

MATRIX INCOME &
GROWTH VCT PLC **4**
A VENTURE CAPITAL TRUST

HALF-YEARLY REPORT



Unaudited Half-Yearly Report
for the six months ended 31 July 2009

MATRIX

Investment Objective

The objective of Matrix Income & Growth 4 VCT plc ("the Company" or "MIG4") is to provide shareholders with an attractive investment return, principally by maximising the stream of dividend distributions from the income and capital gains generated by a portfolio of investments in a wide variety of unquoted companies in the UK.

The portfolio comprises a number of diverse investments over a wide range of different business sectors, thus spreading risk by avoiding over-concentration in any one sector.

Financial Highlights

As at 31 July 2009

-  Increase of 0.5% in net asset value (NAV) over the six month period
-  Decrease of 8.5% in total shareholder return (share price basis) over the six month period
-  Increase of 1.3% in total shareholder return (net asset value basis) over the six month period
-  Liquidity maintained in face of market downturn

Performance Summary – Ordinary Shares of 1p each

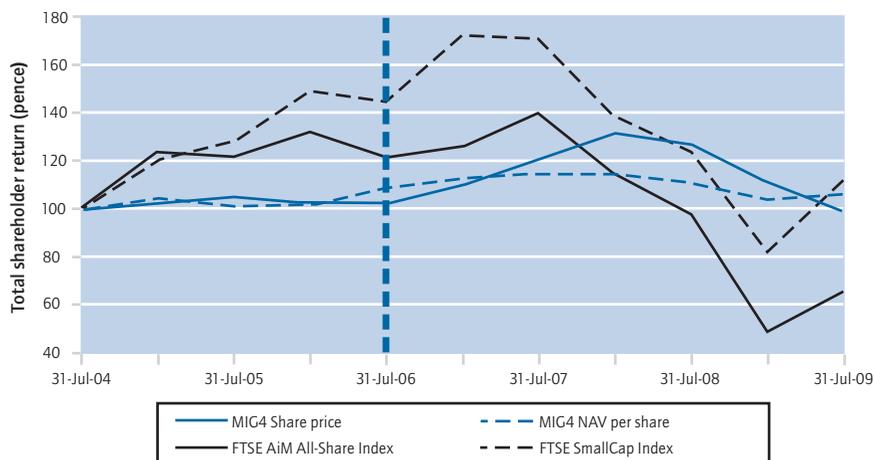
	Net assets (£million)	Net assets value (NAV) per share (p)	NAV total return to Shareholders since launch (p) ²	Share price (p) ¹	Share price total return to Shareholders since launch per share (p) ²
Six months ended 31 July 2009	21.1	105.1	119.8	82.0	96.7
Year ended 31 January 2009	21.0	104.6	118.3	92.0	105.7
31 January 2008	24.1	117.4	128.9	109.0	120.5
31 January 2007	9.8	116.3	125.2	91.0	101.7
31 January 2006	9.3	106.6	115.0	85.0	93.9
31 January 2005	10.1	110.3	118.5	85.0	93.4

¹ Source: London Stock Exchange

² Total returns to Shareholders include dividends paid

In the graph below, the share price and NAV total return comprise the share price and NAV per share respectively plus dividends paid to date assuming the dividends paid were re-invested on the date on which the shares were quoted ex-dividend in respect of each dividend.

Total shareholder return for the last five years compared to the FTSE SmallCap and AiM All-Share Indices



--- Matrix Private Equity Partners ("MPEP") was appointed sole Investment Manager of the Company with effect from 1 August 2006

Source: Matrix Corporate Capital LLP

Chairman's Statement

I am pleased to present the Company's Half-Yearly Report for the six months ended 31 July 2009.

Performance

At 31 July 2009 the Company's NAV per Ordinary Share was 105.1 pence (31 January 2009: 104.6 pence), an increase of 0.5% over the six month period. This compares with an increase of 34.3% in the capital return of the FTSE SmallCap Index and a rise of 34.0% in the FTSE All-Share AiM Index during the same period. It should be noted that over the twelve month period the Company has out-performed the benchmark indices: the NAV per Ordinary Share fell by 6.5% from 112.4 pence at 31 July 2008 while the capital return of the FTSE SmallCap and the FTSE All-Share AiM Indices fell by 13.2% and 34.2% respectively.

Cumulative dividends paid to date amount to 14.7 pence per ordinary share.

Portfolio

While some commentators are now suggesting that the worst of the recession is over, investment portfolios in the UK continue to be affected by the difficult economic conditions. Over the last six months sector price earnings multiples in the UK have been highly volatile with the Pharmaceuticals & Biotechnology and Food sectors showing large decreases. In contrast, the Technology Hardware & Equipment, Personal Goods and Support Services have been the main beneficiaries. These swings between sectors inevitably affect our portfolio valuations.

Notwithstanding the impact of these swings in sector price earnings multiples on the valuations, a number of the portfolio companies, particularly those in the construction sector, are experiencing the negative effects of the recession. Whilst all these companies have been taking steps to minimise these adverse effects with cost cutting

and similar measures, the impact on profitability cannot be counteracted entirely or immediately.

Within the portfolio, a partial loan stock repayment of £233,581 at a premium of £16,189 was made by DiGiCo Europe Limited in May 2009. In June 2009, a new investment of £373,376 was made into MC 440 Limited to support the MBO of Westway Cooling Limited. Based in Greenford, Middlesex, Westway specialises in installing, servicing and maintaining high quality air-conditioning systems and associated building services plant in the refurbishment and maintenance market.

At the end of June, the Company sold its investment in Tottel Publishing Limited, the specialist publisher of legal and tax titles to Bloomsbury Group earning a fourfold gain on the initial investment on a total return basis, including net sale proceeds of £851,084. The Company's original investment of £235,200 had already been reduced to £148,568 in March of this year when Tottel repaid 50% of the Company's loan stock.

Cash and liquidity fund balances as at 31 July 2009 amounted to £13.6 million.

Dividend

The Board has declared an interim dividend of 1 penny per share for the year ending 31 January 2010, payable on 7 November 2009 to Shareholders on the register on 9 October 2009. The dividend will be paid from capital from the realised profit arising from the sale of Tottel Publishing in June of this year referred to above.

Revenue account

For the six months ended 31 July 2009, the revenue account recorded a loss of £14,420 (31 January 2009: profit of £478,663).

Share buy-backs

During the six months ended 31 July 2009 the Company continued to implement its buy-back policy and bought back 69,500 Ordinary Shares, representing 0.35% of the shares in issue at 1 February 2009 at a total cost of £58,149 (including expenses). These shares were subsequently cancelled by the Company.

Valuation policy

Quoted stocks are valued at bid prices in accordance with accounting standards. It is worth commenting that the Fund does hold two relatively early stage AiM-listed stocks with limited marketability. In such cases, the price at which a sizeable block of shares could be traded, if at all, may vary significantly from the market price used.

Outlook

Whilst some commentators are anticipating that the worst of the recession is over, a number of influential economists are suggesting that a further period of financial instability is not unlikely. The strength of stock markets over the last few months may, therefore, be highlighting a 'false dawn'. In that event, small, early stage growth businesses will be tested further.

The Company retains its significant cash position. This continues to place the Company in an excellent position to take advantage of what are expected to be increasingly attractive purchase opportunities which should become available as this recession continues. Therefore, while short term valuations may be subject to continuing pressures, your Board still expects to see attractive investment opportunities and a recovery in performance and portfolio values over the longer term.

The current level of interest rates in the United Kingdom means that it will be difficult for the Company to pay a dividend from revenue this year. Moreover, it is too early to say with any degree of certainty whether the Company will pay a further dividend from capital reserves in respect of this financial year.

MIG 4 website

May I remind you that the Company has its own website which is available at www.mig4vct.co.uk

In conclusion, may I again thank Shareholders for their continued support.

Colin Hook

Chairman

17 September 2009

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- (a) the half-yearly financial statements, have been prepared in accordance with the Statement "Half-Yearly Financial Reports" issued by the UK Accounting Standards Board and give a true and fair view of the assets, liabilities, financial position and profit of the Company as at 31 July 2009, as required by DTR 4.2.4; and
- (b) the interim management report included within the Chairman's Statement and Investment Manager's Review includes a fair review of the information required by DTR 4.2.7 being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
- (c) A description of the principal risks and uncertainties for the remaining six months of the year is set out below in accordance with DTR 4.2.7; and
- (d) There are no relevant related party transactions to be reported as required by DTR 4.2.8.

Investment Policy

The Company's policy is to invest primarily in a diverse portfolio of UK unquoted companies. Investments are structured as part loan and part equity in order to receive regular income and to generate capital gains from trade sales and flotations of investee companies.

Investments are made selectively across a number of sectors, primarily in management buyout transactions (MBOs) i.e. to support

Principal risks and uncertainties

In accordance with DTR 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed since the publication of the Annual Report and Accounts for the year ended 31 January 2009. The Board acknowledges that there is regulatory risk and continues to manage the Company's affairs in such a manner as to comply with section 274 Income Tax Act 2007. Other risks relate to credit risk, market price risk, liquidity risk, interest rate risk and currency risk. A more detailed explanation of these can be found in Note 20 on pages 55 to 60 of the 2009 Annual Report and Accounts – copies are available on the VCT's website, www.mig4vct.co.uk.

Cautionary Statement

This Report may contain forward looking statements with regard to the financial condition and results of the Company which are made in the light of current economic and business circumstances. Nothing in this announcement should be construed as a profit forecast.

On behalf of the Board

Colin Hook

Chairman

17 September 2009

incumbent management teams in acquiring the business they manage but do not yet own. Investments are primarily made in companies that are established and profitable.

The Company has a small legacy portfolio of investments in companies from its period prior to 1 August 2006, when it was a multi-manager VCT. This includes investments in early stage and technology companies.

Uninvested funds are held in cash and lower risk money market funds.

UK companies

The companies in which investments are made must have no more than £15 million of gross assets at the time of investment to be classed as a VCT qualifying holding.

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue & Customs ("HMRC"). Amongst other conditions, the Company may not invest more than 15% of its investments in a single company and must have at least 70% by value of its investments throughout the period in shares or securities comprised in VCT qualifying holdings, of which a minimum overall of 30% by value must be ordinary shares which carry no preferential rights. In addition, although the Company can invest less than 30% of an investment in a specific company in ordinary shares it must have at least 10% by value of its total investments in each VCT qualifying company in ordinary shares which carry no preferential rights.

Asset mix

The Company initially holds its funds in a portfolio of readily realisable interest bearing investments and deposits. The investment portfolio of qualifying investments is built up over a three year period with the aim of investing and maintaining at least 70% of net funds raised in qualifying investments.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses across different industry

sectors. To reduce the risk of high exposure to equities, each qualifying investment is structured using a significant proportion of loan stock (up to 70% of the total investment in each VCT qualifying company). Initial investments in VCT qualifying companies are generally made in amounts ranging from £200,000 to £1 million at cost. No holding in any one company will represent more than 10% of the value of the Company's investments at the time of investment. Ongoing monitoring of each investment is carried out by the Investment Manager, generally through taking a seat on the board of each VCT qualifying company.

Co-investment

The Company aims to invest in larger, more mature unquoted companies through investing alongside the four other VCTs advised by the Investment Manager with a similar investment policy. This enables the Company to participate in combined investments advised on by the Investment Manager of up to £5 million.

Borrowing

The Company has no current plans to undertake any borrowing.

Management

The Board has overall responsibility for the Company's affairs including the determination of its investment policy. Investment and divestment proposals are originated, negotiated and recommended by the Investment Manager and are then subject to formal approval by the Board of Directors. Matrix-Securities Limited provides Company Secretarial and Accountancy services to the Company.

Investment Manager's Review

Overview

During the six month period covered by this report, we have continued to adopt a highly cautious approach to new investment believing that vendors' price expectations in the current market will prove unsustainable in the long-term. We have also continued to avoid transactions requiring high levels of bank borrowing as we anticipate that over-leveraged companies will be increasingly vulnerable as economic conditions deteriorate. The low level of market activity which has persisted throughout the period is producing only limited opportunities for deals where willing vendors are selling to strategic buyers.

Investment portfolio

During the period, one new investment of £373,376 was completed to support the MBO of Westway Cooling in June 2009. Based in Greenford, Middlesex, Westway has been specialising in installing, servicing and maintaining high quality air-conditioning systems and associated building services plant in the refurbishment and maintenance market since 2001. With a turnover of £10 million and a record order book, we believe that the company is well placed to grow, even in challenging market conditions.

To date the investment portfolio has required very little additional funding despite the worsening economic environment. One follow-on investment was completed in January 2009 into Monsal Holdings of £70,475 to provide working capital and headroom. The company is now doing well following a difficult year in 2008. It has recently won a number of major contracts and is establishing a reputation for its expertise in anaerobic technology.

The Company successfully realised its investment in Tottel Publishing, the specialist publisher of legal and tax titles at the end of

June. Based in Haywards Heath, Tottel was sold to the Bloomsbury Publishing Group for £10 million, earning a fourfold gain on the Company's investment and returning total proceeds over the life of the investment of £950,000. The Company's original investment cost of £235,200 had already been reduced to £148,568 in March of this year when Tottel repaid 50% of the Company's loan stock investment.

At 31 July 2009, the MPEP-invested portfolio comprised investments in twenty-one companies at an aggregate current cost of £9.0 million and valued in accordance with International Private Equity and Venture Capital Valuation (IPEVCV) Guidelines at £7.3 million. After adjusting for new investment and repayments during the period, this now represents 82.8% of cost compared to 81.3% of cost at 31 January 2009. Of the twenty-one investments in the MPEP portfolio, two are currently held at cost, thirteen are valued below cost and six are valued above cost. It is important to note that to date valuation decreases remain unrealised rather than realised investment losses and we remain confident that values will recover across the portfolio as a whole in the future.

Due to banking covenant breaches, seven companies were not servicing their VCT loan stock as at 31 July 2009; these represent 41% of the portfolio of loan stock investments at cost.

With the exception of BG Consulting, Letraset and Plastic Surgeon, which are reporting modest losses, we currently expect all companies in the portfolio to deliver operating profits (ie prior to goodwill amortisation and servicing debt) in their current financial year.

BG and Letraset have experienced a downturn in demand for their products. The profitability of Plastic Surgeon, Youngman and PXP has been particularly affected by their direct exposure to

the downturn in the construction and house-building sector.

Pressure on capital and maintenance expenditure in the UK retail sector has also significantly affected Blaze Signs, although there is guarded optimism that its clients are now beginning to invest again in signage. PastaKing and Vectair continue to make good levels of profits which could be enhanced if sterling were to strengthen against the euro, reducing the prices of their ingredients and raw materials. Although the advertising revenue of ATG Media has fallen, it remains on forecast to meet its budgeted profits due to the higher than expected revenue arising from its online auction software. Campden Media has also been affected by the reduction in advertising revenue but remains profitable. British International reported lower profits due to a shortage of available short-term contract work.

DiGiCo continues to trade strongly, is well ahead of budget and is improving on its performance to date. It has also repaid £217,392 (plus a premium of £16,189) of its loan stock in May 2009, earlier than anticipated. VSI is making steady progress after a year of record profits in 2008. Stortext broke into profit in 2009 and is showing good visibility for revenues for 2009 following a significant contract gain last year.

SectorGuard has substantially re-organised its management and operations since its acquisition of Manguard in March 2008 and has made further significant acquisitions, including the addition of Legion Group which has prompted a change of name to Legion Group plc at the end of June. As a result of these changes, brokers are now forecasting an improvement in profits.

Focus Pharma enjoyed solid progress in 2008 and has begun the current year well. Higher Nature is showing some vulnerability to the effects of the recession but we still believe that it is appropriate to value this investment above cost. Racoon is finding trading conditions difficult but remains profitable, before interest and goodwill amortisation.

Outlook for new investments

The financial performance of many smaller companies has, as yet, been better than many commentators had forecast and owners are generally preferring to trade through challenging conditions rather than sell their businesses or raise capital at what they perceive to be a low point in the business cycle. We do not therefore expect to complete many investments in 2009. However, we believe that during 2010, business owners will become much clearer as to their position and future prospects. They will then be far better informed as to their need for capital or an outright sale and the terms on which such a transaction can be completed. We therefore expect many more vendors to come forward. The Company is a well-positioned buyer with strong cash reserves and this should enable us to acquire good businesses, at attractive valuations.

We are also mindful that there is an increasing number of distressed competitors to many of our portfolio companies and these may represent good acquisition opportunities for some investee companies. We continue to review these opportunities with investee company management teams.

Matrix Private Equity Partners LLP

17 September 2009

Investment Portfolio Summary

as at 31 July 2009

	Total cost at 31 July 2009 £	Total valuation at 31 January 2009 £	Additional investments in the period £	Total valuation at 31 July 2009 £	% of equity held	% of portfolio by value
Matrix Private Equity Partners LLP						
DiGiCo Europe Limited Design and manufacture of audio mixing desks	782,608	1,091,100	–	1,733,463	6.52%	23.16%
ATG Media Holdings Limited Publisher and online auction platform operator	1,000,000	1,000,000	–	1,000,000	8.90%	13.36%
Focus Pharma Holdings Limited Licensor and distributor of generic pharmaceuticals	772,451	758,440	–	811,354	3.10%	10.84%
Higher Nature Limited Supplier of mineral, vitamin and food supplements	500,127	708,597	–	626,947	10.69%	8.38%
Monsal Holdings Limited Supplier of engineering services to water and waste sectors	704,771	528,578	–	528,578	8.75%	7.06%
Stortext FM Limited Software based solutions for document management	561,820	375,968	–	417,042	4.60%	5.57%
VSI Limited Provider of software for CAD and CAM vendors	111,928	305,699	–	398,323	4.56%	5.32%
MC 440 Limited (Westway Cooling) Installation, maintenance and servicing of air-conditioning systems	373,376	–	373,376	373,376	3.20%	4.99%
PastaKing Holdings Limited Manufacturer and supplier of fresh pasta meals	133,055	409,344	–	353,462	2.10%	4.72%
Youngman Group Limited Manufacturer of ladders and access towers	500,026	476,523	–	349,983	4.29%	4.68%
British International Holdings Limited Operator of helicopter services	250,000	247,338	–	241,853	2.50%	3.24%
Blaze Signs Holdings Limited Manufacturer and installer of signs	610,016	593,471	–	226,545	5.70%	3.03%
Vectair Holdings Limited Designer and distributor of washroom products	100,000	141,884	–	146,745	2.14%	1.96%
The Plastic Surgeon Holdings Limited Snagging and finishing of domestic and commercial properties	458,837	229,419	–	114,709	6.88%	1.53%

	Total cost at 31 July 2009 £	Total valuation at 31 January 2009 £	Additional investments in the period £	Total valuation at 31 July 2009 £	% of equity held	% of portfolio by value
Legion Group plc (formerly SectorGuard plc)¹ Manned guarding, patrolling and alarm response services	150,102	64,323	–	53,602	1.08%	0.72%
PXP Holdings Limited (Pinewood Structures) Designer, manufacturer and supplier of timber frames for buildings	679,549	139,086	–	22,057	4.98%	0.29%
BG Consulting Group Limited/ Duncary 4 Limited Provider of financial training services	230,796	53,064	–	19,700	See note 3 below	0.26%
Campden Media Limited Magazine publisher and conference organiser	152,620	18,319	–	17,102	1.69%	0.23%
Racoon International Limited Supplier of hair extensions, hair care products and training	406,805	–	–	–	5.70%	0.00%
Other investments in the portfolio²	500,000	–	–	–	–	0.00%
Total	8,978,887	7,141,153	373,376	7,434,841	–	99.34%
Former Elderstreet Private Equity Limited Portfolio						
Cashfac Limited Provider of virtual banking application software	260,101	38,168	–	32,988	3.42%	0.44%
Sift Limited Developer of business to business internet communities	125,000	–	–	11,599	0.63%	0.15%
Expansys plc¹ Online retailer of digital devices	31,000	9,971	–	5,279	0.58%	0.07%
Other investments in the portfolio²	499,973	–	–	–	–	0.00%
Total	916,074	48,139	–	49,866	–	0.66%
Investment Managers' totals	9,894,961	7,189,292	373,376	7,484,707	–	100.00%

¹ Quoted on AIM

² Other investments in the portfolio comprise those investments that have been valued at nil and from which the Directors only expect to receive small recoveries ie Inca Interiors Limited (in administration) and Letraset Limited in the MPEP portfolio and ComponentSource Holding Corporation and Sparesfinder Limited in the former Elderstreet portfolio.

³ The % of equity held in BG Consulting Group Limited is 2.6% and in Duncary 4 Limited is 6.64%.

Unaudited Income Statement

for the six months ended 31 July 2009

	Notes	Six months ended 31 July 2009 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains/(losses) on investments held at fair value	9	–	139,431	139,431
Realised gains/(losses) on investments held at fair value	9	–	289,185	289,185
Income	2	222,835	–	222,835
Recoverable VAT	3	1,051	3,155	4,206
Investment management expense	4	(45,477)	(136,431)	(181,908)
Other expenses		(192,829)	–	(192,829)
(Loss)/profit on ordinary activities before taxation		(14,420)	295,340	280,920
Tax on (loss)/profit on ordinary activities	5	–	–	–
(Loss)/profit attributable to equity shareholders		(14,420)	295,340	280,920
Basic and diluted earnings per ordinary share	6	(0.07)p	1.47p	1.40p

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

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

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

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

The notes to the unaudited financial statements on pages 15 - 20 form part of these Half-Yearly financial statements.

Six months ended 31 July 2008 (unaudited)			Year ended 31 January 2009 (audited)		
Revenue	Capital	Total	Revenue	Capital	Total
£	£	£	£	£	£
–	(881,725)	(881,725)	–	(2,574,520)	(2,574,520)
–	(50,000)	(50,000)	–	(21,299)	(21,299)
574,389	20,610	594,999	1,068,647	30,915	1,099,562
–	–	–	13,500	40,500	54,000
(65,290)	(195,870)	(261,160)	(100,303)	(300,909)	(401,212)
(180,317)	–	(180,317)	(350,868)	–	(350,868)
328,782	(1,106,985)	(778,203)	630,976	(2,825,313)	(2,194,337)
(66,801)	66,801	–	(152,313)	152,313	–
261,981	(1,040,184)	(778,203)	478,663	(2,673,000)	(2,194,337)
1.24p	(4.93)p	(3.69)p	2.35p	(13.14)p	(10.79)p

Unaudited Balance Sheet

as at 31 July 2009

	Notes	31 July 2009 (unaudited) £	31 July 2008 (unaudited) £	31 January 2009 (audited) £
Non-current assets				
Investments at fair value	9	7,484,707	8,332,325	7,805,465
Current assets				
Debtors and prepayments		118,914	123,885	240,016
Investments at fair value	10	13,588,405	14,595,298	13,113,111
Cash at bank		33,038	17,628	15,256
		13,740,357	14,736,811	13,368,383
Creditors: amounts falling due within one year		(167,673)	(225,948)	(138,150)
Net current assets		13,572,684	14,510,863	13,230,233
Net assets		21,057,391	22,843,188	21,035,698
Capital and reserves	11			
Called up share capital		200,383	203,179	201,078
Capital redemption reserve		884,438	881,642	883,743
Revaluation reserve		(1,779,492)	154,845	(1,537,950)
Special distributable reserve		16,776,720	17,090,348	16,968,144
Profit and loss account		4,975,342	4,513,174	4,520,683
Equity shareholders' funds		21,057,391	22,843,188	21,035,698
Net asset value per ordinary share	8	105.09p	112.43p	104.61p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 July 2009

	Notes	Six months ended 31 July 2009 (unaudited) £	Six months ended 31 July 2008 (unaudited) £	Year ended 31 January 2009 (audited) £
Opening shareholders' funds		21,035,698	24,067,317	24,067,317
Net share capital bought back		(58,149)	(191,077)	(379,254)
Profit/(loss) for the period before dividends		280,920	(778,203)	(2,194,337)
Dividends paid in period	7	(201,078)	(254,849)	(458,028)
Closing shareholders' funds		21,057,391	22,843,188	21,035,698

The notes to the unaudited financial statements on pages 15 to 20 form part of these Half-Yearly financial statements.

Unaudited Summarised Cash Flow Statement

for the six months ended 31 July 2009

	Notes	Six months ended 31 July 2009 (unaudited) £	Six months ended 31 July 2008 (unaudited) £	Year ended 31 January 2009 (audited) £
Operating activities				
Interest income received		146,807	151,551	304,782
Dividend income		84,140	444,692	814,332
Other income		5,098	–	5,098
VAT received		89,665	–	–
Investment management fees paid		(118,181)	(279,281)	(516,689)
Cash payments for other expenses		(134,333)	(144,499)	(386,878)
Net cash inflow from operating activities		73,196	172,463	220,645
Investing activities				
Sale of investments	9	1,084,665	198,912	227,615
Purchase of investments	9	(373,376)	(458,837)	(1,624,774)
Net cash inflow/(outflow) from investing activities		711,289	(259,925)	(1,397,159)
Cash inflow/(outflow) before financing and liquid resource management		784,485	(87,462)	(1,176,514)
Dividends				
Equity dividends paid	7	(201,078)	(254,849)	(458,028)
Financing				
Purchase of own shares		(90,331)	(192,936)	(385,264)
Management of liquid resources				
(Increase)/decrease in monies held in money-market funds		(475,294)	529,010	2,011,197
Increase/(decrease) in cash		17,782	(6,237)	(8,609)
Reconciliation of net cash inflow/(outflow) to movement in net funds				
Increase/(decrease) in cash for the period		17,782	(6,237)	(8,609)
Net funds at the start of the period		15,256	23,865	23,865
Net funds at the end of the period		33,038	17,628	15,256

The notes to the unaudited financial statements on pages 15 to 20 form part of these Half-Yearly financial statements.

Reconciliation of profit/(loss) on ordinary activities before taxation to net cash inflow from operating activities

for the six months ended 31 July 2009

		Six months ended 31 July 2009 (unaudited) £	Six months ended 31 July 2008 (unaudited) £	Year ended 31 January 2009 (audited) £
Profit/(loss) on ordinary activities before taxation		280,920	(778,203)	(2,194,337)
Net unrealised (gains)/losses on investments		(139,431)	881,725	2,574,520
Net (gains)/losses on realisations of investments		(289,185)	50,000	21,299
Decrease/(increase) in debtors		159,187	(29,775)	(145,908)
Increase/(decrease) in creditors		61,705	48,716	(34,929)
Net cash inflow from operating activities		73,196	172,463	220,645

The notes to the unaudited financial statements on pages 15 to 20 form part of these Half-Yearly financial statements.

Notes to the Unaudited Financial Statements

1. Principal accounting policies

The following accounting policies have been applied consistently throughout the period. Full details of principal accounting policies will be disclosed in the Annual Report.

a) Basis of accounting

The unaudited results cover the six months to 31 July 2009 and have been prepared under UK Generally Accepted Accounting Practice (UK GAAP), consistent with the accounting policies set out in the statutory accounts for the year ended 31 January 2009 and the 2009 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP')

The Half-Yearly Report has not been audited, nor has it been reviewed by the auditors pursuant to the Auditing Practices Board (APB)'s guidance on Review of Interim Financial Information.

b) Presentation of the Income Statement

In order to better reflect the activities of a VCT and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The revenue column of profit attributable to equity shareholders 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

All investments held by the Company are classified as "fair value through profit and loss", in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines, 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. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

The fair value of quoted investments is the bid price value of those investments at the close of business on 31 July 2009.

d) Capital gains and losses

Capital gains and losses on investments, whether realised or unrealised, are dealt with in the profit and loss and revaluation reserves and movements in the period are shown in the Income Statement.

2. Income

	Six months ended 31 July 2009 (unaudited) £	Six months ended 31 July 2008 (unaudited) £	Year ended 31 January 2009 (audited) £
Income from investments			
Dividends	16,070	36,176	85,896
Money-market funds	62,041	408,448	696,194
Loan stock interest	128,360	148,383	309,769
Bank deposit and other interest	4,722	1,992	2,605
Interest received on VAT	6,544	–	–
Other income	5,098	–	5,098
Total Income	222,835	594,999	1,099,562

3. Recoverable VAT

At 31 January 2009, the Directors considered it reasonably certain that the Company would obtain a repayment of VAT of not less than £85,459. This estimate was based upon information supplied by the Company's Investment Managers and discussions with the Company's professional advisors as a result of the European Court of Justice ruling and subsequent HMRC briefing that management fees be exempt for VAT purposes. During this period £89,665 of recoverable VAT was actually received. The excess of £4,206 has been credited to the Income Statement, allocated 25% to revenue and 75% to capital return and is in the same proportion as that in which the irrecoverable VAT was originally charged.

4. Investment management expense

In accordance with the policy statement published under "Management and Administration" in the Company's prospectus dated 8 February 1999, the Directors have charged 75% of the investment management expenses to the capital account. This is in line with the Board's expectation of the long-term split of returns from the investment portfolio of the Company.

5. Taxation

There is no tax charge for the period, as there were taxable losses in the period.

6. Basic and diluted earnings per share

The basic and diluted earnings, revenue earnings and capital earnings per share shown below for each period are respectively based on numerators i)-iii), each divided by the weighted average number of shares in issue in the period - see iv) below

	Six months ended 31 July 2009 (unaudited) £	Six months ended 31 July 2008 (unaudited) £	Year ended 31 January 2009 (audited) £
i) Total earnings/(loss) after taxation	280,920	(778,203)	(2,194,337)
Basic and diluted earnings/ (loss) per Ordinary share (pence)	1.40p	(3.69)p	(10.79)p
ii) Revenue (loss)/earnings from ordinary activities after taxation	(14,420)	261,981	478,663
Basic and diluted revenue (loss)/earnings per Ordinary share (pence)	(0.07)p	1.24p	2.35p
Net unrealised capital gains/(losses)	139,431	(881,725)	(2,574,520)
Net realised capital gains/(losses)	289,185	(50,000)	(21,299)
Capital expenses net of taxation	(136,431)	(129,069)	(148,596)
Capital element of VAT recoverable	3,155	–	40,500
Dividends received treated as capital	–	20,610	30,915
iii) Capital gain/(loss)	295,340	(1,040,184)	(2,673,000)
Basic and diluted capital earnings/(loss) per Ordinary Share (pence)	1.47p	(4.93)p	(13.14)p
iv) Weighted average number of shares in issue in the period	20,075,742	21,103,034	20,338,366

7. Dividends paid

	Six months ended 31 July 2009 (unaudited) £	Six months ended 31 July 2008 (unaudited) £	Year ended 31 January 2009 (audited) £
Final dividend for the year ended 31 January 2008 of 1.25 pence per Ordinary Share of 1 p paid 11 June 2008	–	254,849	254,849
Interim dividend for the year ended 31 January 2009 of 1 penny per Ordinary Share of 1 p paid 7 November 2008	–	–	203,179
Final dividend for the year ended 31 January 2009 of 1 penny per Ordinary share of 1 p paid 10 June 2009	201,078	–	–
	201,078	254,849	458,028

8. Net asset value per Ordinary Share

	As at 31 July 2009 (unaudited)	As at 31 July 2008 (unaudited)	As at 31 January 2009 (audited)
Net assets	£21,057,391	£22,843,188	£21,035,698
Number of shares in issue	20,038,300	20,317,925	20,107,800
Net asset value per share (pence)	105.09p	112.43p	104.61p

9. Summary of non-current asset investments at fair value during the period

	Traded on AIM £	Unquoted equity shares £	Unquoted preference shares £	Loan stock £	Total £
Valuation at 31 January 2009	74,294	2,850,768	23,969	4,856,434	7,805,465
Purchases at cost	–	38,688	90	334,598	373,376
Sales – proceeds	–	(624,184)	(3,136)	(506,866)	(1,134,186)
– realised gains	–	246,347	–	54,274	300,621
Unrealised (losses)/gains	(15,413)	616,353	(14,768)	(446,741)	139,431
Valuation at 31 July 2009	58,881	3,127,972	6,155	4,291,699	7,484,707
Book cost at 31 July 2009	181,102	3,810,738	122,800	5,780,321	9,894,961
Unrealised (losses)/gains at 31 July 2009	(122,221)	178,493	(15,783)	(1,113,088)	(1,072,599)
Permanent impairment of investments	–	(861,259)	(100,862)	(375,534)	(1,337,655)
Valuation at 31 July 2009	58,881	3,127,972	6,155	4,291,699	7,484,707
Gains on investments	–	565,384	–	116,210	681,594
Less amounts recognised as unrealised gains in previous years	–	(319,037)	–	(61,936)	(380,973)
Realised gains based on carrying value at 31 January 2009	–	246,347	–	54,274	300,621
Net movement in unrealised (depreciation)/appreciation in the period	(15,413)	616,353	(14,768)	(446,741)	139,431
(Losses)/gains on investments for the period ended 31 July 2009	(15,413)	862,700	(14,768)	(392,467)	440,052

Transaction costs of £11,436 were incurred in the period and are treated as realised losses on investments in the Income Statement. Deducting these from realised gains above gives £289,185 of gains as shown in the Income Statement. Sale proceeds of £1,134,186 above include £38,085 receivable at the period-end, and the transaction costs of £11,436. Deducting these two amounts leaves £1,084,665 of sale proceeds as shown in the Cash Flow Statement.

10. Current investments at fair value

These comprise investments in six Dublin based OEIC money market funds managed by Royal Bank of Scotland, Blackrock Investment Management (UK), Goldman Sachs, Barclays Global Investors, Scottish Widows Investment Management and Fidelity Investment Management.

£13,578,048 (31 July 2008: £14,585,294, 31 January 2009: £13,102,841 of this sum is subject to same day access, whilst £10,357 (31 July 2008: £10,004, 31 January 2009: £10,270) is subject to two-day access.

11. Capital and reserves

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Special distributable reserve £	Profit and loss reserve £	Total £
At 1 February 2009	201,078	883,743	(1,537,950)	16,968,144	4,520,683	21,035,698
Shares bought back	(695)	695	–	(58,149)	–	(58,149)
Profit for the period	–	–	139,431	–	141,489	280,920
Realised losses transferred to special reserve	–	–	–	(133,275)	133,275	–
Realisation of previously unrealised appreciation	–	–	(380,973)	–	380,973	–
Dividend - final paid for the year ended 31 January 2009	–	–	–	–	(201,078)	(201,078)
At 31 July 2009	200,383	884,438	(1,779,492)	16,776,720	4,975,342	21,057,391

12. The financial information contained in this Half-Yearly Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial statements for the year ended 31 January 2009 have been filed with the Registrar of Companies. The auditors have reported on these financial statements and that report was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

13. This Half-Yearly Report will shortly be made available on our website: www.mig4vct.co.uk and will be circulated by post to Shareholders. Further copies are available free of charge from the Company's registered office, One Vine Street, London W1J 0AH or can be downloaded via the website.

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