aerospace and def
Concateno plc Drug and alcohol abuse testing services	Oct 2006	255	270	Bid price	Ordinary shares	Support services
SnackTime plc Operator of vending machines	Dec 2007	368	260	Bid price	Ordinary shares & loan stock	Leisure and retail
Pressure Technologies plc Designs and manufactures speciality high pressure, seamless steel gas cylinders	May 2007	150	245	Bid price	Ordinary shares	Construction and materials
Tracsis plc Provides resource optimisation software to transport companies	Nov 2007	220	243	Bid price	Ordinary shares	Software & compu services
Hasgrove plc Pan-European marketing and communications services	Nov 2006	300	220	Bid price	Ordinary shares	Media
Vindon Healthcare plc Manufacture of environmental control products for the pharmaceutical industry, life sciences and food sectors	May 2007	200	180	Bid price	Ordinary shares	Healthcare
Crawshaw Group plc Award winning family butchers	Apr 2007	189	138	Bid price	Ordinary shares	Leisure and retail
IS Pharma plc (formerly Maelor plc) Specialist hospital medicines group	Mar 2008	154	130	Bid price	Ordinary shares	Pharmaceuticals a biotechnology
Melorio plc Vocational training	Oct 2007	200	126	Bid price	Ordinary shares	Education

	% of equity held	% of net assets by value	Date of latest accounts	Turnover £'000	Profit/(loss) before tax £'000	Net assets/(liabilities) £'000	% of equity held by funds managed by Unicorn Asset Management Limited	Website address
	11.1%	3.5%	31-Jan-08	3,732	(1)	626	36.5%	www.ambertaverns.co.uk
	2.9%	0.0%	In receivership					
	5.7%	0.0%	30-Jun-07	Nil	(104)	(152)		www.shieldtech.co.uk
	1.9%	0.0%	30-Dec-06	11,437	530	2,184		
		3.5%						
		80.2%						
	24.4%	6.8%					73.2%	
	N/A	3.5%						
	N/A	3.5%					N/A	
	8.9%	2.4%					41.0%	
	20.7%	2.2%					87.0%	
		18.4%						
		98.6%						
		2.3%						
		(0.9)%						
		100.0%						
	2.5%	5.5%	30-Jun-08	11,755	1,113	14,645	8.3%	www.animalcaregroup.co.uk
ence	0.6%	3.9%	30-Apr-08	57,093	5,569	40,843	3.2%	www.cohortplc.com
	0.3%	3.7%	31-Dec-07	26,064	323	103,188	1.5%	www.concateno.com
	2.7%	3.6%	31-Mar-08	3,808	123	4,129	16.7%	www.snacktimeuk.co.uk
	0.9%	3.4%	30-Sep-07	15,124	1,409	7,865	4.1%	www.pressuretechnologies.co.uk
ter	2.6%	3.3%	31-Jul-08	805	393	2,592	9.9%	www.tracsis.com
	1.1%	3.0%	31-Dec-07	21,675	2,401	18,396	5.6%	www.hasgrove.com
	1.1%	2.5%	31-Dec-07	4,968	1,338	4,886	5.4%	www.vindonhealthcare.com
	2.0%	1.9%	Annual report not yet published				10.5%	www.crawshawgroupplc.com
nd	0.7%	1.7%	31-Mar-08	7,032	1,178	12,121	2.0%	www.acorus-therapeutics.com
	0.5%	1.7%	31-Mar-08	7,826	1,728	30,623	2.9%	www.melorio.com

C Share Fund	Date of first investment	Book cost	Valuation	Valuation basis	Type of security	Market sector
		£'000	£'000			
Vitesse Media plc Online, print publishing & events company specialising in growing businesses	Nov 2007	150	102	Bid price	Ordinary shares	Media
HML Holdings plc Provision of property management and related services in the South East of England	Jul 2007	270	80	Bid price	Ordinary shares	Support services
Hexagon Human Capital plc Recruitment	Feb 2007	289	67	Bid price	Ordinary shares	Support services
Praesepe plc Adult gaming centres	Jul 2008	149	61	Bid price	Ordinary shares	Leisure
Essentially plc Leading independent sports marketing, media, management and services agency	Apr 2008	136	61	Bid price	Ordinary shares	Media
Fishworks plc High Street restaurant chain	Nov 2007	285	59	Bid price	Ordinary shares	Leisure and retail
Kiotech International plc Manufacturer of animal feed supplements	Nov 2006	154	39	Bid price	Ordinary shares	Biotechnology
Surgical Innovations Group plc Design, development and manufacture of devices for use in minimally invasive surgery and industrial markets	May 2007	143	31	Bid price	Ordinary shares	Healthcare
Optare Group plc Bus manufacturer	Jul 2008	100	30	Bid price	Ordinary shares	Engineering and machinery
Access Intelligence plc Software and computer services	Sep 2006	88	29	Bid price	Ordinary shares	Software and computer services
Claimar Care Group plc Provision of care services to the public sector and private individuals	Sep 2007	343	21	Bid price	Ordinary shares	Healthcare
Optimisa plc Marketing services group providing marketing consultancy and research	Oct 2007	130	12	Bid price	Ordinary shares	Media
Cantono plc Managed IT services	Jul 2007	150	4	Bid price	Ordinary shares	IT services
Discover Leisure plc UK retailer of Caravans and Motor homes	Sep 2006	115	3	Bid price	Ordinary shares	Leisure and retail
		5,163	3,093	–	–	
Unquoted investments						
Shieldtech plc Designs, manufactures and supplies body armour	June 2007	250	0	Full provision	Ordinary shares	Support services
Greatfleet plc (in administration) Recruitment consultant specialising in legal and financial search and selection	Mar 2008	50	0	Full provision	Ordinary shares	Support services
		300	0			
Total qualifying investments		5,463	3,093			
Non-qualifying investments (also the five largest)						
Money Market Funds*		1,409	1,409	Mid market price	Participating shares	
Unicorn UK Smaller Companies Fund (OEIC)		1,316	777	Mid market price	B shares	
Unicorn UK Income Fund (OEIC)		1,361	773	Mid market price	B shares	
Unicorn Free Spirit Fund (OEIC)		1,063	696	Mid market price	B shares	
Unicorn Mastertrust Fund (OEIC)		486	309	Mid market price	B shares	
Clerkenwell Ventures plc** (Restaurant acquisition vehicle)	Sep 2007	300	224	Bid price	Ordinary shares	Leisure and Retail
Total non-qualifying investments		5,935	4,188			
Total investments		11,398	7,281			
Other assets			122			
Current liabilities			(99)			
Net assets			7,304			

* Disclosed within 'Current investments' in the Balance Sheet ** Quoted on AIM

% of equity held	% of net assets by value	Date of latest accounts	Turnover £'000	Profit/(loss) before tax £'000	Net assets/(liabilities) £'000	% of equity held by funds managed by Unicorn Asset Management Limited	Website address	
2.3%	1.4%	31-Jan-08	4,940	(98)	1,767	6.3%	www.vitessemedia.co.uk	
3.2%	1.1%	31-Mar-08	7,497	312	6,270	8.8%	www.hmlholdings.com	
0.9%	0.9%	31-Mar-08	28,664	2,872	16,854	5.2%	www.hexagonhc.com	
0.4%	0.8%	31-Dec-07	N/A	(547)	4,035	2.0%	www.praesepeplc.com	
0.6%	0.8%	31-Dec-07	9,209	324	11,460	2.0%	www.essentiallygroup.com	
4.2%	0.8%	31-Jul-07	10,709	(1,763)	3,852	4.2%	www.fishworks.co.uk	
2.0%	0.5%	31-Dec-07	5,352	464	7,128	13.3%	www.kiotech.com	
1.1%	0.4%	31-Dec-07	4,770	731	7,410	4.9%	www.sigrouplc.com	
0.3%	0.4%	Annual report not yet published					1.5%	www.optare.com
0.9%	0.4%	30-Nov-07	4,068	(478)	7,686	7.2%	www.accessintelligence.com	
0.5%	0.3%	30-Sep-08	52,617	899	40,582	1.1%	www.claimar.co.uk	
0.7%	0.2%	31-Dec-07	11,415	1,257	12,653	2.1%	www.optimisapl.com	
0.5%	0.1%	31-May-08	8,534	(8,550)	5,605	3.3%	www.cantono.com	
0.5%	0.0%	31-Aug-08	135,767	(3,727)	26,648	1.6%	www.discoverleisure.co.uk	
42.3%								
1.9%	0.0%	30-Jun-07	Nil	(104)	(152)		www.shieldtech.co.uk	
1.9%	0.0%	30-Dec-06	11,437	530	2,184			
0.0%								
42.3%								
N/A	19.3%					N/A		
18.8%	10.6%					73.2%		
50.0%	10.6%					87.0%		
10.8%	9.5%					22.2%		
7.7%	4.2%					41.0%		
1.0%	3.1%					8.4%		
57.3%								
99.6%								
1.8%								
(1.4)%								
100.0%								

Board of Directors

Peter Andrews

Status: Independent, non-executive Chairman.

Age: 61.

Experience: Peter has been Chief Executive of a number of international engineering companies, including Sterling Fluid Systems, which is a major fluid handling equipment manufacturer. His experience in leading two MBOs (one UK and one US) gives him a practical insight into the venture capital industry. He has been Executive Chairman of Syltone plc, which is a world leader in the manufacture and supply of specialist products and systems for bulk transport and utility vehicles. Syltone plc was acquired in January 2004 by a US corporation. In December 2005 he led the Buy-In Management Buy-Out of Accura Support Services Limited, which he successfully exited in August 2008. Peter is currently Chairman of Hydrobolt Group Limited.

Length of service as at 31 December 2008: Four years.

Last re-elected to the Board: April 2007.

Committee memberships: Management Engagement Committee, Audit Committee, Nominations and Remuneration Committee (Chairman).

Number of Board and Committee meetings attended 2008: 21/21.

Remuneration 2008: £20,000.

Relevant relationships with the Investment Manager or other service providers: None.

Relevant relationships with investee companies: None.

Shareholding in the Company: 20,550 Ordinary Shares, 82,400 C Shares.

Malcolm Diamond

Status: Independent, non-executive Director.

Age: 60.

Experience: Malcolm established the Bluesky Partnership whose mission is to grow stakeholder value principally for private, VCT and institutional shareholders. This is achieved by direct involvement through non-executive or part time executive directorships or where appropriate through interim management. Malcolm is currently chairman of CWO Ltd and is a non-executive director of Dechra Pharmaceuticals plc. Between 1984 and 2001, Malcolm was managing director of Trifast plc, which he led to a full listing in 1994. He retired from Trifast in 2001.

Length of service as at 31 December 2008: Four years.

Last re-elected to the Board: April 2008.

Committee memberships: Management Engagement Committee (Chairman), Audit Committee, Nominations and Remuneration Committee.

Number of Board and Committee meetings attended 2008: 19/21.

Remuneration 2008: £15,000.

Relevant relationships with the Investment Manager or other service providers: Shareholder of Unicorn Asset Management Limited, holding 0.38% of the Investment Manager's issued share capital.

Relevant relationships with investee companies: None.

Shareholding in the Company: 10,550 Ordinary Shares, 10,300 C Shares.

Jeremy Hamer

Status: Senior independent non-executive Director.

Age: 56.

Experience: Jeremy is a Chartered Accountant who worked for 16 years in industry culminating as Managing Director of JF Renshaw Ltd, a bakery ingredient manufacturer between November 1988 and March 1997. He then became an associate of Elderstreet Investments Limited where he was responsible for investing VCT funds. He is a non-executive director of a number of quoted companies where the predominant strategy is to grow by acquisition using AIM as a capital provider. These companies include Glisten plc, Avingtrans plc, Access Intelligence plc and SQS plc, which was recently awarded the International AIM Company of the Year award.

Length of service as at 31 December 2008: Four years.

Last re-elected to the Board: March 2006. (standing for re-election at the AGM on 21 April 2009)

Committee memberships: Management Engagement Committee, Audit Committee (Chairman), Nominations and Remuneration Committee.

Number of Board and Committee meetings attended 2008: 18/21.

Remuneration 2008: £17,500.

Relevant relationships with the Investment Manager or other service providers: None.

Relevant relationships with investee companies: Non-executive director and shareholder of Access Intelligence plc, one of the Company's investee companies.

Shareholding in the Company: 15,412 Ordinary Shares, 10,300 C Shares.

Kenneth Vere Nicoll

Status: Independent, non-executive Director.

Age: 66.

Experience: Ken is a Chartered Accountant with over 35 years' corporate finance experience including 17 years with Barings Plc. In 1989 he founded a corporate finance boutique specialising in smaller companies, which was transferred to Matrix Corporate Finance in 1998. He is deputy chairman of Matrix Corporate Capital LLP and is a director of Matrix Group Limited and Matrix-Securities Limited. Ken is also a non-executive director of Matrix Income & Growth 2 VCT plc.

Length of service as at 31 December 2008: Four years.

Last re-elected to the Board: March 2006. (standing for re-election at the AGM on 21 April 2009)

Committee memberships: None.

Number of Board meetings attended 2008: 12/13. Mr Vere Nicoll also attended all of the Board Committee meetings by invitation of the respective Committee Chairman.

Remuneration 2008: £15,000.

Relevant relationships with the Investment Manager or other service providers: Director and shareholder of Matrix Group Limited and director of Matrix-Securities Limited, a wholly-owned subsidiary of Matrix Group which acts as Company Secretary and Administrator to the Company. Matrix Group and Mr Vere Nicoll are both Members of Matrix Corporate Capital LLP, corporate broker to the Company.

Relevant relationships with investee companies: None.

Shareholding in the Company: 24,660 Ordinary Shares, 20,600 C Shares (including holdings of connected persons).

Directors' Report

The Directors present the Annual Report and Accounts of the Company for the year ended 31 December 2008.

Business review and principal activities

The principal activity of the Company during the year under review was investment in AIM quoted companies in the United Kingdom. Details of the principal investments made by the Company are given in the Investment Manager's Review and Investment Portfolio Summary on pages 7-17 of this Report. A review of the Company's business during the year including the key performance indicators of NAV per share, cumulative dividends paid and total return is contained in the Chairman's Statement on pages 3-4 and on the Key Data Sheets on pages 5-6.

The Ordinary Shares of 1 pence each and the C Shares of 1 pence each in the capital of the Company were first admitted to the Official List of the UK Listing Authority and to trading on 7 January 2005 and 5 January 2006 respectively.

The Company has satisfied the requirements for approval as a Venture Capital Trust under section 274 of the Income Tax Act 2007 (ITA). It is the Directors' intention to continue to manage the Company's affairs in such a manner as to comply with section 274 of the ITA.

The Company revoked its status as an investment company as defined in section 266 of the Companies Act 1985 on 31 October 2007. This change was undertaken to allow the Company to distribute capital gains made by the Company to Shareholders.

Future developments

The Company will continue to pursue its investment objective as set out at the beginning of this Report, in line with its Investment Policy on page 2. Further information is outlined in the Chairman's Statement and Investment Manager's Review.

Issue of shares

Between 4 April and 6 May 2008 the Company issued 276,628 Ordinary Shares at 98p per share and 79,246 C Shares at 89p per share for total consideration of £341,624 before expenses, pursuant to the Top-up Offers launched on 25 February 2008. The Directors did not subscribe for any new shares under the Top-up Offers.

During the year under review the Company bought back 1,306,593 Ordinary Shares (being £13,066 nominal value or 5.67% of the opening issued share capital of that class) at a cost of £895,016 (net of expenses). The Company did not buy-back any C Shares during the year under review.

As at 31 December 2008 the issued share capital and number of shares in issue of the Company was as follows:

Share class	Issued share capital	Number of shares in issue	% of total share capital
Ordinary Shares	£220,206	22,020,616	63.64%
C Shares	£125,791	12,579,053	36.36%
Total	£345,997	34,599,669	100.00%

Each shareholder has one vote on a show of hands, and on a poll one vote per share held, at a general meeting of the Company.

As detailed in the Company's Articles of Association, each share class is entitled to dividends paid out of the net income derived from the assets attributable to that particular share class and, in the event of liquidation, the surplus arising from the assets of each share class share be distributed to the holders of each respective share class. Should the C Shares be converted to Ordinary Shares, then they shall rank pari passu in all respects to the existing Ordinary Shares.

Results and dividend

The revenue loss attributable to Ordinary Shareholders for the year was £42,605 after taxation, while the capital loss was £7,810,383. A final dividend of 5 pence per share was paid to Ordinary Fund Shareholders in respect of the year ended 31 December 2007 on 6 May 2008. The Directors will be recommending a final capital dividend of 1 pence per Ordinary Share to Shareholders at the Annual General Meeting to be held on 21 April 2009. The dividend will be payable on 8 May 2009 to Ordinary Shareholders who are on the Register on 14 April 2009.

The revenue return attributable to C Shareholders for the year was £39,383 after taxation, while the capital loss was £4,151,614. A final dividend of 1.00 pence per share was paid to C Fund Shareholders in respect of the year ended 31 December 2007 on 6 May 2008. The Directors will not be recommending a dividend to C Shareholders.

Directors and their interests

The names of the Directors appear below and brief biographical details on each of the Directors are given on page 18 of this Annual Report.

The Directors' interests, including those of connected persons, in the issued capital of the Company as at 31 December 2008 were:

Director	Ordinary shares		C Shares	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Peter Andrews	20,550	20,550	82,400	82,400
Malcolm Diamond	10,550	10,550	10,300	10,300
Jeremy Hamer	15,412	15,412	10,300	10,300
Kenneth Vere Nicoll	24,660	24,660	20,600	20,600

There have been no changes in the Directors' interests since 31 December 2008.

No options over the share capital of the Company have been granted to the Directors. No Director has a service contract with the Company. The Company does not have any employees.

Management

Unicorn Asset Management Limited was appointed as Investment Manager to the Company on 12 October 2004. Further details can be found in Note 4 to the Accounts on page 37.

Directors' Report

Matrix-Securities Limited acts as both Company Administrator and Company Secretary to the Company.

VCT status monitoring

The Company has retained PricewaterhouseCoopers LLP (PWC) to advise on its compliance with the legislative requirements relating to VCTs. PWC review new investment opportunities as appropriate and carry out regular reviews of the Company's investment portfolio.

Auditors

PKF (UK) LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the forthcoming Annual General Meeting.

Auditors' right to information

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. They have individually taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Principal risks and uncertainties

The Directors review, and agree policies for managing, the principal risks faced by the Company as part of the internal controls process (see the Corporate Governance Statement on page 26 for further information). The principal risks identified by the Directors are:

- Investment and strategic risk – Unsuitable investment strategy or stock selection could lead to poor returns to shareholders.
- Regulatory and tax risk – The Company is subject to relevant laws and regulations including Companies Acts 1985 and 2006, Income Tax Act 2007 and UK Listing Authority Rules. There is a risk that the Company may breach these rules and face public censure, suspension from the Official List and/or financial penalties. There is a risk that the Company may lose its VCT status under the Income Tax Act 2007 before shareholders have held their shares for the minimum period to retain their tax reliefs. Should the Company lose its VCT status, shareholders may lose any upfront income tax relief they received and be taxed on any future dividends paid and capital gain received if they dispose of their shares. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations.
- Operational risk – The Company has no employees and is therefore reliant on third party service providers. Failure of the systems at third party service providers could lead to inaccurate reporting or monitoring. Inadequate controls

may lead to the misappropriation or insecurity of assets.

- Financial Instruments risks - The main risks arising from the Company's financial instruments are due to fluctuations in the market price and interest rates, credit risk and liquidity risk. Full details can be found in note 20 on pages 44-48.
- Economic risk – Economic recession, inflation or deflation and movements in interest rates could affect trading conditions for smaller companies and consequently the value of the Company's investments.

Environmental, social and community matters

The Directors consider that, as a VCT, the Company's business has a limited impact upon environmental, social and community matters, but takes into account such matters where relevant.

The Company has obtained shareholder authority to send or supply documents or information to shareholders in electronic form which, if introduced, could minimise the environmental impact the Company makes.

The Investment Manager considers, to a limited degree, environmental, social and community matters during due diligence before completing an investment, although these factors will not necessarily preclude an investment. The Investment Manager may only invest in line with the Company's investment policy and applicable laws and regulations, which limit the activities that VCT qualifying investments may undertake.

Substantial interests

As at 4 March 2009 the Company had not been notified of any beneficial interest exceeding 3% of the issued share capital.

Creditors' payment policy

The Company's policy is to pay all creditors' invoices within 30 days of the invoice date unless otherwise agreed. At 31 December 2008 the average credit period for trade creditors was 16 days (2007: 14 days).

Annual General Meeting and Separate Meetings of the Ordinary Fund Shareholders and C Fund Shareholders

The Notice of the Annual General Meeting and separate Share Class Meetings of the Company to be held at 12.00 pm on 21 April 2009 at One Vine Street, London W1J 0AH is set out on pages 50-52 of this Annual Report. Personalised Proxy Forms are enclosed separately with Shareholders' copies of this Annual Report.

The notice of the meeting includes resolutions to re-appoint Jeremy Hamer and Kenneth Vere Nicoll. Brief biographical details are published on page 18 of this Annual Report. The Board believes that both Directors bring valuable skill, experience and expertise to the Company and recommends to shareholders the resolutions relating to the re-election of the Directors.

The resolutions to be considered at the Annual General Meeting include:

Resolution 8 – Authority to Allot Shares

Resolution 8 will authorise the Directors to allot relevant securities generally in accordance with section 80 of the Companies Act 1985 (“the Act”) up to a nominal amount of £115,332, this being approximately one third of the issued share capital of the Company at the date hereof. This authority, unless previously renewed or revoked, will expire on the date of the next Annual General Meeting of the Company to be held in 2010.

Resolution 8 will be proposed as an ordinary resolution requiring the approval of more than 50% of the votes cast at the meeting.

Authority for the Directors to disapply the pre-emption rights of Members (Resolution 9) under section 95 of the Act

Resolution 9 will sanction, in a limited manner, the disapplication of section 89 of the Act in respect of the authorised but unissued share capital of the Company and will give the Directors power to waive pre-emption rights in the specific circumstances set out in the resolution. These are in relation to a rights issue, any dividend investment scheme that may be introduced by the Company in the future, to fund a purchase of shares and also pursuant to any future 10 per cent. “top-up” offer.

The authority conferred by this resolution will expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2010 and the date which is fifteen months after the date on which this resolution is passed except that the Directors may allot securities after this date in pursuance of offers or agreements made prior to the expiration of the authority.

The resolution will generally renew a previous authority approved on 16 April 2008. This resolution will be proposed as a special resolution and will require the approval of 75% of the votes cast at the meeting.

Authority to purchase the Company’s own shares (Resolution 10)

This resolution authorises the Company to purchase its own shares for cancellation pursuant to section 166 of the Act. The authority is limited to a maximum number of 3,300,891 Ordinary Shares and 1,885,600 C Shares equal to approximately 14.99% of the issued share capital of each class at the date of the resolution and will expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2010

and the date which is fifteen months after the date on which this resolution is passed. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share or, as the case may be, a C Share will be the amount equal to 105% of the average of the middle market quotations for the Company’s Shares of that class as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the purchase. The minimum price which may be paid is 1 pence per share, i.e. the nominal value of the shares.

The Directors are aware that, as is the case with most VCTs, it is possible for the shares to trade at a discount to NAV as there is likely to be limited liquidity. The passing of this resolution will authorise the Company to fund purchases of its own shares and so enable the Directors to operate the share buyback facility and to influence to a degree the level of discount at which both classes of shares trade. Although the Directors’ intention is that investors who wish to sell their holding should be able to do so through the market at as small a discount as possible, Shareholders should be aware that this may not always be possible.

In pursuing this policy, the Directors’ highest priority will be to ensure that they are acting prudently and in the interests of remaining Shareholders.

This resolution is proposed as a special resolution and will require the approval of 75% of the votes cast at the meeting.

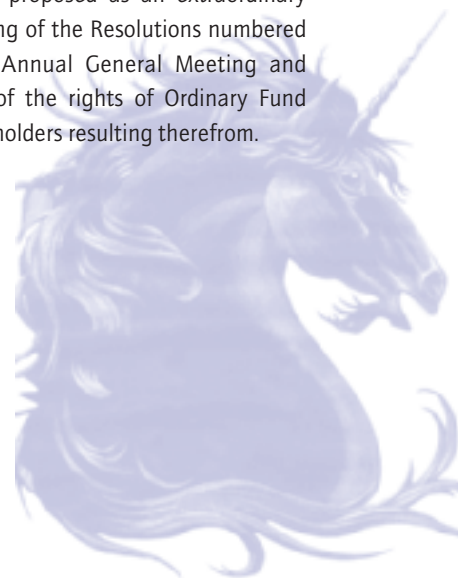
The Directors have no immediate intention of exercising these powers.

Separate class meetings of the Ordinary Fund Shareholders and the C Fund Shareholders

The Annual General Meeting will be followed on 21 April 2009 by separate class meetings of the Ordinary Fund Shareholders and the C Fund Shareholders and formal notices convening these meetings can be found on pages 50-52 following the AGM Notice. Shareholders of each class will be asked to approve the same single Resolution, to be proposed as an extraordinary resolution, approving the passing of the Resolutions numbered 8-10 to be proposed at the Annual General Meeting and sanctioning any modification of the rights of Ordinary Fund Shareholders and C Fund Shareholders resulting therefrom.

By order of the Board

For Matrix-Securities Limited
Secretary
4 March 2009



Directors' Remuneration Report

This Report has been prepared by the Directors in accordance with the requirements of Schedule 7A of the Companies Act 1985. A resolution to approve the Report will be proposed at the Annual General Meeting to be held on 21 April 2009. The Company's auditors are required to give their opinion on the specified information provided on Directors' emoluments and this is explained further in their report to Shareholders on page 31.

Remuneration Committee

The remuneration of individual Directors is determined by the Nominations and Remuneration Committee. The Committee comprises three Directors, Peter Andrews (Chairman), Malcolm Diamond and Jeremy Hamer all of whom are independent from the Investment Manager. The Committee meets at least once a year and makes recommendations to the Board within its terms of reference. Its duties include responsibility for reviewing the remuneration of the Directors and the appropriateness and relevance of the remuneration policy. The Committee has access to independent advice where it considers it appropriate. However, no such advice was taken during the year under review.

Remuneration policy

The remuneration policy is set by the Board. When considering the level of Directors' fees, the Nominations and Remuneration Committee is directed to take account of remuneration levels elsewhere in the Venture Capital Trust industry and other relevant information. It considers the levels and make-up of remuneration which are sufficient to attract, retain and motivate directors of the quality required to run the Company successfully and reflect the time commitment and responsibilities of the roles. It is not considered appropriate at the current time to relate any portion of the fees paid to the Directors, who are all non-executive, to performance. Malcolm Diamond is a shareholder of the Investment Manager and under the Investment Management Agreement dated 12 October 2004 and a Supplemental Agreement dated 31 October 2005, the Investment Manager receives an annual management fee of 2% of the net asset value of each Fund (excluding investments in OEICs). Under an Incentive Agreement dated 12 October 2004, the Investment Manager will also receive an incentive fee, subject to the achievement of certain targets. Under an Incentive Agreement dated 12 October 2004 and a Supplemental Agreement dated 31 October 2005 the Company will also pay an incentive fee to the Promoter of which Kenneth Vere Nicoll is a Director and shareholder. For further information, please see Notes 4 and 22 of the Notes to the Accounts on pages 37 and 48 respectively. The Directors do not have any plans to introduce any further incentive schemes at the present time and will seek Shareholder approval for any such schemes should they be proposed in the future. The Company's Articles of Association limit the total amount that can be paid to the Directors in fees to £100,000 per annum. It is intended that this policy will continue for the year

ending 31 December 2009 and subsequent years.

Details of the Directors' remuneration are disclosed below and in the Notes to the Accounts.

Terms of appointment

The Articles of Association provide that Directors may be appointed either by an ordinary resolution of the Company or by the Board provided that a person appointed by the Board shall be subject to re-election at the first Annual General Meeting following their appointment. Directors retiring by rotation are then eligible for re-election. Subject to the provisions of the Companies Act 1985 at least one Director shall retire from office by rotation at each AGM and this Director shall be the Director who has been longest in office since their last election. In compliance with the AIC Code the Directors have also agreed that no Director should be elected for a fixed term of more than three years and shall retire and, if appropriate, seek re-election following each three-year period.

All of the Directors are non-executive and none of the Directors has a service contract with the Company. All Directors receive a formal letter of appointment setting out the terms of their appointment, the powers and duties of Directors and the fees pertaining to the appointment. Appointment letters for new Directors will in future contain an assessment of the anticipated time commitment of the appointment and Directors will be asked to undertake that they will have sufficient time to meet what is expected of them and to disclose their other significant time commitments to the Board before appointment. A Director's appointment may be terminated on three months' notice being given by the Company and in certain other circumstances. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office. None of the Directors receive pension benefits from the Company and the Company has not granted any Director any options over the share capital of the Company.

Directors' emoluments (audited information)

The total emoluments in respect of qualifying services of each person who served as a Director during the year are as set out in the table below. The Company does not have any schemes in place to pay any of the Directors bonuses or benefits in addition to their Directors' fees.

	Year to 31 December 2008 £	Year to 31 December 2007 £
Peter Andrews	20,000	20,000
Jeremy Hamer*	17,500	17,500
Malcolm Diamond*	15,000	15,000
Kenneth Vere Nicoll	15,000	15,000

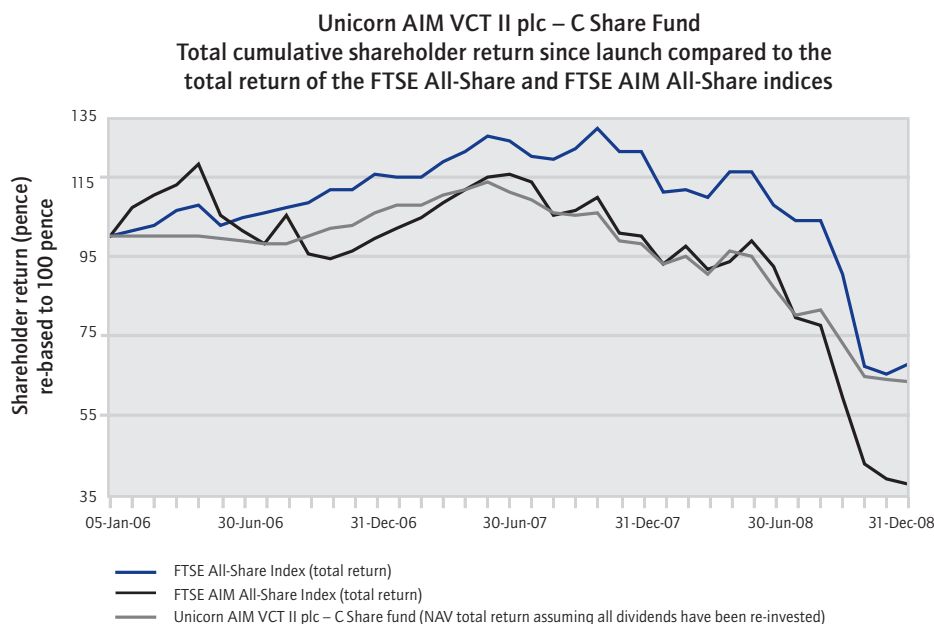
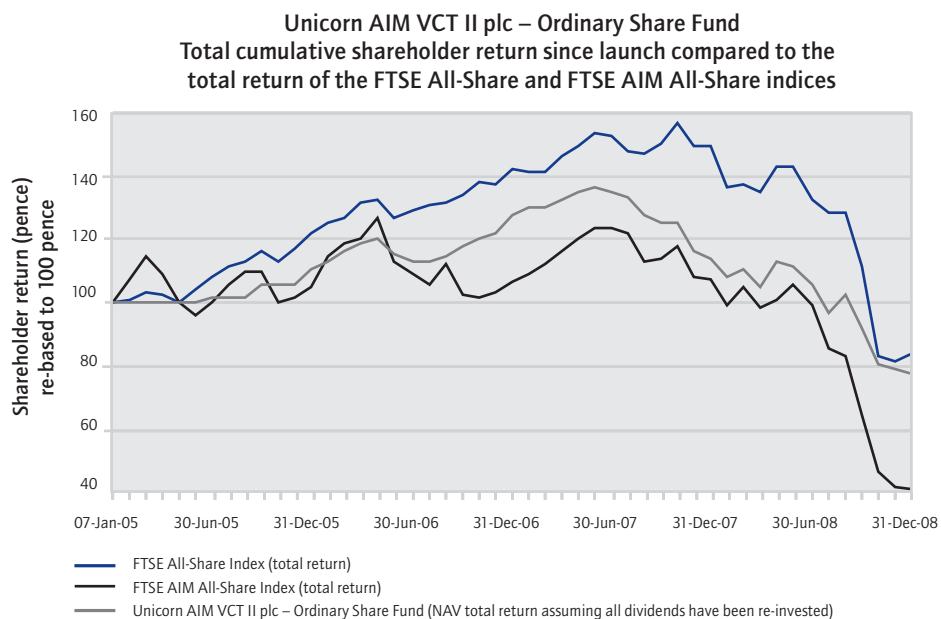
* Remuneration comprises £5,000 paid as fees and £12,500 to Mr Hamer and £10,000 to Mr Diamond as consultancy fees paid to third parties controlled by themselves.

The Directors received no further emoluments in respect of their services and claimed £914 (2007: £2,129) in expenses during the year. Aggregate fees in respect of qualifying services for all directors amounted to £67,500 (2007: £67,500).

Total shareholder return

The following graphs chart the total cumulative shareholder return of both Funds since the Ordinary Shares and the C Shares were first admitted to the Official List of the UK Listing Authority on 7 January 2005 and 5 January 2006 respectively (assuming all

dividends are re-invested) compared to the total cumulative shareholder return of both the FTSE All-Share and the FTSE AIM Indices. These indices represent broad equity market indices against which investors can measure the performance of the Company and are appropriate indices against which to measure the Company's performance. The total shareholder return has been re-based to 100. An explanation of the performance of the Company is given in the Chairman's Statement and the Investment Manager's Review.



By order of the Board

For Matrix-Securities Limited

Secretary

4 March 2009

Corporate Governance Statement

The Directors of Unicorn AIM VCT II have continued to adopt the Association of Investment Companies Code of Corporate Governance ("AIC Code") for the year ended 31 December 2008. The AIC Code addresses all principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Financial Reporting Council (FRC) has confirmed that in complying with the AIC Code the Company will meet its obligations in relation to the Combined Code and paragraph 9.8.6 of the Listing Rules. The AIC Code can be found on the AIC's website, www.theaic.co.uk.

The Company believes that reporting against the principles of the AIC Code will provide more relevant information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code except where noted below. There are certain areas of the Combined Code that the AIC do not consider relevant to investment companies, and with which the Company does not specifically comply, for which the AIC Code provides dispensation. These areas are as follows:

- The role of the chief executive
- Executive directors' remuneration
- The need for an internal audit function

As an externally managed investment company, the Company does not employ a chief executive, nor any executive directors. The systems and procedures of the Investment Manager and the Administrator, the provision of VCT monitoring services by PricewaterhouseCoopers LLP, as well as the size of the Company's operations, gives the Board full confidence that an internal audit function is not necessary. The Company is therefore not reporting further in respect of these areas.

The Board has further considered the principles of the Combined Code and believes that the Company has complied with the provisions thereof for the year under review, except as outlined below.

The Board

The Board comprises four non-executive Directors. Each brings a range of relevant expertise, experience and judgement to the Board. Jeremy Hamer has been appointed as the Senior Independent Director. He is available to Shareholders if they have concerns which they have been unable to resolve through the normal channels of communication with the Chairman or Investment Manager or for which such contact is inappropriate. The Directors believe that this structure is the most appropriate for the Company given its current size and the nature of its business.

The Chairman's other significant time commitments are disclosed on page 18.

All the Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that their policies and operations are in the best interests of all the Company's Shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

At least four formal Board meetings are scheduled every year and other meetings are held as necessary. Matters specifically reserved

for decision by the Board have been defined. These include compliance with the requirements of the Companies Act, the UK Listing Authority and the London Stock Exchange; changes relating to the Company's capital structure or its status as a plc; Board and committee appointments as recommended by the Nominations and Remuneration Committee and terms of reference of committees; material contracts of the Company and contracts of the Company not in the ordinary course of business. The primary focus at each quarterly Board meeting is overall strategy and a review of investment performance. The Board monitors the investments made by the Investment Manager to ensure that the overall investment portfolio is in line with the Company's Investment Policy. They also consider peer group performance, asset allocation and wider industry and economic issues in reviewing investment performance and strategy. The Board, through the Investment Manager, regularly monitors the level of the share price discount and, if necessary, takes action to reduce it.

A procedure has been adopted for individual Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. The Directors also have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring board procedures are followed. Both the appointment and removal of the Company Secretary is a matter for the Board as a whole. Where Directors have concerns, which cannot be resolved about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in the Board minutes. On resignation, a Director who has any such concerns should provide a written statement to the Chairman, for circulation to the Board. The Board has satisfied itself that each of its Committees has sufficient resources to undertake their duties.

All Directors are subject to election by Shareholders at the first Annual General Meeting after their appointment. The Company's Article of Association state that, subject to the provisions of the Companies Act 1985, at least one Director shall retire from office by rotation at each AGM and this Director shall be the Director who has been longest in office since their last election. In compliance with the AIC Code the Directors have also agreed that no Director should be elected for a fixed term of more than three years and shall retire and, if appropriate, seek re-election following each three-year period.

	Date of appointment	Last elected	Date of next retirement by rotation/re-election
Peter Andrews	23 September 2004	AGM 18 April 2007	AGM 2010
Malcolm Diamond	23 September 2004	AGM 16 April 2008	AGM 2011
Jeremy Hamer	23 September 2004	AGM 22 March 2006	AGM 2009
Kenneth Vere Nicoll	23 September 2004	AGM 22 March 2006	AGM 2009

In terms of overall length of tenure, the AIC Code does not explicitly make recommendations. Some market practitioners feel that considerable length of service (which has generally been defined as a limit of 9 years) may lead to the compromise of a director's independence. While the Company has not been in existence long enough for the Board to consider that this is an issue (having commenced trading in 2004), the overall matter of directors' independence is taken extremely seriously, as discussed below. If the matter becomes relevant in future years, the Board

will consider length of tenure of directors at the appropriate time. The Board has considered whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. It has concluded that all of the Directors are independent of the Investment Manager. Kenneth Vere Nicoll is a director of the Administrator, who provides administration and secretarial services to Unicorn AIM VCT plc, which is also managed by the Investment Manager. Mr Vere Nicoll is also a Member of Matrix Corporate Capital LLP, which has been appointed as Corporate Broker to the Company and to Unicorn AIM VCT plc. The Board considers that Mr Vere Nicoll remains independent from the Investment Manager as this relationship is not of material size to the business of the Administrator or Corporate Broker. Jeremy Hamer is a non-executive director and shareholder of Access Intelligence plc, an investee company of the Company. The Board considers that this relationship is not sufficient to compromise his independence from the Investment Manager as this is not of a material size to his other business activities. Malcolm Diamond is a shareholder of the Investment Manager and holds 0.38% of the Investment Manager's issued share capital. The Board consider that this relationship does not affect Mr Diamond's independence from the Investment Manager given that the shareholding is de minimis and not of a material size to Mr Diamond's other business activities. There are no other contracts or investments in which the remaining Directors have declared an interest. Further details can be found in Note 22 of the Notes to the Accounts on page 48 on related party transactions.

The above conflicts, along with other potential conflicts, have been reviewed by the Board in accordance with the procedures under the Articles of Association (adopted on 16 April 2008 and in force from 1 October 2008) and applicable rules and regulations (including each Director's duty to promote the success of the Company). The articles allow the Directors not to disclose information relating to the conflict where to do so would amount to a breach of confidence. The Board places great emphasis on the requirement for the Directors to disclose their interests in investments (and potential investments) and has instigated a procedure whereby a Director declaring such an interest does not participate in any decisions relating to such investments. The Directors inform the Board of changes to their other appointments as necessary. The Board intends to review the authorisations given annually. Authorisation will be reviewed should there be a material change in an authorised conflict. Future conflicts of interest will be considered by the Board under the above procedures and will be reported upon accordingly.

The Board aims to include a balance of skills, experience and length of service that the Directors believe to be appropriate to the management of the Company. No new appointments have been made to the Board since the Company was launched. The Board has plans to review and implement an induction procedure when such an appointment is made. All directors may choose relevant training as and when necessary. The effectiveness of the Board and the Chairman is regularly reviewed as part of the internal control process led by the Audit Committee. The Board carries out an annual appraisal of its performance and the last review took place on 25 February 2009. Led by the Senior Independent Director, the Directors meet annually without the

Chairman present to appraise the Chairman's performance and on such other occasions as are deemed appropriate. Board members meet as required without Kenneth Vere Nicoll being present who exercises an executive function in respect of his interests in the Administrator and Corporate Broker. The Chairman fully meets the independence criteria as set out in the AIC Code.

The Chairman and Board are involved at an early stage in the process of structuring the launch of any Offers that may be agreed by the Board.

Board committees

The Audit Committee comprises three Directors, Jeremy Hamer (Chairman), Peter Andrews and Malcolm Diamond. It meets at least twice a year to review the internal financial and non-financial controls, accounting policies and contents of the Half-Yearly and Annual Reports to Shareholders. It has primary responsibility for making recommendations on the appointment and removal of the external auditors. The Company's external auditors and Kenneth Vere Nicoll are invited to attend meetings as appropriate. The Board is satisfied that Jeremy Hamer has recent and relevant financial experience.

The Management Engagement Committee comprises three Directors, Malcolm Diamond (Chairman), Peter Andrews and Jeremy Hamer. The Committee meets annually to review the Company's contracts with its service providers and at other times as and when necessary. Service providers include the Investment Manager, auditors, VCT status adviser, solicitors, bankers and registrars. Particular emphasis is placed on reviewing the Manager, in terms of investment performance, quality of information provided to the Board and remuneration. The work of the Committee forms part of the Board's overall internal control procedures.

The Nominations and Remuneration Committee comprises three Directors, Peter Andrews (Chairman), Malcolm Diamond and Jeremy Hamer. The Committee meets at least once a year to review the remuneration of Directors and is also responsible for proposing candidates for appointment to the Board. The Committee reviews the remuneration policy to ensure that it reflects the duties, responsibilities and value of time spent by Directors on the business of the Company and makes recommendations to the Board accordingly. No vacancies have arisen during the year and the Committee has not advised on any new Board appointments.

The Board members who comprise the above Committees of the Board are all independent from the Investment Manager. All of the above Committees have written terms of reference, which deal with their responsibilities and duties. Shareholders may obtain copies of these by visiting the Company Secretary's web site www.matrixgroup.co.uk.

The Investment Manager

Under the terms of the Company's Investment Management Agreement with Unicorn Asset Management Limited, the Investment Manager is empowered to give instructions in relation to the disposition of investments and other assets including subscribing, purchasing, selling and otherwise dealing in qualifying and non-qualifying investments and to enter into and perform contracts, agreements and other undertakings that are necessary to the carrying out of their duties under the Agreement in accordance with specific written arrangements

Corporate Governance Statement

laid down by the Board. The Board and the Investment Manager operate in a supportive, co-operative and open environment. The Board regularly reviews the performance of the Investment Manager and the terms of the investment services agreement and agrees policies with the Investment Manager covering key operational issues. The continued appointment of Unicorn Asset Management Limited as investment manager to the Company on the existing terms was approved by the Board on 25 February 2009. The Board was of the opinion that the Investment Manager's investment criteria remain appropriate, even in the current economic climate, so that the Company can meet its Investment Objective. The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually. As part of this review the Board considers the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and performance to date.

For a summary of the performance of the Company's two Funds please see the Investment Manager's Review and the Investment Portfolio Summary on pages 7-17 and the Key Data sheets on pages 5-6. Details of the management fee and incentive fee payable to the Investment Manager are set out in Note 4 to the accounts on page 37.

Internal control

The Board acknowledges that it is responsible for the Company's system of internal control. Internal control systems are designed to manage the particular needs of the Company and the risks to which it is exposed and can by their nature only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors are responsible for the internal control systems of the Company and for reviewing their effectiveness. These aim to ensure the maintenance of proper accounting records, the reliability of published financial information and the information used for business making decisions and that the assets of the Company are safeguarded.

The Board has put in place ongoing procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process an annual review of the control systems is carried out in accordance with the Turnbull guidelines for internal control. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company. Each risk is considered with regard to: the controls exercised at Board level; reporting by service providers and controls relied upon by the Board; exceptions for consideration by the Board; responsibilities for each risk and its review period; and risk rating.

The Board has delegated contractually to third parties the management of the investment portfolio, the day to day accounting, company secretarial and administration requirements and the registration services. Each of these contracts was entered into after full and proper consideration by the Board. The annual review of control systems includes a consideration of the risks associated with the Company's contractual arrangements with third party suppliers. The Board regularly monitors and evaluates the performance of each of the service providers.

This procedure for the review of control systems has been in place and operational throughout the period under review. The last review took place on 25 February 2009. The Board has identified no significant problems with the Company's internal control mechanisms that warrant disclosure in the Annual Report.

Directors' remuneration

The remuneration of the Directors is determined by the Nominations and Remuneration Committee, in accordance with the Company's Articles of Association. The Articles currently stipulate a maximum total Board remuneration of £100,000 per annum. For further details please see the section on Board Committees on page 25 and the Directors' Remuneration Report on pages 22 - 23.

Relations with Shareholders

Communication with Shareholders is given a high priority. All Shareholders receive a copy of the Annual and Half-Yearly Reports. There is an opportunity to question the Directors and the Chairmen of the Committees of the Board at the Annual General Meeting to which all Shareholders are invited. The Investment Manager circulates a quarterly newsletter to Shareholders and the Board invites communications from Shareholders at any time. Please see Shareholder Information on page 49 for contact details.

The Board monitors the shareholder profile of the Company through the Company Secretary, Registrars and Investment Manager. The Board as a whole approves the contents of all its communications with Shareholders, including the Annual and Half-Yearly Reports, in order to ensure that they present a balanced and understandable assessment of the Company's position and prospects and the risks and rewards to which Shareholders are exposed through continuing to hold their shares.

The Company counts all proxy votes and indicates to Shareholders at each General Meeting the balance for and against each resolution and the number of votes withheld, after it has been dealt with on a show of hands. The results of proxy votes on resolutions are published on the Company Secretary's website, http://www.matrixgroup.co.uk/fund_management/vct_service/s/unicorn_vcts.

The Notice of the Annual General Meeting is included in this Annual Report and is normally sent to Shareholders at least 20 working days before the meeting.

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.

Accountability and audit

The Statement of Directors' Responsibilities in respect of the accounts is set out on page 27 of this report.

The Independent Auditors' Report is set out on page 31 of this report.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Services Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the Directors are required to:

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure

that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The Directors confirm that to the best of their knowledge that:

- (a) the financial statements, prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and the 2003 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies' (SORP), revised December 2005, give a true and fair view of the assets, liabilities, financial position and the loss of the Company.
- (b) the annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

For and on behalf of the Board

Peter Andrews

Chairman

4 March 2009



Non-Statutory Analysis between the Ordinary Share Fund and C Share Fund

Profit and Loss Accounts for the year ended 31 December 2008

	Notes	Ordinary Share Fund			C Share Fund		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Net unrealised losses on investments		–	(7,312,852)	(7,312,852)	–	(3,751,951)	(3,751,951)
Realised losses on investments		–	(354,779)	(354,779)	–	(357,454)	(357,454)
Income		267,157	–	267,157	174,254	–	174,254
VAT recoverable		31,582	94,747	126,329	10,086	30,258	40,344
Investment management fees		(79,167)	(237,499)	(316,666)	(24,155)	(72,467)	(96,622)
Other expenses		(262,177)	–	(262,177)	(120,802)	–	(120,802)
(Loss)/profit on ordinary activities before taxation		(42,605)	(7,810,383)	(7,852,988)	39,383	(4,151,614)	(4,112,231)
Tax on ordinary activities		–	–	–	–	–	–
(Loss)/profit for the year		(42,605)	(7,810,383)	(7,852,988)	39,383	(4,151,614)	(4,112,231)
(Loss)/profit per ordinary share (pence per share)	9	(0.19)p	(34.35)p	(34.54)p	0.31 p	(33.06)p	(32.75)p
Average number of shares in issue				22,735,783			12,558,244

Balance Sheets as at 31 December 2008

	Notes	Ordinary Share Fund		C Share Fund	
		£	£	£	£
Fixed assets					
Investments at fair value	10		14,142,124		5,871,522
Current assets					
Debtors and prepayments		310,049		88,118	
Current investments		515,821		1,408,910	
Cash at bank		33,382		34,669	
			859,252		1,531,697
Creditors: amounts falling due within one year			(128,108)		(98,992)
Net current assets			731,144		1,432,705
Net assets			14,873,268		7,304,227
Capital and reserves					
Called up share capital	15		220,206		125,791
Capital redemption reserve	16		13,466		–
Share Premium account	16		253,562		65,942
Revaluation reserve	16		(5,869,174)		(4,067,033)
Special distributable reserve	16		18,517,884		11,119,975
Profit and loss account	16		1,737,324		59,552
Equity shareholders' funds			14,873,268		7,304,227
Number of shares in issue:			22,020,616		12,579,053
Net asset value per 1p share:	17		67.54p		58.07p

Note: The adjustment above nets off the inter-fund debtor and creditor balances, so that the "Total of both Funds" Balance Sheet agrees to the Statutory Balance Sheet on page 33.

	Total of both Funds (per Statutory Profit and Loss Account)		
	Revenue	Capital	Total
	£	£	£
	–	(11,064,803)	(11,064,803)
	–	(712,233)	(712,233)
	441,411	–	441,411
	41,668	125,005	166,673
	(103,322)	(309,966)	(413,288)
	(382,979)	–	(382,979)
	(3,222)	(11,961,997)	(11,965,219)
	–	–	–
	(3,222)	(11,961,997)	(11,965,219)

	Adjustments (see note below)	Total of both Funds (per Statutory Balance Sheet)	
	£	£	£
			20,013,646
	(66,296)	331,871	
		1,924,731	
		68,051	
	(66,296)	2,324,653	
	66,296	(160,804)	
			2,163,849
	–		22,177,495
			345,997
			13,466
			319,504
			(9,936,207)
			29,637,859
			1,796,876
			22,177,495

Non-Statutory Analysis between the Ordinary Share Fund and C Share Fund

Reconciliation of Movements in Shareholders' Funds for the year ended 31 December 2008

	Ordinary Share Fund	C Share Fund	Total of both Funds (per Statutory Balance Sheet)
	£	£	£
As at 1 January 2008	24,521,943	11,474,721	35,996,664
Net share capital (bought back)/issued in the year	(643,170)	66,735	(576,435)
Loss for the year	(7,852,988)	(4,112,231)	(11,965,219)
Dividends paid	(1,152,517)	(124,998)	(1,277,515)
Closing shareholders' funds at 31 December 2008	14,873,268	7,304,227	22,177,495

Independent Auditors' Report to the Members of Unicorn AIM VCT II plc

We have audited the financial statements of Unicorn AIM VCT II Plc for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice') are 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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information in the Directors' Report includes that specific information presented in the Key Data Sheets and the Chairman's Statement that is cross referenced from the Business Review and Principal Activities section of the Directors' Report.

In addition we 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 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's 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 Chairman's Statement, the Investment Manager's Review, the Investment Portfolio Summary, the Directors' Report, the unaudited part of the Directors' Remuneration Report, the Corporate Governance Statement and the rest of the unaudited information in the Annual Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 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 the Company's affairs as at 31 December 2008 and of its loss 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.

PKF (UK) LLP

Registered Auditors, London, UK
4 March 2009

Profit and Loss Account

for the year ended 31 December 2008

	Notes	31 December 2008			31 December 2007		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Net unrealised losses on investments	10	–	(11,064,803)	(11,064,803)	–	(2,959,092)	(2,959,092)
Realised losses on investments	10	–	(712,233)	(712,233)	–	(759,338)	(759,338)
Income	2	441,411	–	441,411	639,775	–	639,775
VAT recoverable	3	41,668	125,005	166,673	–	–	–
Investment management fees	4	(103,322)	(309,966)	(413,288)	(137,523)	(412,569)	(550,092)
Other expenses	5	(382,979)	–	(382,979)	(380,103)	–	(380,103)
(Loss)/profit on ordinary activities before taxation		(3,222)	(11,961,997)	(11,965,219)	122,149	(4,130,999)	(4,008,850)
Tax on ordinary activities	7	–	–	–	(13,418)	13,418	–
(Loss)/profit for the year		(3,222)	(11,961,997)	(11,965,219)	108,731	(4,117,581)	(4,008,850)
Basic and diluted earnings per Share							
Ordinary Shares	9	(0.19)p	(34.35)p	(34.54)p	(0.10)p	12.88p	(12.98)p
C Shares	9	0.31p	(33.06)p	(32.75)p	1.06p	(9.18)p	(8.12)p

The total column is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations.

There were no other recognised gains or losses in the year.

Other than revaluation movements arising on investments held at fair value through the Profit and Loss Account, there were no differences between the (loss)/profit as stated above and at historical cost.

The notes on pages 35 to 48 form part of these financial statements.

Balance Sheet

as at 31 December 2008

	Notes	31 December 2008 £	31 December 2007 £
Fixed assets			
Investments at fair value	10	20,013,646	33,035,473
Current assets			
Debtors and prepayments	12	331,871	479,171
Current investments	13,19	1,924,731	2,594,553
Cash at bank	19	68,051	68,952
		2,324,653	3,142,676
Creditors: amounts falling due within one year	14	(160,804)	(181,485)
Net current assets		2,163,849	2,961,191
Net assets		22,177,495	35,996,664
Capital and reserves			
Called up share capital	15	345,997	355,504
Capital redemption reserve	16	13,466	400
Share Premium account	16	319,504	–
Revaluation reserve	16	(9,936,207)	1,472,625
Special distributable reserve	16	29,637,859	31,295,511
Profit and loss account	16	1,796,876	2,872,624
Equity Shareholders' funds	16	22,177,495	35,996,664
Net asset value per Ordinary Share – basic and diluted	17	67.54p	106.38p
Net asset value per C Share – basic and diluted	17	58.07p	91.80p

The financial statements on pages 32 to 48 were approved and authorised for issue by the Board and were signed on its behalf on 4 March 2009 by:

Peter Andrews

Director

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 December 2008

	31 December 2008 £	31 December 2007 £
At 1 January 2008	35,996,664	40,290,790
Net share capital bought back in the year	(576,435)	(45,026)
Loss for the year	(11,965,219)	(4,008,850)
Dividends paid	(1,277,515)	(240,250)
Closing shareholders' funds at 31 December 2008	22,177,495	35,996,664

The notes on pages 35 to 48 form part of these financial statements.

Cash Flow Statement

for the year ended 31 December 2008

	Notes	31 December 2008		31 December 2007	
		£	£	£	£
Operating activities					
Dividends received		453,541		642,706	
Deposits and similar interest		8,157		8,308	
Investment management fees paid		(530,718)		(550,092)	
Other cash payments		(408,881)		(417,975)	
Net cash outflow from operating activities	18		(477,901)		(317,053)
Investing activities					
Acquisitions of investments	10	(1,978,866)		(13,685,134)	
Disposals of investments	10	3,639,994		8,755,605	
Net cash inflow/(outflow) from investing activities			1,661,128		(4,929,529)
Dividends					
Equity dividends paid	8		(1,277,515)		(240,250)
Cash outflow before financing and liquid resource management			(94,288)		(5,486,832)
Management of liquid resources					
Decrease in current investments	19		669,822		5,521,879
Financing					
Share capital (bought back)/raised (net of expenses)	16		(576,435)		(45,026)
Net decrease in cash for the year	19		(901)		(9,979)

The notes on pages 35 to 48 form part of these financial statements.

Notes to the Accounts

for the year ended 31 December 2008

1 Accounting policies

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

a) Basis of accounting

The accounts have been prepared under UK Generally Accepted Accounting Practice (UK GAAP) and the 2003 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies', revised December 2005 ("SORP").

b) Presentation of the Profit and Loss Account

In order to better reflect the activities of a VCT and in accordance with the SORP, supplementary information which analyses the Profit and Loss Account between items of a revenue and capital nature has been presented alongside the Profit and Loss Account. The revenue column of the Profit and Loss Account is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in section 274 Income Tax Act 2007.

c) Investments

Investments are accounted for on a trade date basis.

All investments held by the Company are classified as "fair value through profit and loss" as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income. For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date.

Unquoted investments are valued by the Directors at fair value. Accordingly, in the absence of a market price, the Directors have valued unquoted investments in accordance with International Private Equity Venture Capital Valuation (IPEVVCV) guidelines:

- (i) Investments which have been made in the last 12 months are at fair value which, unless another methodology gives a better indication of fair value, will be at cost.
- (ii) Investments in companies at an early stage of their development are also valued at fair value which, unless another methodology gives a better indication of fair value, will be at cost.
- (iii) Where investments have gone beyond the stage of their development in (ii) above, the shares may be valued by applying a suitable price-earnings ratio to that company's post-tax earnings (the ratio used being based on a comparable listed company or sector but discounted to reflect lack of marketability).
- (iv) Where a value is indicated by a material arms-length transaction by a third party in the shares of a company, this value will be used.

Unquoted investments will not normally be re-valued upwards for a period of at least twelve months from the date of acquisition for early stage investments. Where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate.

Where the value of an investment has become permanently impaired below cost, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assess the portfolio for such investments, and after agreement with the Manager, will agree the values that represent the extent to which an investment has become permanently impaired. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value.

d) Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received. Fixed returns on non-equity shares are recognised on a time apportionment basis so as to reflect the effective interest rate, provided there is no reasonable doubt that payment will be received in due course. Fixed returns on debt securities are recognised on a time-apportioned basis so as to reflect the effective interest rate.

e) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment, which are charged to capital, and with the further exception that 75% of the fees payable to the Investment Managers are charged against capital. This is in line with the Board's expected long-term split of returns from the investment portfolio of the Company. IFA trail commission is expensed in the period in which it is incurred.

Where expenses relate specifically to the Ordinary Share Fund or the C Share Fund, they have been allocated to those respective Funds. Of other expenses which do not relate specifically to either Fund, 68% have been attributed to the Ordinary Share Fund and 32% to the C Share Fund. These percentages represented the share of net assets of the Ordinary and C Share Funds at 31 December 2007.

f) Liquid resources

Liquid resources are the current investments disclosed in note 13, regarded as available for investment, rather than to meet the Company's running expenses, as at the year-end.

Notes to the Accounts

for the year ended 31 December 2008

g) Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more 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 stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the 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.

Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital column of the profit and loss account and a corresponding amount is charged to the revenue column of the profit and loss account. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

Deferred tax assets are recognised where it is more likely than not that there will be sufficient profits to recover against.

2 Income

	2008 £	2007 £
Interest receivable		
– from bank deposits	6,881	8,316
	6,881	8,316
Income from investments		
– from equities	191,985	98,424
– from Unicorn managed OEICs	157,871	239,917
– from money-market funds	83,831	283,986
– from loan stocks	843	9,132
	434,530	631,459
Total income	441,411	639,775
Total income comprises:		
Dividends	433,687	622,327
Interest	7,724	17,448
	441,411	639,775
Income from investments comprises:		
Listed overseas securities	83,831	283,986
Unlisted UK securities	350,699	347,473
	434,530	631,459

3 VAT recoverable

	Revenue 2008 £	Capital 2008 £	Total 2008 £	Revenue 2007 £	Capital 2007 £	Total 2007 £
VAT recoverable	41,668	125,005	166,673	–	–	–

VAT recoverable above is the likely amount of VAT recoverable from HMRC in respect of VAT charged upon management fees in past years. 25% of this amount has been credited to the Revenue return, while the balance of 75% has been credited to the Capital return. An additional £63,430 of further VAT incurred in respect of the current year has been set against investment manager's fees in note 4 below. This income is not expected to recur in future years, other than in respect of any adjustments between the amounts recognised above and the amounts eventually received from HMRC.

4 Investment management fees

	Revenue 2008 £	Capital 2008 £	Total 2008 £	Revenue 2007 £	Capital 2007 £	Total 2007 £
Unicorn Asset Management Limited	103,322	309,966	413,288	137,523	412,569	550,092

Ordinary Share Fund

Unicorn Asset Management Limited advises the Company on investments in qualifying and non-qualifying companies under an agreement dated 12 October 2004 and a Supplemental Agreement dated 31 October 2005. The agreement is for an initial period of three years and thereafter until their appointment is terminated by not less than one year's notice in writing to expire at any time after the initial period.

Unicorn Asset Management Limited receives an annual management fee of 2% of the net asset value of the Fund, excluding the value of the investments in the OEICs, which are also managed by Unicorn Asset Management Limited. The annual management fee is calculated and payable quarterly in advance together with any applicable VAT. The management fee has been reduced by £41,580 (2007: £nil) as there has been an excess of expenses over 3.5% of the closing net assets of the Company.

Under an Incentive Agreement dated 12 October 2004, the Investment Manager and the Promoter (Matrix-Securities Limited) will receive a performance related incentive fee, subject to the achievement of certain performance related targets. The fee is calculated as 20% of the amount by which dividends paid to shareholders exceed 6 pence per share in any financial year, payable and calculated annually after the Fund's third anniversary. It will only be payable if the Fund's net asset value per share is at or above 100 pence, as calculated in the annual report and accounts for the year relating to payment. Any cumulative shortfalls below the 6 pence per share per annum hurdle will have to be made up in later years, before an incentive fee becomes payable.

Of this incentive fee, 85% will be paid to the Investment Manager, and 15% to the Promoter.

C Share Fund

A Supplemental Investment Adviser's Agreement and a Supplemental Incentive Agreement commenced on 31 October 2005, for an initial period of three years from 31 October 2005 and thereafter until the appointment is terminated by not less than one year's notice in writing to expire at any time after the initial period.

The terms of these agreements are the same as those described above for the Ordinary Share Fund. The management fee has been reduced by £12,420 (2007: £nil) as there has been an excess of expenses over 3.5% of the closing net assets of the Company.

5 Other expenses

	2008 £	2007 £
Directors' remuneration (including NIC and VAT)	74,720	76,175
IFA trail commission	58,021	84,647
Administration fees	114,612	110,745
Broker's fees	10,575	14,100
Custody fees	11,247	11,388
Auditors' fees – audit	17,582	17,344
– other services supplied relating to taxation (note)	4,340	2,820
– other services supplied pursuant to legislation (note)	2,409	2,291
Tax monitoring fees	8,387	9,752
Professional fees	4,050	588
Directors' Insurance	6,313	8,457
Registrar's fees	11,962	10,783
Printing	14,583	5,787
Sundry	44,178	25,226
	382,979	380,103

The Directors consider the auditors were best placed to provide the taxation and other assurance services. The Audit Committee reviews the nature and extent of non-audit services to ensure that the auditors' independence is maintained.

Notes to the Accounts

for the year ended 31 December 2008

6 Directors' remuneration

	2008 £	2007 £
Directors' emoluments		
Peter Andrews	20,000	20,000
Jeremy Hamer	17,500	17,500
Malcolm Diamond	15,000	15,000
Kenneth Vere Nicoll	15,000	15,000
	67,500	67,500
Employer's NIC/VAT	7,220	8,675
	74,720	76,175

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

The Company has no employees other than Directors.

7 Taxation on ordinary activities

	2008 £	2007 £
a) Analysis of tax charge in the year		
– current and total tax charge (note 7b)	–	–
b) Factors affecting tax charge for the year		
Loss on ordinary activities before tax	(11,965,219)	(4,008,850)
Loss on ordinary activities multiplied by standard small company rate of corporation tax in the UK of 20.75% (2007: 19.75%)	(2,482,783)	(791,748)
Non-taxable UK dividend income	(69,846)	(66,242)
Non-taxable unrealised losses	2,295,947	476,944
Non-taxable realised losses	147,788	257,446
Allowable expense not charged to revenue	64,318	81,483
Capital element of VAT recoverable	(25,939)	–
Other items	1,318	2,755
Revenue losses carried forward	69,197	52,780
Actual current charge – revenue	–	13,418
Impact of allowable expenditure credited to capital reserve	(38,379)	(81,483)
Additional losses carried forward to future years	38,379	68,065
Current tax charge for year	–	–

Tax relief relating to investment management fees is allocated between Revenue and Capital in the same proportion as such fees.

There is no taxation in relation to capital gains or losses. Due to the Company's status as a Venture Capital Trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

No deferred tax asset has been recognised on surplus management expenses carried forward. At present it is not envisaged that any tax will be recovered in the foreseeable future. The amount not recognised is £328,322 (2007: £207,952).

8 Dividends and other appropriations

	2008 £	2007 £
Amounts recognised as distributions to equity holders in the year:		
Ordinary Shares – final dividend for the year ended 31 December 2007 of nil p (2006: 0.5p) per share	–	115,252
Ordinary Shares – Capital dividend for the year ended 31 December 2007 of 5p (2006: nil p) per share	1,152,517	–
C Shares – final dividend for the year ended 31 December 2007 of 1p (2006: 1p) per share	124,998	124,998
Total	1,277,515	240,250

Any proposed final dividend is subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Set out below are the total income dividends payable in respect of the financial year, which is the basis on which the requirements of section 274 of the Income Tax Act 2007 are considered.

Proposed distributions to equity holders at the year-end

	2008 £	2007 £
Ordinary Share Fund:		
Revenue available for distribution by way of dividends for the year	(42,605)	(23,487)
Proposed final income dividend for the year ended 31 December 2008 of nil p (2007: nil p) per Ordinary Share	–	–
C Share Fund:		
Revenue available for distribution by way of dividends for the year	39,383	132,220
Proposed final income dividend for the year ended 31 December 2008 of nil p (2007: 1p) per share	–	124,998

9 Earnings and return per share

	2008 Ordinary Fund £	2008 C Fund £	2008 Total £	2007 Ordinary Fund £	2007 C Fund £	2007 Total £
Total earnings after taxation:	(7,852,988)	(4,112,231)	(11,965,219)	(2,993,046)	(1,015,804)	(4,008,850)
Basic and diluted earnings per share	(34.54)p	(32.75)p		(12.98)p	(8.12)p	
Net revenue from ordinary activities after taxation	(42,605)	39,383		(23,489)	132,220	
Revenue return per share	(0.19)p	0.31p		(0.10)p	1.06p	
Net realised capital losses	(354,779)	(357,454)		(759,338)	–	
Net unrealised capital losses	(7,312,852)	(3,751,951)		(1,912,923)	(1,046,169)	
Capital element of VAT recoverable	94,747	30,258		–	–	
Capital expenses	(237,499)	(72,467)		(297,296)	(101,855)	
Total capital return	(7,810,383)	(4,151,614)		(2,969,557)	(1,148,024)	
Capital return per share	(34.35)p	(33.06)p		(12.88)p	(9.18)p	
Weighted average number of shares in issue in the year	22,735,783	12,558,244		23,057,594	12,499,807	

Notes

- Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
 - Revenue return per share is net revenue earnings after taxation divided by the weighted average number of shares in issue.
 - Capital return per share is total capital return earnings after taxation divided by the weighted average number of shares in issue.
- There are no instruments in place that will increase the number of shares in issue in future.

Notes to the Accounts

for the year ended 31 December 2008

10 Investments at fair value

Movements in investments during the year are summarised as follows:

	Quoted on AIM £	Unlisted ordinary shares £	Unlisted preference shares £	Loan Stock £	Unicorn OEIC Fund £	Total £
Company						
Cost at 31 December 2007	21,408,119	250,000	1,250,000	–	9,654,729	32,562,848
Permanent impairment at 31 December 2007	(1,000,000)	–	–	–	–	(1,000,000)
Unrealised (losses)/gains at 31 December 2007	571,245	–	–	–	901,380	1,472,625
Valuation at 31 December 2007	20,979,364	250,000	1,250,000	–	10,556,109	33,035,473
Purchases at cost	1,738,804	–	–	240,000	–	1,978,804
Sale proceeds	(46,500)	–	–	–	(3,192,063)	(3,238,563)
Reclassified	1,000,000	(100,000)	(900,000)	–	–	–
Realised losses	(98,198)	–	–	–	(599,067)	(697,265)
Unrealised (losses)/gains	(8,559,554)	18,000	–	–	(2,523,249)	(11,064,803)
Closing valuation at 31 December 2008	15,013,916	168,000	350,000	240,000	4,241,730	20,013,646
Cost at 31 December 2008	24,129,273	150,000	350,000	240,000	6,379,080	31,248,353
Permanent impairment in value of investments	(1,298,500)	–	–	–	–	(1,298,500)
Unrealised (losses)/gains at 31 December 2008	(7,816,857)	18,000	–	–	(2,137,350)	(9,936,207)
Closing valuation at 31 December 2008	15,013,916	168,000	350,000	240,000	4,241,730	20,013,646
O Share Fund						
Cost at 31 December 2007	16,878,154	231,149	1,080,338	–	4,001,377	22,191,018
Permanent impairment at 31 December 2007	(1,000,000)	–	–	–	–	(1,000,000)
Unrealised gains at 31 December 2007	732,274	–	–	–	1,027,195	1,759,469
Closing valuation at 31 December 2007	16,610,428	231,149	1,080,338	–	5,028,572	22,950,487
Purchases at cost	774,166	–	–	160,000	–	934,166
Sale proceeds	(46,500)	–	–	–	(2,038,844)	(2,085,344)
Reclassified	811,487	(81,149)	(730,338)	–	–	–
Realised losses	(48,198)	–	–	–	(296,135)	(344,333)
Unrealised (losses)/gains	(6,324,097)	18,000	–	–	(1,006,755)	(7,312,852)
Closing valuation at 31 December 2008	11,777,286	168,000	350,000	160,000	1,686,838	14,142,124
Cost at 31 December 2008	18,446,157	150,000	350,000	160,000	2,153,641	21,259,798
Permanent impairment in value of investments	(1,248,500)	–	–	–	–	(1,248,500)
Unrealised (losses)/gains at 31 December 2008	(5,420,371)	18,000	–	–	(466,803)	(5,869,174)
Closing valuation at 31 December 2008	11,777,286	168,000	350,000	160,000	1,686,838	14,142,124

	Quoted on AIM £	Unlisted ordinary shares £	Unlisted preference shares £	Loan Stock £	Unicorn OEIC Fund £	Total £
C Share Fund						
Cost at 31 December 2007	4,529,965	18,851	169,662	–	5,653,352	10,371,830
Permanent impairment at 31 December 2007	–	–	–	–	–	–
Unrealised (losses)/gains at 31 December 2007	(161,029)	–	–	–	(125,815)	(286,844)
Closing valuation at 31 December 2007	4,368,936	18,851	169,662	–	5,527,537	10,084,986
Purchases at cost	964,638	–	–	80,000	–	1,044,638
Sale proceeds	–	–	–	–	(1,513,219)	(1,153,219)
Reclassified	188,513	(18,851)	(169,662)	–	–	–
Realised losses	(50,000)	–	–	–	(302,932)	(352,932)
Unrealised losses	(2,235,457)	–	–	–	(1,516,494)	(3,751,951)
Closing valuation at 31 December 2008	3,236,630	–	–	80,000	2,554,892	5,871,522
Cost at 31 December 2008	5,683,116	–	–	80,000	4,225,439	9,988,555
Permanent impairment in value of investments	(50,000)	–	–	–	–	(50,000)
Unrealised losses at 31 December 2008	(2,396,486)	–	–	–	(1,670,547)	(4,067,033)
Closing valuation at 31 December 2008	3,236,630	–	–	80,000	2,554,892	5,871,522

Transaction costs on the purchase (£62) and disposal (£14,906) of investments of £14,968 (Ordinary Share Fund £10,446; C Fund: £4,522) were incurred in the year and were added to realised losses shown above of £697,265 in arriving at losses on realisation of investments disclosed in the profit and loss account of £712,233. A movement on unsettled sales trades of £401,431 explains the difference between the sale proceeds of £3,238,563 and the amount of £3,639,994 shown in the cash flow statement.

No amounts had been provided for or written off against unquoted investments during the period or at the balance sheet date.

11 Significant interests

At 31 December 2008 the Company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

	Equity investment (ordinary shares) £	Investment in loan stock and preference shares £	Total investment (at cost) £	Percentage of investee company's total equity
Amber Taverns Limited	150,000	350,000	500,000	12.17%
Crawshaw Group plc	1,000,000	–	1,000,000	10.49%
HML Holdings plc	750,000	–	750,000	8.81%
SnackTime plc	930,290	240,000	1,170,290	8.61%
PHSC plc	450,000	–	450,000	7.67%
Animalcare Group	1,113,680	–	1,113,680	6.44%
Vitesse Media plc	400,000	–	400,000	6.25%
Kiotech International plc	454,010	–	454,010	6.03%
Vindon Healthcare plc	950,000	–	950,000	5.35%
Surgical Innovations Group plc	643,470	–	643,470	4.92%
Fishworks plc	285,000	–	285,000	4.22%
Tracsis plc	240,000	–	240,000	4.15%
Pressure Technologies plc	700,203	–	700,203	4.12%
Universe Group plc	294,009	–	294,009	3.66%
Hasgrove plc	900,312	–	900,312	3.33%
Clerkenwell Ventures plc	1,002,550	–	1,002,550	3.20%
Hexagon Human Capital plc	998,615	–	998,615	3.11%

All of the above companies are incorporated in the United Kingdom.

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The Company holds 10.7% of the B shares issued by the Unicorn Free Spirit Fund at the year-end, 42.6% of the B shares issued by the Unicorn UK Smaller Companies Fund, 15.4% of the Unicorn Mastertrust Fund and 70.5% of the B shares issued by Unicorn UK Income Fund. The Unicorn Free Spirit Fund, Unicorn UK Smaller Companies Fund, Unicorn Mastertrust Fund and Unicorn UK Income Fund are sub-funds of the Unicorn Investment Funds ICVC, managed by Unicorn Asset Management Limited.

As the overall shareholding in the Unicorn Investment Funds ICVC is less than 50% and the Company does not exert control over the individual sub funds, no consolidated accounts have been prepared.

It is considered that, as permitted by FRS9, "Associates and Joint Ventures", the above investments are held as part of an investment portfolio, and that, accordingly, their value to the Company lies in their marketable value as part of that portfolio. In view of this, it is not considered that any of the above represent investments in associated undertakings.

The percentage of equity held in the Company's investments by funds managed by Unicorn Asset Management Limited is disclosed in the Investment Portfolio Summary on pages 10 to 17 of this Report.

12 Debtors and prepayments

	2008 £	2007 £
Amounts due within one year		
Prepayments and accrued income	101,768	62,826
Other Debtors	230,103	416,345
	331,871	479,171

13 Current investments

These comprise investments in seven Dublin based OEIC money markets funds, managed by Royal Bank of Scotland, Blackrock Investment Management (UK) Limited (formerly named Merrill Lynch), Goldman Sachs, Insight Investment Management, Barclays Global Investors, Scottish Widows Investment Management and Fidelity Investment Management. £1,923,667 (2007: £2,593,543) of this sum is subject to same day access while £1,064 (2007: £1,010) is subject to two day access. These sums are regarded as monies held pending investment.

14 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	34,500	34,733
Other creditors	6,753	4,190
Accruals	119,551	142,562
	160,804	181,485

15 Called up share capital

	2008 £	2007 £
Authorised:		
Ordinary Shares of 1p each: 50,000,000	500,000	500,000
C Ordinary Shares of 1p each: 30,000,000	300,000	300,000
	800,000	800,000
Allotted, called-up and fully paid:		
Ordinary Shares of 1p each: 22,020,616 (2007: 23,050,581)	220,206	230,506
C Ordinary Shares of 1p each: 12,579,053 (2007: 12,499,807)	125,791	124,998
	345,997	355,504

During the year the Company purchased 1,306,593 (2007: 40,000) - £13,066 nominal value (2007: £400) of its own Ordinary Shares for cash at the prevailing market price for a total cost of £899,498 (2007: £45,026).

In the year, the Company issued 276,628 Ordinary Shares of 1p each and 79,246 C Shares of 1p each in a series of allotments arising from the Top-up offers for Subscription of shares in the Company.

16 Share capital and reserves

	Called up share capital £	Capital redemption reserve £	Share Premium account £	Revaluation reserve £	Special distributable reserve £	Profit and loss account £	Total £
Company							
As at 31 December 2007	355,504	400	–	1,472,625	31,295,511	2,872,624	35,996,664
Share capital (bought back)/issued	(9,507)	13,066	319,504	–	(899,498)	–	(576,435)
Write off to special reserve	–	–	–	–	(758,154)	758,154	–
Realisation of previously unrealised appreciation	–	–	–	(344,029)	–	344,029	–
Dividends	–	–	–	–	–	(1,277,515)	(1,277,515)
Loss for the year	–	–	–	(11,064,803)	–	(900,416)	(11,965,219)
At 31 December 2008	345,997	13,466	319,504	(9,936,207)	29,637,859	1,796,876	22,177,495
Ordinary Share Fund							
As at 31 December 2007	230,506	400	–	1,759,469	19,808,634	2,722,934	24,521,943
Share capital (bought back)/issued	(10,300)	13,066	253,562	–	(899,498)	–	(643,170)
Write off to special reserve	–	–	–	–	(391,252)	391,252	–
Realisation of previously unrealised appreciation	–	–	–	(315,791)	–	315,791	–
Dividends	–	–	–	–	–	(1,152,517)	(1,152,517)
Loss for the year	–	–	–	(7,312,852)	–	(540,136)	(7,852,988)
At 31 December 2008	220,206	13,466	253,562	(5,869,174)	18,517,884	1,737,324	14,873,268
C Share Fund							
As at 31 December 2007	124,998	–	–	(286,844)	11,486,877	149,690	11,474,721
Share capital issued	793	–	65,942	–	–	–	66,735
Write off to special reserve	–	–	–	–	(366,902)	366,902	–
Realisation of previously unrealised appreciation	–	–	–	(28,238)	–	28,238	–
Dividends	–	–	–	–	–	(124,998)	(124,998)
Loss for the year	–	–	–	(3,751,951)	–	(360,280)	(4,112,231)
At 31 December 2008	125,791	–	65,942	(4,067,033)	11,119,975	59,552	7,304,227

The cancellation of the Ordinary Share Fund's and the C Share Fund's share premium accounts (as approved at Extraordinary General Meetings held on 23 September 2004 and 4 October 2005 respectively and by orders of the Court dated 24 August 2006) has provided the Company with special distributable reserves for both Funds. The purpose of the reserves for both the Ordinary and C Share Funds is to fund market purchases of each Fund's shares, and to write off existing and future losses, now that the Company has revoked its investment company status and is obliged to take into account capital losses in determining distributable reserves.

The transfer of £758,154 to the profit and loss account from the special distributable reserve is the total of realised losses incurred by the Company in the year.

17 Net asset value per share

	2008 O Fund	2008 C Fund	2008 Company	2007 O Fund	2007 C Fund	2007 Company
Net assets	14,873,268	7,304,227	22,177,495	24,521,943	11,474,721	35,996,664
Number of shares in issue	22,020,616	12,579,053	–	23,050,581	12,499,807	–
Basic Net asset value per share	67.54p	58.07p	–	106.38p	91.8p	–

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18 Reconciliation of loss on ordinary activities before taxation to net cash outflow from operating activities

	2008 £	2007 £
Loss on ordinary activities before taxation	(11,965,219)	(4,008,850)
Net losses on realisation of investments	712,233	759,338
Net unrealised losses on investments	11,064,803	2,959,092
Transaction costs	(14,968)	(23,900)
(Increase)/decrease in debtors	(314,874)	15,681
Increase/(decrease) in creditors and accruals	40,124	(18,414)
Net cash outflow from operating activities	(477,901)	(317,053)

19 Analysis of changes in net funds

	Cash £	Liquid resources £	Total £
At beginning of year	68,952	2,594,553	2,663,505
Cash flows	(901)	(669,822)	(670,723)
At 31 December 2008	68,051	1,924,731	1,992,782

20 Financial instruments

The Company's financial instruments comprise:

- Equity and non-equity shares and fixed interest securities that are held in accordance with the Company's investment objective as set out in the Investment Manager's Review.
- Cash, liquid resources and short-term debtors and creditors that arise directly from the Company's operations.

The principal purpose of these financial instruments is to generate revenue and capital appreciation for the Company's operations. The Company has no gearing or other financial liabilities apart from short-term creditors.

It is, and has been throughout the period under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

Classification of financial instruments

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value at 31 December 2008:

	2008 (Book value) £	2008 (Fair value) £	2007 (Book value) £	2007 (Fair value) £
Assets at fair value through profit and loss				
Investment portfolio	20,013,646	20,013,646	33,035,473	33,035,473
Current investments	1,924,731	1,924,731	2,594,553	2,594,553
Cash at bank	68,051	68,051	68,952	68,952
Loans and receivables				
Accrued income	37,845	37,845	49,659	49,659
Other debtors	230,103	230,103	416,345	416,345
Other creditors	(160,804)	(160,804)	(181,485)	(181,485)
Total for financial instruments	22,113,572	22,113,572	35,983,497	35,983,497
Non financial instruments	63,923	63,923	13,167	13,167
Total net assets	22,177,495	22,177,495	35,996,664	35,996,664

The investment portfolio principally consists of AIM quoted investments and collective OEIC investment funds managed by Unicorn Asset Management Limited valued at their bid price, which represents fair value. Current investments are Dublin based OEIC money market funds, discussed under credit risk management below.

The investment portfolio has a high concentration of risk towards small, UK based companies, nearly all of which are quoted on the £ denominated UK AIM market (68.2% of net assets), or within the OEIC funds managed by Unicorn Asset Management Limited (18.8% of net assets) and unquoted investments (3.3% of net assets).

No analysis of the maturity of the assets and liabilities of the Company above has been provided, as there are no assets and no liabilities of significance to these accounts that mature beyond one month. The only assets that have a maturity date are a preference share investment of £350,000 capable of repayment in 2010, and £240,000 of loan stock investment repayable in 2013.

The main risks arising from the Company's financial instruments are due to investment or market price risk, credit risk, interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks which are summarised below. There have been no changes in their objectives, policies or processes for managing risks during the past year.

Risk

Market Price Risk: Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the Company's investment objectives. These future prices are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future performance of the UK economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding market positions in the face of market movements, which was a maximum of £20,013,646 at the year-end.

Credit Risk: Failure by counter-parties to deliver securities which the Company has paid for, or pay for securities which the Company has delivered. The Company is exposed to credit risk through its loan note holding, debtors and holdings of current investments (money-market funds).

The Company's maximum exposure to credit risk is:

	2008 £	2007 £
Loan stock investments	240,000	–
Money market funds	1,924,731	2,594,553
Accrued income and other debtors	37,845	466,004
Cash as bank	68,051	68,952
	2,270,627	3,129,509

Liquidity risk: The investments in the equity and non-equity stocks of unlisted and AIM listed companies the Company and its OEIC holdings hold are thinly traded and as such the prices are more volatile than those of more widely traded securities. In addition, the ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers. The ability of the Company to purchase or sell investments is also constrained by the requirements set down for Venture Capital Trusts.

Interest Rate Risk: The value of the Company's equity and non-equity investments, OEIC money-market investments and its net revenue may be affected by interest rate movements. Investments in the portfolio are in relatively small businesses, which are relatively high risk investments sensitive to interest rate fluctuations. Due to the short time to maturity of some of the Company's fixed rate non equity investments, it may not be possible to re-invest in assets which provide the same rates as those currently held.

Currency risk: All assets and liabilities are denominated in sterling and therefore there is no currency risk.

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Management of risk

Market Price Risk: At formal meetings held at least quarterly, and throughout the year, the Board and the Manager manages the market price risk inherent in the Company's portfolio by maintaining an appropriate spread of equities, and by ensuring full and timely access to relevant information from the Investment Manager. The Board seeks to ensure that an appropriate proportion of the Company's portfolio is invested in cash and readily realisable securities, which are sufficient to meet any funding commitments that may arise. The Company does not use derivative instruments to hedge against market risk.

The four OEICS managed by Unicorn Asset Management Limited are well diversified across a number of holdings with just over half invested in larger companies, and as such, likely to be more representative of overall market risk. The Unicorn Free Spirit Fund's portfolio contains stocks where 59% by value is in AIM listed stocks, and 41% is in fully listed stocks with average market capitalisation of £87 million; the Unicorn UK Smaller Companies Fund contains 67% by value on AIM and 33% in fully listed stocks with average market capitalisation of £50 million; the Unicorn UK Income Fund contains 15% in AIM and 85% in fully listed stocks with average market capitalisation of £169 million while the Unicorn Mastertrust Fund contains 7% on AIM and 93% in fully listed stocks with average market capitalisation of £91 million.

Liquidity risk: Besides the maintenance of a spread of investments within the Investment portfolio, the Company maintains a satisfactory level of liquidity by holding adequate levels of cash in OEIC money market funds which are available on demand to meet future investments and running costs.

Credit Risk: All transactions are settled on the basis of delivery against payment. The Board manages credit risk in respect of the current investments and cash by ensuring a spread of such investments such that none exceed 15% of the Company's total investment assets. These money market funds are all triple A rated funds, which themselves hold a wide range of high credit grade instruments issued by many counter-parties and so credit risk is considered to be relatively low in the current environment. Exposure to these funds is monitored by the Board.

Interest Rate Risk: The Company's assets and liabilities include fixed interest non-equity stocks, the values of which are reviewed by the Board, as referred to above. As nearly all of the portfolio is non-interest bearing, the direct exposure to interest rate exposure is relatively insignificant, and mainly affects the return upon the Company's liquidity balances held in the OEIC money market funds. The impact of changes in interest rates upon the value of the portfolio is discussed in the sensitivity analysis below.

Financial net assets

The interest rate profile of the Company's financial net assets at 31 December 2008 was:

	Financial net assets on which no interest paid	Fixed rate financial assets	Variable rate financial assets	Total	Weighted average interest rate	Average period to maturity
	£	£	£	£	%	(years)
Equity shares	15,181,916	–	–	15,181,916		
Unicorn OEICs	4,241,730	–	–	4,241,730		
Preference shares	–	350,000	–	350,000	8.00	1.30
Loan stocks	–	240,000	–	240,000	8.00	5.00
Money market funds	–	–	1,924,731	1,924,731	2.43	
Cash	68,051	–	–	68,051		
Debtors	267,948	–	–	267,948		
Creditors	(160,804)	–	–	(160,804)		
Total for financial instruments	19,598,841	590,000	1,924,731	22,113,572		
Non-financial instruments	63,923	–	–	63,923		
Total net assets	19,662,764	590,000	1,924,731	22,177,495		

The interest rate profile of the Company's financial net assets at 31 December 2007 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	21,929,362	–	–	21,929,362		
Unicorn OEICs	10,556,111	–	–	10,556,111		
Preference shares	–	1,250,000	–	1,250,000	2.24	3.21
Loan stocks	–	–	–	–		
Money market funds	–	–	2,594,553	2,594,553	5.91	3.74
Cash	–	–	68,952	68,952		
Debtors	466,004	–	–	466,004		
Creditors	(881,485)	–	–	(881,485)		
Total for financial instruments	32,069,992	1,250,000	2,663,505	35,983,497		
Non-financial instruments	13,167	–	–	13,167		
Total net assets	32,083,159	1,250,000	2,663,505	35,996,664		

Floating rate cash earns interest based on LIBOR rates.

The Company's investments in equity shares and similar instruments have been excluded from the interest rate risk profile as they have no maturity date and would thus distort the weighted average period information.

Sensitivity analysis

The Board believes that the Company's assets are mainly exposed to market price risk, as the Company is required to hold most of its assets in the form of £ denominated investments in small companies. Most of these assets are, or will be, held in companies quoted on the AIM Market where the Company's investment objective is to achieve a return, partly from dividends, but mainly from capital growth from realisations. The table below shows the impact on profit and net assets if there were to be a 20% movement in overall share prices, which might in part be caused by changes in interest rate levels, but it is not considered possible to evaluate separately the impact of changes in interest rates upon the Company's portfolios of investments in small companies.

For this purpose the investments in the OEICs managed by Unicorn Asset Management are also included in this analysis. The Key Data disclosed at the front of this Annual Report gives shareholders further analysis in percentages of each Fund's investments by asset class, market sector and segments of market capitalisation. Page 46 contains information on segments of market capitalisation for the OEICs under "Management of Risk". The sensitivity analysis below assumes that each of these sub categories produces a movement overall of 20%, and that the actual portfolio of shares and Unicorn managed OEICs held by the Company are perfectly correlated to this overall movement in share prices. However, shareholders should note that this level of correlation is unlikely to be the case in reality.

	2008 £ Profit and net assets	2007 £ Profit and net assets
Ordinary Share Fund		
If overall share prices fell by 20% (2007: 10%), with all other variables held constant – decrease	(2,828,425)	(2,295,049)
Decrease in earnings, and net asset value, per Ordinary share (in pence)	(12.84)p	(9.96)p
C Share Fund		
If overall share prices fell by 20% (2007: 10%), with all other variables held constant – decrease	(1,174,304)	(1,008,499)
Decrease in earnings, and net asset value, per C share (in pence)	(9.34)p	(8.07)p
Ordinary Share Fund		
If overall share prices increase by 20% (2007: 10%), with all other variables held constant – increase	2,828,425	2,295,049
Increase in earnings, and net asset value, per Ordinary share (in pence)	12.84p	9.96p
C Share Fund		
If overall share prices increase by 20% (2007: 10%), with all other variables held constant – increase	1,174,304	1,008,499
Increase in earnings, and net asset value, per C share (in pence)	9.34p	8.07p

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Cash flow interest rate sensitivity

As the Company holds nearly 9% of its net assets in variable rate money market funds at the year-end, the following tables disclose the impact of 1% changes in interest rates upon the Company's profit and net assets:

	2008 £ Profit and net assets	2007 £ Profit and net assets
Ordinary Share Fund		
If interest rates fell by 1%, with all other variables held constant – decrease	(4,088)	(9,648)
Decrease in earnings, and net asset value, per Ordinary share (in pence)	(0.02)p	(0.04)p
C Share Fund		
If interest rates fell by 1%, with all other variables held constant – decrease	(11,166)	(11,173)
Decrease in earnings, and net asset value, per C share (in pence)	(0.09)p	(0.09)p
Ordinary Share Fund		
If interest rates rose by 1%, with all other variables held constant – increase	4,088	9,648
Increase in earnings, and net asset value, per Ordinary share (in pence)	0.02p	0.04p
C Share Fund		
If interest rates rose by 1%, with all other variables held constant – increase	11,166	11,173
Increase in earnings, and net asset value, per C share (in pence)	0.09p	0.09p

21 Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and to provide an adequate return to shareholders by allocating its capital to assets commensurately with the level of risk.

By its nature, the Company has an amount of capital, at least 70% of which (and usually more) must be, and remain, invested in the relatively high risk asset class of small UK companies quoted on the AIM market, within three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

Although, as the Investment Policy states, the Board would consider levels of gearing, there are no borrowings that have been incurred to enhance returns to shareholders. The level of liabilities is small, and is principally related to amounts payable to entities supplying services to the Company. Thus, it currently regards the net assets of the Company as the Company's capital, as the management of these liabilities is not directly related to managing the return to shareholders. There has been no change in this approach from the previous year.

22 Related party transactions

Kenneth Vere Nicoll is a director of, and owns 2.23% of the shares in Matrix Group Limited. One of its subsidiaries is Matrix-Securities Limited, which has acted as Promoter to the Company and provides administration services to the Company, as disclosed in note 5 to these accounts. Jeremy Hamer is a non-executive director of, and owns 1.9% of the shares in Access Intelligence plc, in which the Ordinary Share Fund has invested £176,000 and the C Share Fund has invested £88,000. Both holdings are carried at fair value. Malcolm Diamond is a shareholder in the Company's Investment Manager, who earned £413,288 (2007: £550,092) in investment management fees, as disclosed in note 4 of these accounts.

23 Segmental analysis

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

24 Commitments

At the year end, the Company had made no further commitments to invest.

Shareholder Information

The Company's Ordinary Shares (Code: UAVT) and C Shares (UAVC) are listed on the London Stock Exchange. Shareholders wishing to keep in touch with the progress of both Funds can visit the TrustNet website at www.trustnet.com. This contains publicly available information about our largest investments, the latest NAVs and the share prices. The share prices are also quoted in the Financial Times.

Net asset value per share

The unaudited NAV per Ordinary Share and C Share as at close of business on 30 January 2009 were 66.6 pence and 57.1 pence per share respectively. The Company announces its unaudited NAV per share (including current year income) on a monthly basis. The NAVs are calculated using a bid price basis in accordance with the Financial Reporting Standards adopted by the Company with effect from 1 January 2006.

Dividends

The Directors will be proposing a final capital dividend to Ordinary Shareholders of 1 pence per Ordinary Share at the Annual General Meeting to be held on 21 April 2009. The dividend will be paid on 8 May 2009 to Shareholders on the Register on 14 April 2009. The Directors are not proposing a dividend for C Shareholders.

Shareholders who wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by telephoning the Company's Registrars, Computershare Investor Services PLC, on 0870 707 1525 or writing to them at PO Box 82, The Pavillions, Bridgwater Road, Bristol, BS99 7NH.

Financial calendar

Early March 2009	Annual Report for the year ended 31 December 2008 to be circulated to Shareholders
14 April 2009	Record date for Shareholders to be eligible for a final dividend
21 April 2009	Annual General Meeting
8 May 2009	Final dividends for the year ended 31 December 2008 to be paid to Shareholders
Early August 2009	Announcement of Half-Yearly Results for the six months to 30 June 2009
Late August 2009	Half-Yearly Report for the six months ended 30 June 2009 to be circulated to Shareholders
31 December 2009	Year-end

Annual General Meeting

The fourth Annual General Meeting of the Company will be held on 21 April 2009 at 12 noon at the offices of Matrix Group Limited, One Vine Street, London W1J 0AH. Please try to arrive 10 minutes before the meeting starts when tea and coffee will be served to Shareholders. The meeting will be followed by two separate class meetings of the Ordinary Fund and C Fund Shareholders. The Notice of these meetings is included on pages 50 - 52 of this Annual Report and separate, personalised Proxy Forms have been included with each Shareholder's copy of this Annual Report. Proxy forms should be completed in accordance with the instructions printed thereon and sent to the Company's Registrars, Computershare Investor Services plc, to arrive no later than 12 noon on 19 April 2009.

A short presentation will be given by the Investment Manager following the formal meetings.

Shareholder enquires:

For general Shareholder enquiries, please contact Robert Brittain of Matrix-Securities Limited (the Company Secretary) on 020 3206 7000 or by e-mail on unicornII@matrixgroup.co.uk.

For enquiries concerning the performance of the Company, please contact the Investment Manager, at Unicorn Asset Management Limited, on 020 7253 0889 or by e-mail on info@unicornam.com.

Change of Address

To notify the Company of a change of address please contact the Company's Registrars at the address given above.

UNICORN AIM VCT II PLC

(Registered in England and Wales No. 5239433)

NOTICE of ANNUAL GENERAL MEETING and SEPARATE MEETINGS of ORDINARY FUND SHAREHOLDERS and C FUND SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the fourth Annual General Meeting of Unicorn AIM VCT II plc ("the Company") will be held at 12 noon on 21 April 2009 at Matrix Group Limited, One Vine Street, London, W1J 0AH.

Notice is further given that the meeting will be followed by separate meetings of the holders of ordinary shares of 1 pence each ("Ordinary Shares") and holders of C Shares of 1 pence each ("C Shares") in the capital of the Company to be held at 12.10 pm and 12.12 pm respectively (or as soon thereafter as the Annual General Meeting of the Company or the Separate Meeting of the Ordinary Fund Shareholders as the case may be convened for that day has been concluded or adjourned). The meetings will be held for the following purposes:-

ANNUAL GENERAL MEETING

ORDINARY BUSINESS

1. To receive and adopt the report of the Directors and the audited accounts of the Company for the year ended 31 December 2008, together with the Auditors' report thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2008 as set out in the Annual Report and Accounts of the Company for the year ended 31 December 2008.
3. To re-appoint PKF (UK) LLP of Farringdon Place, 20 Farringdon Road, London EC1M 3AP as Auditors.
4. To authorise the directors to determine PKF (UK) LLP's remuneration as auditors of the Company.
5. To re-elect Jeremy Hamer as a Director of the Company.
6. To re-elect Kenneth Vere Nicoll as a Director of the Company.
7. To declare a final capital dividend for the year ended 31 December 2008 of 1 pence per share to the holders of Ordinary Shares, payable on 8 May 2009 to Shareholders registered at close of business on 14 April 2009.

8. That (i) subject to the passing of the resolutions to be proposed at the separate meeting of the holders of Ordinary Shares and the separate meeting of the holders of C Shares convened for 12.10 pm and 12.12 pm respectively on 21 April 2009 ("the Separate Meetings") and (ii) in substitution for any existing authorities pursuant to section 80 of the Companies Act 1985 ("the Act"):

The Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities (as defined in section 80(2) of the Act) of the Company to such persons, at such time and generally on such terms and conditions as the Directors may determine up to an aggregate nominal amount of £115,332.

The authority hereby conferred shall expire (unless previously varied, revoked or renewed by the Company in general meeting) on the date of the next annual general meeting of the Company to be held in 2010, except that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

To consider and, if thought fit, to pass the following as a Special Resolution:

9. That (i) subject to the passing of the resolutions to be proposed at the Separate Meetings and (ii) in substitution for any existing authorities pursuant to section 95 (1) of the Act the Directors be and they are hereby empowered to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the authority conferred upon them by resolution 8 above as if section 89(1) of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to:
 - (i) the allotment and/or sale of equity securities in connection with an issue or offer by way of rights or other pre-emptive issue or offer, open for acceptance for a period fixed by the directors, where the Ordinary Shares or C Shares offered to all holders of shares in the relevant class are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares or, as the case may be, C Shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders, fractional entitlements or directions from any holders of equity securities to deal in some other manner with their respective entitlements, or the requirements of any recognised regulatory body or any stock exchange in any territory;
 - (ii) the allotment of equity securities with an aggregate nominal value of up to but not exceeding 10 per cent of the issued Ordinary Share capital and/or the issued C Share capital of the Company in connection with any dividend investment or similar scheme as may be introduced by the Company from time to time;
 - (iii) the allotment of equity securities with an aggregate nominal value of up to but not exceeding 10 per cent of the issued Ordinary Share capital and/or the issued C Share capital of the Company where the proceeds of the allotment are to be used in whole or in part to purchase the Company's Ordinary Shares or, as the case may be, C Shares in the market;

(iv) the allotment (otherwise than pursuant to sub-paragraphs (i), (ii) and (iii) above) of equity securities with an aggregate nominal value of up to but not exceeding 10 per cent of the issued Ordinary Share capital and/or the issued C Share capital of the Company at the date of passing of this resolution;

and provided further that the authority conferred by this resolution shall expire on the earlier of the Annual General Meeting of the Company to be held in 2010 or the date which is fifteen months after the date on which this resolution is passed (unless previously renewed, varied or revoked by the Company in general meeting), except that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities as aforesaid to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as a Special Resolution:

10. That (i) subject to the passing of the resolutions to be proposed at the Separate Meetings and (ii) in substitution for any existing authorities the Company be authorised to make one or more market purchases (within the meaning of section 163 of the Act) of Ordinary Shares and/or C Shares provided that:

- (i) the maximum aggregate number of Ordinary Shares and C Shares authorised to be purchased is 3,300,891 Ordinary Shares and 1,885,600 C Shares;
- (ii) the minimum price which may be paid for an Ordinary Share or, as the case may be, C Share is 1 pence per share;
- (iii) the maximum price which may be paid for an Ordinary Share or, as the case may be, a C Share is 105 per cent. of the average of the middle market prices as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Ordinary Share or C Share, as the case may be, is purchased;

and this authority shall expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2010 and the date which is fifteen months after the date on which this resolution is passed and provided further that any purchase by the Company of its own shares does not prejudice the ability of the Company to disregard, to the fullest possible extent pursuant to section 274 of the Income Tax Act 2007, the use to which money raised pursuant to a share issue is put, for the purposes of complying with the 70% test and the 30% test, as those terms are defined in the Venture Capital Trust (Winding up and Mergers) (Tax) Regulations 2004.

SEPARATE MEETING OF ORDINARY FUND SHAREHOLDERS

Extraordinary Resolution

The holders of the ordinary shares of 1 pence each in the capital of the Company ("Ordinary Shares") hereby sanction, approve and consent to:

- (i) the passing and carrying into effect, as ordinary and special resolutions of the Company, resolutions 8-10 set out in the above Notice of the Annual General Meeting convened for 12 noon on 21 April 2009; and
- (ii) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the Ordinary Shares which will, or may result from the passing and carrying into effect of the said Resolution and not withstanding that the passing and carrying into effect of such Resolution may affect the rights and privileges attached to the Ordinary Shares.

SEPARATE MEETING OF C FUND SHAREHOLDERS

Extraordinary Resolution

The holders of the C ordinary shares of 1 pence each in the capital of the Company ("C Shares") hereby sanction, approve and consent to:

- (i) the passing and carrying into effect, as ordinary and special resolutions of the Company, resolution 8-10 set out in the Notice of the Annual General Meeting convened for 12 noon on 21 April 2009 above; and
- (ii) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the C Shares which will, or may result from the passing and carrying into effect of the said Resolution and not withstanding that the passing and carrying into effect of such Resolution may affect the rights and privileges attached to the C Shares.

BY ORDER OF THE BOARD

Matrix-Securities Limited
Secretary

Registered Office
One Vine Street
London W1J 0AH

4 March 2009

NOTICE of ANNUAL GENERAL MEETING and SEPARATE MEETINGS of ORDINARY FUND SHAREHOLDERS and C FUND SHAREHOLDERS

NOTES:

- (i) A person entitled to receive notice of, attend and vote at the above meetings is entitled to appoint one or more proxies to attend and on a poll, vote in his place. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares held by that shareholder. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may copy the proxy form, clearly stating on each copy the shares to which the proxy relates, or alternatively contact the Company's registrars, Computershare Investor Services, on 0870 707 1525 to request additional copies of the proxy form.
- (ii) To appoint a proxy or proxies shareholders must complete a form of proxy, sign it and return it, together with the power of attorney or any other authority under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Computershare Investor Services.
- (iii) If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person): You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting.
If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- (iv) To be valid the enclosed form of proxy for the Annual General Meeting and the separate Class Meetings together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof must be deposited no less than 48 hours prior to the time fixed for the holding of the relevant meeting or any adjournment of the said meeting at the offices of the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FB.
- (v) Completion and return of the form of proxy will not prevent you from attending and voting in person at the Annual General Meeting and the separate Class Meetings.
- (vi) The Company, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, specifies that only those Shareholders registered in the Register of Members of the Company as at midnight on 19 April 2009 or, in the event that the meeting is adjourned, in the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at the Annual General Meeting and the separate Class Meetings in respect of the number of shares registered in their name at the relevant time. Changes to entries in the Register of Members after midnight on 19 April 2009 or, in the event that the meeting is adjourned, in the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (vii) As at 4 March 2009, the Company's issued share capital comprised 22,020,616 Ordinary Shares and 12,579,053 C Shares. Each share carries one vote at a general meeting of the Company. The total voting rights in the Company as at 4 March 2009 are 34,599,669.
- (viii) The Register of Directors' Interests and Directors' appointment letters shall be available for inspection at the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) until the end of the Annual General Meeting and will also be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting. The Directors do not have any service contracts with the Company.
- (ix) Notice is hereby given that the necessary quorum for the class meetings shall be Ordinary Fund or C Fund Shareholders (as appropriate) present in person or by proxy holding not less than one third of the paid up Ordinary or C Share capital and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 12.10 pm and 12.12 pm respectively on 22 April 2009 to be held at Matrix Group Limited, One Vine Street, London W1J 0AH, or as soon as possible thereafter as may be arranged, and at such adjourned meeting the Ordinary or C Shareholders present in person or by proxy shall be a quorum regardless of the number of shares held.
- (x) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that
 - (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
 - (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - www.icsa.org.uk - for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.

Corporate Information

Directors

Peter Andrews (Chairman)
Malcolm Diamond
Jeremy Hamer (Senior Independent Director)
Kenneth Vere Nicoll

All of whom are non-executive and of:

One Vine Street
London W1J 0AH

Secretary & Administrator

Matrix-Securities Limited
One Vine Street
London
W1J 0AH

Company Registration Number : 5239433

Investment Manager

Unicorn Asset Management Limited
Preacher's Court
The Charterhouse
Charterhouse Square
London
EC1M 6AU

Solicitors

CMS Cameron McKenna LLP
Mitre House
1 60 Aldersgate Street
London
EC1A 4DD

Registrar

Computershare Investor Services plc
PO Box 82
The Pavilions
Bridgwater Road
Bristol
BS99 7NH

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Custodian

The Bank of New York
One Canada Square
London
E14 5AL

VCT Tax Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Stockbroker and Sponsor

Matrix Corporate Capital LLP
One Vine Street
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W1J 0AH

Bankers

National Westminster Bank plc
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PO Box 12264
1 Princes Street
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EC2R 8PB

