

# Mobeus Income & Growth 4 VCT plc

A VENTURE CAPITAL TRUST

**Unaudited Half-Yearly Report**  
for the six months ended 30 June 2013

# Investment Objective

**Mobeus Income & Growth 4 VCT plc** (“MIG4” or the “Company”) is a Venture Capital Trust (“VCT”) managed by Mobeus Equity Partners LLP (“Mobeus”) investing primarily in established, profitable, unquoted companies.

The objective of the Company is to provide investors with a regular income stream by way of tax free dividends and to generate capital growth through portfolio realisations which can be distributed by way of additional tax free dividends.






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.

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# Financial Highlights

## Half-Yearly results for the six month period ended 30 June 2013

-  Net asset value (NAV) Total Return per share for the period was 5.54%.
-  Shareholders received a dividend in respect of the period ended 31 December 2012 of 5.5 pence per share in May 2013, bringing total cumulative dividends paid to Shareholders to 32.2 pence per share.
-  The Company has declared an interim dividend of 2.0 pence per share, payable on 20 September 2013 to Shareholders on the register as at 23 August 2013.
-  Strong liquidity has been enhanced by a successful fundraising in 2013 from which new funds of £8.28 million were raised by the Company.
-  A total of £3.21 million was invested in the period, which included the MBO of Gro-Group and two acquisitions by ATG Media and Fullfield (Motorclean).

# Performance Summary

## The net asset value (NAV) per share at 30 June 2013 was 118.3 pence.

The table below shows the recent past performance of the original funds raised in 1999. Historic data for the original fundraising since 31 January 2008 is shown on page 23 of this Half-Yearly Report (the "Report").

Performance data for all fundraising rounds is shown in a table on pages 21 – 22 of the Report.

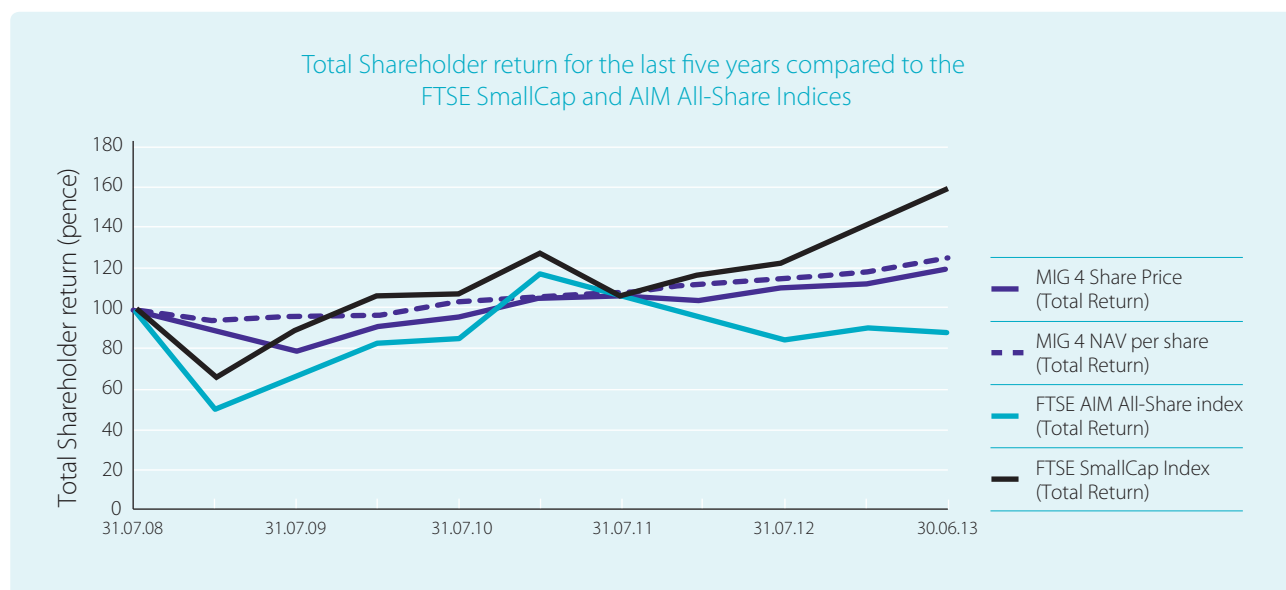
Period	Net assets (£m)	Net asset value (NAV) per share (p)	Share price (mid-market price) <sup>1</sup> (p)	Cumulative dividends paid per share (p)	Cumulative total return to Shareholders since launch <sup>2</sup>	
					(NAV basis) (p) <sup>2</sup>	(Share price basis) (p) <sup>2</sup>
<b>As at 30 June 2013<sup>3</sup></b>	<b>41.7</b>	<b>118.3</b>	<b>103.3</b>	<b>32.2</b>	<b>150.5</b>	<b>135.5</b>
As at 31 December 2012	33.5	117.3	102.5	26.7	144.0	129.2
As at 31 July 2012 <sup>3</sup>	32.9	113.9	100.9	26.7	140.6	127.6

<sup>1</sup> Source: London Stock Exchange.

<sup>2</sup> Total returns to Shareholders include dividends paid.

<sup>3</sup> In the previous accounting period, the Company changed its financial year end from 31 January to 31 December. Consequently, the Report includes comparative figures for the six month period ended 31 July 2012 and the 11 month period ended 31 December 2012.

In the graph below, the NAV and share price total returns to Shareholders comprise the NAV and share price respectively, assuming the dividends paid were re-invested on the date on which the shares were quoted ex-dividend in respect of each dividend. The total return figures have been rebased to 100 at 31 July 2008.



# Chairman's Statement

This Half-Yearly Report covers the six month period ended 30 June 2013.

## Net asset value (NAV) and total return to Shareholders

The net asset value per share as at 30 June 2013 was 118.3 pence compared with the previously reported NAV per share of 117.3 pence as at the beginning of the period.

The Company's total return for the half-year (NAV basis) was 5.54% after allowing for the dividend of 5.5 pence per share paid in the period. The cumulative NAV total return per share (being the closing net asset value plus total dividends paid to date) rose by 4.49% during the six month period from 144.0 pence to 150.5 pence. This encouraging rise in NAV return over the period was largely due to unrealised gains across the portfolio, notably increases in the valuations of Tessella, Westway, Fullfield (Motorclean) and ATG Media.

To assist Shareholders who originally invested in any of the individual fundraisings to monitor the performance of their investment (including dividend payments) on a consistent basis, a table showing the returns to Shareholders from each allotment has been included at the back of this Report on pages 21 – 22.

## Interim Dividend

The Company has declared an interim dividend for the year ending 31 December 2013 totalling 2.0 pence per share, of which 0.75 pence is capital and 1.25 pence is income.

## Investment portfolio

Overall the portfolio recorded realised and unrealised gains of £2.1 million (9.60% of the opening value) during the first half of the year and the portfolio was valued at £23.5 million at the period-end.

During the period, the VCT invested a total of £3.21 million (including funds from the acquisition vehicles Almsworthy, Fosse and Peddars).

Shortly after the period-end, in July 2013, the VCT completed a further new investment of £1.62 million (including the VCT's existing investment of £1 million in the seed company, Madacombe Trading) to support the MBO of Veritek Global

Limited, a Europe-wide provider of installation, maintenance and support services for large corporate owners of printing equipment.

Cash proceeds received during the period from portfolio realisations amounted to £0.97 million, from 6 separate disposals. This figure includes the partial divestment of Faversham House, and loan stock repayments received from Newquay Helicopters (previously British International), Tessella, Westway, Almsworthy and DiGiCo.

Details of all these transactions and a summary of the performance highlights in the portfolio can be found in the Manager's Review on pages 7 – 8 of this Half-Yearly Report.

## Revenue account and dividends

The net revenue return for the period has achieved a good result, rising by £211,242 from £167,976 at the last half-year, to £379,218 for this half-year. This was mainly because income has risen by £280,372, primarily due to a high level of loan interest of £107,412 from Newquay Helicopters, contributing to a total rise in loan stock interest of £206,887 for the half year, as the impact of new loan investments outweighed that of loan repayments. Dividend income rose by £25,900 to £69,023 and income from cash balances rose by a net amount of £47,585, as more cash had been retained in bank deposits that paid higher rates last year.

Running costs rose slightly as fund management fees charged to revenue rose by £14,736 due to rising net assets. Other costs reduced by £1,610, due to a reduction in printing costs, countered by a rise in directors' fees, professional fees and trail commission costs.

## Cancellation of the share premium account

Further to a special resolution passed on 22 February 2013, the Company applied to the High Court to cancel the amount standing to the credit of its share premium account on 13 March 2013 of £13,858,090. The cancellation of the share premium account was confirmed by an Order of the Court on 13 March 2013.

## Linked VCT fundraising

The Company participated with Mobeus Income & Growth VCT plc and The

Income & Growth VCT plc in a successful linked fundraising that closed on 30 April 2013. A total of £24.85 million (in excess of the original target of £21 million) was subscribed for under the Offer across the three VCTs, of which £8.28 million was raised by the Company. Periodic fundraisings by the Company enable it to maintain a consistent level of new cash to meet its running costs, fund dividend payments and support the Company's share buy-back policy which helps to provide a degree of liquidity in the Company's shares.

## Liquidity

The Company has diversified its portfolio of cash investments during the year as it is no longer adding to its investment in liquidity funds in response to a change in VCT regulations. It continues to hold £6.52 million in a selection of liquidity funds with AAA credit ratings at 30 June 2013. The balance of cash and current asset investments of £11.56 million is held on deposit across a range of well-known financial institutions with a range of maturities. However, whilst UK banks are at a recovery stage, systemic risk remains. In addition, the £3 million invested in the Operating Partner acquisition vehicles was also held in liquidity funds (reduced to £2 million following the use of Madacombe to support the MBO of Veritek after the period-end). The Company is therefore well-positioned both to take advantage of favourable investment opportunities as they arise and, if required, to make investments to support the existing portfolio.

## Investment in qualifying holdings

The Company is required to meet the target set by HM Revenue & Customs ("HMRC") of investing at least 70% of the funds raised in qualifying unquoted and AIM quoted companies. The Company exceeded this limit (based on VCT cost as defined in tax legislation which differs from the actual cost given in the Investment Portfolio Summary on pages 9 – 10) throughout the period. The balance of the portfolio was invested in non-qualifying investments and cash.

## Enhanced buyback facility (EBF)

The Company offered an EBF to Shareholders in January 2013 which took place during the period. A total of 5,902,280 shares were bought-back in respect of the tax years 2012/13 and



2013/14 (representing 19.52% of the shares in issue at the date of launch of the EBF) and 5,721,589 million new shares were allotted by the Company under the EBF.

### Share buy-backs

During the six months ended 30 June 2013, the Company bought back a further 363,951 of its own shares, representing 1.27% of the issued share capital at the beginning of the period, at an average price, including costs, of £1.03 per share. These shares were purchased at an average discount of 12.04% to NAV per share.

All of the shares bought back in the period were subsequently cancelled by the Company. Continuing Shareholders benefit from the difference between the NAV per share and the price per share at which the shares are bought back and cancelled.

### Industry developments

The European Union's Alternative Investment Fund Managers Directive ("AIFMD") came into force in the UK on 22 July 2013, with the effect that investment companies will be subject to further regulatory oversight. Under the Directive, the Company will be required to appoint an AIFM by 22 July 2014. The Board is currently considering its options and will provide Shareholders with any update on this matter in the Annual Report for the year ending 31 December 2013.

### Selling your shares

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. **However, to ensure that you obtain the best price, if you wish to sell your shares you are strongly advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2716/7 before agreeing a price with your stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial advisor before deciding to sell their shares.

### Auditor

With effect from 28 March 2013, the Company's auditor, PKF (UK) LLP merged with BDO LLP to become part of BDO LLP ("BDO"). The Board has subsequently appointed BDO as the Company's auditor

to fill the casual vacancy arising as a result of the merger. The Company wrote to Shareholders on 20 June 2013 informing them of this change. The expense of this correspondence was met by BDO.

### Communicating with Shareholders

May I remind you that the Company has its own website which is available at [www.mig4vct.co.uk](http://www.mig4vct.co.uk).

The Company maintains a programme of regular communication with Shareholders through newsletters and a dedicated website in addition to the Company's Half-Yearly and Annual Reports. The Manager has established a Mobeus website, [www.mobeusequity.co.uk](http://www.mobeusequity.co.uk) which is regularly updated with information on your investments including case studies of portfolio companies and profiles of the investment team. The Company has its own dedicated section on the website which includes performance tables, details of dividends paid and copies of past reports to Shareholders.

The Company has adopted electronic communications which enables Shareholders to choose between electing to receive communications by email or as hard copies through the post.

If you have not already done so, you are encouraged to register with Capita Registrar's share portal, on [www.capitashareportal.com](http://www.capitashareportal.com). The share portal provides the most efficient way of checking information on your accounts, making changes to your instructions and allows you to manage your options for receiving communications from the Company including submitting proxy votes for general meetings. Please refer to the appendix to the Chairman's covering letter for information on how to consolidate your Capita share portal accounts.

The Board welcomes the opportunity to meet Shareholders at the Company's Annual General Meetings during which representatives of the Manager are present to discuss the progress of the portfolio. The next AGM of the Company will be held in May 2014.

### Shareholder workshop – 21 January 2014

The Manager holds an annual VCT workshop for Shareholders in central London. Each workshop includes a

presentation on the Mobeus VCTs' investment activity and performance. The Board and the Manager welcome feedback from Shareholders and we have been pleased to receive positive comments from those attending in previous years. The Manager has taken many of the comments received on board as part of a process of continuous improvement. The next workshop will be held on Tuesday, 21 January 2014 at the Royal College of Surgeons in central London and Shareholders will receive an invitation to this event nearer to the date.

### Industry awards for the Manager

I reported in the Annual Report that the Manager had been awarded VCT house of the year in 2012 at both the *Investor Allstars* and *unquote* "British Private Equity Awards". Mobeus also was recently voted Private Equity House of the Year at the South West Insider Dealmakers Awards 2013 by the corporate finance community.

### Outlook

Whilst global quoted stock markets remain volatile and failure to address the UK government debt situation is still an issue, recent data on the UK economy appears to indicate that a degree of recovery is underway. Business surveys reveal cautious optimism in the corporate sector.

The Manager is reporting a significant increase in the number of quality opportunities being evaluated. The VCT has maintained strong liquidity over the period and it is therefore well-placed to take advantage of this increased dealflow. The Manager will nevertheless continue to adopt a rigorous approach to selecting well-run profitable companies operating in niche markets and specifically structuring the terms of deals so as to minimise the downside risk to Shareholders. We believe that this strategy underpins the quality of the investment portfolio currently held within the VCT.

Finally, I would like to thank Shareholders for their continuing support.

**Christopher Moore**  
Chairman

9 August 2013

## Responsibility Statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Christopher Moore (Chairman), Andrew Robson (Chairman of the Audit Committee and Remuneration and Nomination Committee) and Helen Sinclair (Chairman of the Investment Committee), being the Directors of the Company confirm that to the best of their knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with the statement, "Half-Yearly Reports", issued by the Accounting Standards Board, gives a true and fair view of the assets, liabilities, financial position and profit of the Company, as required by DTR 4.2.4;
- (b) the interim management report, included within the Chairman's Statement, Investment Policy, Investment Manager's Review and the Investment Portfolio Summary includes a fair review of the information required by DTR 4.2.7, being an indication of the 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 facing the Company for the remaining six months is set out below, in accordance with DTR 4.2.7; and
- (d) there were no related party transactions in the first six months of the current financial year that are required to be reported, in accordance with DTR 4.2.8.

## 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 period ended 31 December 2012. 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.

The principal risks faced by the Company are:

- economic risk;
- loss of approval as a Venture Capital Trust;
- investment and strategic risk;
- regulatory risk;
- financial and operating risk;
- market risk;
- asset liquidity risk;
- market liquidity risk;
- credit/counterparty risk; and
- fraud and dishonesty risk.

A more detailed explanation of these risks can be found in the Directors' Report on pages 19 – 23 and in Note 19 on pages 48 – 55 of the Annual Report and Accounts for the period ended 31 December 2012, copies of which are available on the Investment Manager's website, [www.mobeusequity.co.uk](http://www.mobeusequity.co.uk) or by going directly to the VCT's website, [www.mig4vct.co.uk](http://www.mig4vct.co.uk).

## Going Concern

The Board has assessed the Company's operation as a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the interim management report which is included within the Chairman's Statement, Investment Policy, Investment Manager's Review and Investment Portfolio Summary. The Directors have satisfied themselves that the Company continues to maintain a significant cash position, the majority of companies in the portfolio continue to trade profitably and the portfolio taken as a whole remains resilient and well-diversified. The major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Note 19 on pages 48 – 55 of the Annual Report and Accounts for the period ended 31 December 2012. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the half-yearly report and annual financial statements.

## Related Party Transactions

There were no related party transactions in the first six months of the current financial year that are required to be reported.

## Cautionary Statement

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

On behalf of the Board

**Christopher Moore**  
Chairman

9 August 2013

# 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 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 Venture Capital Trust. 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 and £16 million immediately following the 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 year 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 (save as may be permitted under VCT rules).

The VCT regulations in respect of funds raised after 6 April 2011 have changed such that 70% of qualifying holdings invested with such funds must be held in equity.

## 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 80% 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 £2 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

Whilst the Board operates independently, in general the Company aims to invest alongside the three 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 never borrowed and 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. Mobeus Equity Partners LLP also provides Company Secretarial and Accountancy services to the Company.



# Manager's Review

## Overview

The six month period to 30 June 2013 has been a period of strong performance for many of the companies in the portfolio.

We believe that this is a result of focussing on selecting well-run, profitable companies operating in niche markets and structuring deals to minimise downside risk to Shareholders.

## Portfolio review

At 30 June 2013 the portfolio comprised 34 investments with a cost of £21.8 million, valued at £23.5 million. Overall the portfolio has performed well, achieving gains of £2.1 million over the last six months.

Fullfield, ATG and Westway have contributed strongly to this increase in the overall value of the portfolio over the six month period. All three are trading well; in the cases of ATG and Fullfield the valuations have benefitted from attractively priced acquisitions made during the period and we are confident that these acquisitions will help in driving values up further. Westway has recovered well from a dip in trading in the prior year.

Tessella, having made an encouraging start since the MBO in July 2012, has now been valued on an earnings basis for the first time, which has resulted in a significant uplift from cost.

Blaze Signs has continued its impressive recovery, having benefitted from some high profile contract gains, including work on the Olympics site in 2012. DiGiCo has continued to grow, and has recently launched a new range of products. Focus has begun to benefit from the high level of new product development expenditure over the past year. The valuation of EMaC has increased further above cost, reflecting this company's pleasing performance since investment. Against these positive performances, CB Imports, while trading satisfactorily, is performing slightly below expectations. The building and construction sector remains weak, causing Youngman and PXP to find it difficult to establish a solid path to recovery, although the valuation of Plastic Surgeon is beginning to reflect signs of a recovery. RDL's performance remains disappointing.

Taken as a whole, the portfolio is performing well and we are encouraged by the strong and resilient performances of those companies that are outperforming expectations.

## Investment activity

In March 2013, the Company completed a new investment of £1.48 million, to support the MBO of Gro-Group Holdings Limited. The amount invested included £1 million from the Company's existing investment in the acquisition vehicle Fosse Management. Devon based Gro-Group created the original, and now internationally renowned, Gro-bag, which has become the number one baby sleep bag brand in the UK and Australia. Market penetration of the product has increased from zero to around 90% since the company was founded in 2000 and turnover has grown to £12 million.

Shortly after the period-end in July 2013, the VCT completed a further new investment of £1.62 million (including the VCT's existing investment of £1 million in the seed company, Madacombe Trading) to support the MBO of Veritek Global Limited, a Europe-wide provider of installation, maintenance and support services for blue-chip owners of printing equipment.

As mentioned earlier, the VCT has funded strategic acquisitions by Fullfield and ATG Media in the period. Both transactions have improved the trading position of these companies and offer good potential for further growth.

In February 2013, the VCT provided an additional £0.68 million, via the acquisition vehicle Almsworthy Trading, to finance Fullfield's acquisition of Forward Valeting Services. The transaction created the UK's largest provider of car valeting services and brought the VCT's total investment in this company to £1.79 million.

In April 2013, a further £1 million was invested into ATG Media, using the VCT's existing investment of £1 million in the acquisition vehicle Peddars Management, to enable it to acquire Bidspotter Inc., a US business engaged in providing live bidding and auction software to industrial and commercial liquidation auctioneers, bringing the VCT's total investment in this company to £1.9 million.

These transactions were specifically structured to enhance the value of existing successful investments. We are conscious that a materially lower investment risk is likely to be involved when we back what we know are successful management teams within the portfolio, compared to a first investment into a new portfolio company.

A further loan of £41,912 was advanced to support the working capital requirements of Newquay Helicopters (2013) Limited (formerly British International Holdings Limited). This was used to provide working capital pending the disposal of the company's major trading subsidiary which has now occurred. The company has now repaid the principal and premium of the first two loan stocks, together with all premia and interest arrears for total cash proceeds of £429,977. The capital proceeds of £323,110 compare with an investment cost of £238,955. This is a pleasing outcome and there is the prospect of further returns of capital as the company realises its remaining assets and activities.

In March 2013, the VCT sold part of its loan stock and its entire equity investment in Faversham House for net proceeds of £136,132. Faversham's progress has fallen short of expectations and we took the opportunity to agree with management a phased realisation of our holding. The Company continues to hold a loan stock investment in this company, valued at 30 June 2013 at £102,906. The total of these figures, £239,038, when compared with the total original cost of £346,488, shows a loss. However, this partial disposal was in excess of the valuation of Faversham House at the beginning of the period and has contributed to the increase in the portfolio's value at the period end.

The Company has continued to benefit from the profitability and strong cash position of a number of investee companies and has received partial loan stock repayments totalling £638,558 in the six months covered by this report, from DiGiCo, Tessella and Westway, and the partial realisations of Newquay Helicopters and Faversham House mentioned above.

## Outlook

The outlook for the UK economy appears to have improved recently, with a greater sense of optimism starting to assert itself. The overall environment still holds uncertainties, but we are experiencing many more good quality opportunities for new investment. We are much more confident of deploying higher levels of capital into new investments in 2013 than in previous years. The majority of our existing portfolio companies, which are well-financed and have a competitive advantage in their market niches, should continue to make good progress.

We are encouraged by the portfolio's performance over the six month period to 30 June 2013. Combined with a higher level of investment in new opportunities, we are optimistic that performance should be able to be sustained and that the portfolio will yield good returns over the medium term.

*Mobeus Equity Partners LLP*

9 August 2013

# Investment Portfolio Summary

at 30 June 2013

	Total cost at 30 June 2013 £	Total valuation at 31 December 2012 £	Total valuation at 30 June 2013 £	% of equity held	% of portfolio by value
<b>Mobeus Equity Partners LLP</b>					
<b>ATG Media Holdings Limited</b> Publisher and online auction platform operator	1,889,006	2,321,815	3,714,081	8.53%	15.81%
<b>Fullfield Limited, trading as Motorclean</b> Vehicle cleaning and valet services	1,793,231	1,246,959	2,247,325	9.82%	9.56%
<b>Ingleby (1879) Limited, trading as EMaC</b> Provider of service plans for the motor trade	1,263,817	1,608,925	1,758,090	6.32%	7.48%
<b>Tessella Holdings Limited</b> Consultancy	1,214,005	1,250,433	1,622,913	5.44%	6.91%
<b>DiGiCo Global Limited</b> Design and manufacture of audio mixing desks	1,250,206	1,698,883	1,586,249	2.39%	6.75%
<b>Gro-Group Holdings Limited</b> Manufacturer of safer sleep solutions for babies and young children	1,484,302	–	1,484,302	8.39%	6.32%
<b>CB Imports Group Limited</b> Importer and distributor of artificial flowers, floral sundries and home decor products	1,000,000	1,215,002	1,159,355	5.79%	4.93%
<b>Focus Pharma Holdings Limited</b> Licensor and distributor of generic pharmaceuticals	605,837	942,787	1,053,293	3.14%	4.48%
<b>EOTH Limited</b> Branded outdoor equipment and clothing	951,471	974,934	1,010,222	1.71%	4.30%
<b>Ackling Management Limited</b> Company looking to acquire businesses in the food manufacturing, distribution and brand management sectors	1,000,000	1,000,000	1,000,000	12.50%	4.26%
<b>Culbone Trading Limited</b> Company looking to acquire businesses in the outsourced services sectors	1,000,000	1,000,000	1,000,000	12.50%	4.26%
<b>Madacombe Trading Limited</b> Company looking to acquire businesses in the engineering services sectors	1,000,000	1,000,000	1,000,000	12.50%	4.26%
<b>Westway Services Holdings (2010) Limited</b> Installation, maintenance and servicing of air-conditioning systems	190,335	519,434	741,801	3.15%	3.16%
<b>RDL Corporation Limited</b> Recruitment consultants for the pharmaceutical, business intelligence and IT industries	1,000,000	723,122	620,136	9.05%	2.64%
<b>ASL Technology Holdings Limited</b> Printer and photocopier services	1,257,133	495,469	535,052	6.78%	2.28%
<b>Blaze Signs Holdings Limited</b> Manufacturer and installer of signs	283,252	432,861	514,736	5.72%	2.19%
<b>Plastic Surgeon Holdings Limited</b> Snagging and finishing of domestic and commercial properties	458,837	331,325	438,209	6.88%	1.86%
<b>Youngman Group Limited</b> Manufacturer of ladders and access towers	500,026	349,983	349,983	4.24%	1.49%
<b>Omega Diagnostics plc</b> In-vitro diagnostics for food intolerance, auto-immune diseases and infectious diseases	199,998	266,664	274,997	1.53%	1.17%
<b>Machineworks Software Limited</b> Software for CAM and machine tool vendors	9,329	239,052	273,477	4.20%	1.16%
<b>Higher Nature Limited</b> Supplier of mineral, vitamin and food supplements	500,127	174,101	168,915	10.34%	0.72%
<b>Duncary 8 Limited (formerly Duncary 4/BG Consulting Limited)</b> Technical training business	101,995	130,307	118,150	5.10%	0.50%
<b>Faversham House Holdings Limited</b> Publisher, exhibition organiser and operator of web sites for the environmental, visual communications and building services sectors	102,906	79,560	102,906	0.00%	0.44%

	Total cost at 30 June 2013 £	Total valuation at 31 December 2012 £	Total valuation at 30 June 2013 £	% of equity held	% of portfolio by value
<b>Newquay Helicopters (2013) Limited</b> (formerly British International Holdings Limited) Operator of helicopter services	98,412	295,455	98,412	2.50%	0.42%
<b>Racoon International Holdings Limited</b> Supplier of hair extensions, hair care products and training	406,805	94,890	93,947	5.70%	0.40%
<b>Vectair Holdings Limited</b> Designer and distributor of washroom products	24,732	81,966	85,930	2.14%	0.37%
<b>Monsal Holdings Limited</b> Supplier of engineering services to water and waste sectors	699,444	63,431	63,431	8.47%	0.27%
<b>Lightworks Software Limited</b> Software for CAD vendors	9,329	36,530	53,390	4.20%	0.23%
<b>PXP Holdings Limited (Pinewood Structures)</b> Designer, manufacturer and supplier of timber frames for buildings	712,925	15,687	15,687	4.39%	0.07%
<b>Watchgate Limited</b> Holding company	1,000	–	–	33.33%	0.00%
<b>Legion Group plc - in administration</b> Provider of manned guarding, patrolling and alarm response services	150,102	–	–	–	0.00%
<b>Almsworthy Trading Limited</b> Company looking to acquire businesses in the specialist construction, building support, building products and related services sectors	–	1,000,000	–	–	0.00%
<b>Fosse Management Limited</b> Company looking to acquire businesses in the brand management, consumer products and retail sectors	–	1,000,000	–	–	0.00%
<b>Peddars Management Limited</b> Company looking to acquire businesses in the database management, mapping, data mapping and management services to legal and building industry sectors	–	1,000,000	–	–	0.00%
<b>Total</b>	<b>21,158,562</b>	<b>21,589,575</b>	<b>23,184,989</b>	<b>–</b>	<b>98.69%</b>
<b>Former Elderstreet Private Equity Limited Portfolio</b>					
<b>Cashfac Limited</b> Provider of virtual banking application software	260,101	184,074	243,006	2.91%	1.03%
<b>Sparesfinder Limited</b> Supplier of industrial spare parts on-line	250,854	60,054	68,800	1.71%	0.28%
<b>Sift Limited</b> Developer of business to business internet communities	135,391	4,464	–	1.28%	0.00%
<b>Total</b>	<b>646,346</b>	<b>248,592</b>	<b>311,806</b>	<b>–</b>	<b>1.31%</b>
<b>Investment Managers' totals</b>	<b>21,804,908</b>	<b>21,838,167</b>	<b>23,496,795</b>	<b>–</b>	<b>100.00%</b>

# Unaudited Income Statement

## for the six months ended 30 June 2013

	Notes	Six months ended 30 June 2013 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains on investments held at fair value	8	–	1,916,779	1,916,779
Realised gains on investments held at fair value	8	–	178,802	178,802
Income	2	774,873	–	774,873
Investment management expense	3	(110,079)	(330,236)	(440,315)
Other expenses		(198,359)	–	(198,359)
<b>Profit on ordinary activities before taxation</b>		466,435	1,765,345	2,231,780
Tax on profit on ordinary activities	4	(87,217)	87,217	–
<b>Profit attributable to equity Shareholders</b>		<b>379,218</b>	<b>1,852,562</b>	<b>2,231,780</b>
<b>Basic and diluted earnings per ordinary share</b>	5	<b>1.17p</b>	<b>5.69p</b>	<b>6.86p</b>

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 as stated above and at historical cost.

The notes on pages 16 – 20 form part of these Half-Yearly financial statements.



Six months ended 31 July 2012 (unaudited)			11 months ended 31 December 2012 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
–	395,733	395,733	–	1,300,844	1,300,844
–	241,163	241,163	–	278,802	278,802
494,501	–	494,501	973,259	–	973,259
(95,343)	(286,029)	(381,372)	(175,825)	(527,475)	(703,300)
(199,969)	–	(199,969)	(362,512)	–	(362,512)
199,189	350,867	550,056	434,922	1,052,171	1,487,093
(31,213)	31,213	–	(75,182)	75,182	–
<b>167,976</b>	<b>382,080</b>	<b>550,056</b>	<b>359,740</b>	<b>1,127,353</b>	<b>1,487,093</b>
<b>0.60p</b>	<b>1.38p</b>	<b>1.98p</b>	<b>1.27p</b>	<b>3.99p</b>	<b>5.26p</b>

# Unaudited Balance Sheet

## as at 30 June 2013

	Notes	30 June 2013 (unaudited) £	31 July 2012 (unaudited) £	31 December 2012 (audited) £
<b>Fixed assets</b>				
Investments at fair value	8	23,496,795	21,290,791	21,838,167
<b>Current assets</b>				
Debtors and prepayments		411,679	143,343	214,166
Current investments	9	14,271,540	9,032,105	9,020,144
Cash at bank		3,812,235	2,852,298	2,645,938
		18,495,454	12,027,746	11,880,248
<b>Creditors: amounts falling due within one year</b>		(313,327)	(381,349)	(181,144)
<b>Net current assets</b>		18,182,127	11,646,397	11,699,104
<b>Net assets</b>		<b>41,678,922</b>	<b>32,937,188</b>	<b>33,537,271</b>
<b>Capital and reserves</b>	10			
Called up share capital		352,387	289,188	285,895
Share premium reserve		13,279,574	12,004,600	12,004,600
Capital redemption reserve		967,721	901,765	905,059
Revaluation reserve		3,543,394	696,873	1,529,402
Special distributable reserve		18,587,976	13,017,890	12,501,764
Profit and loss account		4,947,870	6,026,872	6,310,551
<b>Equity Shareholders' funds</b>		<b>41,678,922</b>	<b>32,937,188</b>	<b>33,537,271</b>
<b>Net asset value per ordinary share</b>	7	<b>118.28p</b>	<b>113.90p</b>	<b>117.31p</b>

The notes on pages 16 – 20 form part of these Half-Yearly financial statements.

# Unaudited Reconciliation of Movements in Shareholders' Funds

*for the six months ended 30 June 2013*

	Notes	Six months ended 30 June 2013 (unaudited) £	Six months ended 31 July 2012 (unaudited) £	11 months ended 31 December 2012 (audited) £
<b>Opening Shareholders' funds</b>		33,537,271	29,418,665	29,418,665
Net share capital subscribed		15,262,218	5,201,859	5,201,860
Net share capital bought back		(7,428,019)	(780,873)	(1,117,828)
Profit for the period		2,231,780	550,056	1,487,093
Dividends paid in period	6	(1,924,328)	(1,452,519)	(1,452,519)
<b>Closing Shareholders' funds</b>		<b>41,678,922</b>	<b>32,937,188</b>	<b>33,537,271</b>

The notes on pages 16 – 20 form part of these Half-Yearly financial statements.

# Unaudited Summarised Cash Flow Statement

## for the six months ended 30 June 2013

	Six months ended 30 June 2013 (unaudited) £	Six months ended 31 July 2012 (unaudited) £	11 months ended 31 December 2012 (audited) £
<b>Operating activities</b>			
Interest income received	617,145	497,491	865,212
Dividend income	59,152	64,965	136,504
Other income	–	–	7,264
Investment management fees paid	(375,235)	(381,371)	(768,379)
Cash payments for other expenses	(112,750)	(231,812)	(321,248)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>188,312</b>	<b>(50,727)</b>	<b>(80,647)</b>
<b>Investing activities</b>			
Sale of investments	963,180	1,632,865	2,028,239
Purchase of investments	(526,227)	(4,307,298)	(4,307,298)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>436,953</b>	<b>(2,674,433)</b>	<b>(2,279,059)</b>
<b>Dividends</b>			
Equity dividends paid	(1,924,328)	(1,452,519)	(1,452,519)
<b>Cash outflow before financing and liquid resource management</b>	<b>(1,299,063)</b>	<b>(4,177,679)</b>	<b>(3,812,225)</b>
<b>Management of liquid resources</b>			
Increase in monies held in money market funds	(5,251,396)	(148,840)	(136,879)
<b>Financing</b>			
Share capital subscribed	8,168,986	5,201,859	5,201,860
Purchase of own shares	(348,483)	(534,052)	(1,117,828)
Shares issued as part of Enhanced Buyback Facility	6,923,372	–	–
Shares bought back as part of Enhanced Buyback Facility (including expenses)	(7,027,119)	–	–
<b>Cash inflow from financing</b>	<b>7,716,756</b>	<b>4,667,807</b>	<b>4,084,032</b>
<b>Increase in cash</b>	<b>1,166,297</b>	<b>341,288</b>	<b>134,928</b>
<b>Reconciliation of net cash inflow to movement in net funds</b>			
Increase in cash for the period	1,166,297	341,288	134,928
Net funds at the start of the period	2,645,938	2,511,010	2,511,010
<b>Net funds at the end of the period</b>	<b>3,812,235</b>	<b>2,852,298</b>	<b>2,645,938</b>

### Reconciliation of profit on ordinary activities before taxation to net cash inflow/(outflow) from operating activities for the six months ended 30 June 2013

	Six months ended 30 June 2013 (unaudited) £	Six months ended 31 July 2012 (unaudited) £	11 months ended 31 December 2012 (audited) £
Profit on ordinary activities before taxation	2,231,780	550,056	1,487,093
Net unrealised gains on investments	(1,916,779)	(395,733)	(278,802)
Net gains on realisations of investments	(178,802)	(241,163)	(1,300,844)
(Increase)/decrease in debtors	(27,654)	48,632	(22,191)
Increase/(decrease) in creditors	79,767	(12,519)	34,097
<b>Net cash inflow/(outflow) from operating activities</b>	<b>188,312</b>	<b>(50,727)</b>	<b>(80,647)</b>

The notes on pages 16 – 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 30 June 2013 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 11 months ended 31 December 2012 and the 2009 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the SORP) issued by the Association of Investment Companies.

### b) Comparatives

In the previous accounting period, the Company changed its financial year end to 31 December, and therefore the comparatives to these financial statements and notes to the accounts relate to the eleven month period to 31 December 2012. The comparatives for the six months ended 31 July 2012 have not been re-stated.

### c) 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.

### d) Investments

All investments held by the Company are classified as "fair value through profit and loss", and measured in accordance with the International Private Equity and Venture Capital Valuation ("IPEVVCV") guidelines, as updated in September 2009. This classification is followed 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. 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. Purchase and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

Unquoted investments are stated at fair value by the Directors in accordance with the following rules, which are consistent with the IPEVVCV guidelines:

All investments are held at the price of a recent investment for an appropriate period where there is considered to have been no change in fair value. Where such a basis is no longer considered appropriate, the following factors will be considered:

- (i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used.
- (ii) In the absence of i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:
  - a) an earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Manager compared to the sector including, inter alia, a lack of marketability).
  - or:-
  - b) 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 fallen permanently below cost, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Manager, will agree the values that represent the extent to which an investment loss has become realised. 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.
- (iii) Premiums on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.
- (iv) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

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.



# Notes to the Unaudited Financial Statements

## 2. Income

	Six months ended 30 June 2013 (unaudited) £	Six months ended 31 July 2012 (unaudited) £	11 months ended 31 December 2012 (audited) £
<b>Income from investments</b>			
Dividends	69,023	43,123	93,274
Money-market funds	12,493	21,917	37,099
Loan stock interest	616,071	409,184	783,053
Bank deposits interest	77,286	20,277	52,568
Other Income	–	–	7,265
<b>Total Income</b>	<b>774,873</b>	<b>494,501</b>	<b>973,259</b>

## 3. 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.

## 4. Taxation

There is no tax charge for the period as the Company has tax losses from the current year and from previous periods, both of which can be offset between revenue and capital.

## 5. Basic and diluted earnings per share

The basic earnings, revenue return and capital return 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 30 June 2013 (unaudited) £	Six months ended 31 July 2012 (unaudited) £	11 months ended 31 December 2012 (audited) £
i) Total earnings after taxation	2,231,780	550,056	1,487,093
<b>Basic and diluted earnings per ordinary share (pence)</b>	<b>6.86p</b>	<b>1.98p</b>	<b>5.26p</b>
ii) Revenue earnings from ordinary activities after taxation	379,218	167,976	359,740
<b>Basic and diluted revenue earnings per ordinary share (pence)</b>	<b>1.17p</b>	<b>0.60p</b>	<b>1.27p</b>
Net unrealised capital gains	1,916,779	395,733	1,300,844
Net realised capital gains	178,802	241,163	278,802
Capital expenses net of taxation	(243,019)	(254,816)	(452,293)
iii) Capital return	1,852,562	382,080	1,127,353
<b>Basic and diluted capital earnings per ordinary share (pence)</b>	<b>5.69p</b>	<b>1.38p</b>	<b>3.99p</b>
<b>iv) Weighted average number of shares in issue in the period</b>	<b>32,541,370</b>	<b>27,809,710</b>	<b>28,266,790</b>

## 6. Dividends paid

	Six months ended 30 June 2013 (unaudited) £	Six months ended 31 July 2012 (unaudited) £	11 months ended 31 December 2012 (audited) £
Interim income dividend for the year ended 31 January 2012 of 1.5 pence per ordinary share paid 6 June 2012	–	435,756	435,756
Interim capital dividend for year ended 31 January 2012 of 3.5 pence per ordinary share paid 6 June 2012	–	1,016,763	1,016,763
Interim income dividend for the period ended 31 December 2012 of 1 pence per ordinary share paid 10 May 2013	349,877	–	–
Interim capital dividend for the period ended 31 December 2012 of 4.5 pence per ordinary share paid 20 May 2013	1,574,451	–	–
	<b>1,924,328*</b>	<b>1,452,519*</b>	<b>1,452,519*</b>

\*- Of these amounts £246,310 (31 July 2012: £164,418; 31 December 2012: £164,418) were issued in new shares, issued as part of the Dividend Re-Investment Scheme.

## 7. Net asset value per ordinary share

	As at 30 June 2013 (unaudited) £	As at 31 July 2012 (unaudited) £	As at 31 December 2012 (audited) £
Net assets	41,678,922	32,937,188	33,537,271
Number of shares in issue	35,238,721	28,918,840	28,589,452
<b>Net asset value per share (pence)</b>	<b>118.28p</b>	<b>113.90p</b>	<b>117.31p</b>

# Notes to the Unaudited Financial Statements

## 8. Summary of fixed asset investments at fair value during the period

	Traded on AIM £	Unquoted equity shares £	Unquoted preference shares £	Loan stock £	Total £
Valuation at 31 December 2012	266,664	7,295,599	14,162	14,261,742	21,838,167
Purchases at cost	–	–	–	526,227	526,227
Reclassification at value	–	(993,496)	669	992,827	–
Sales - proceeds	–	(14,368)	–	(955,422)	(969,790)
- realised gains	–	14,368	–	171,044	185,412
Unrealised gains	8,333	1,570,259	–	338,187	1,916,779
<b>Valuation at 30 June 2013</b>	<b>274,997</b>	<b>7,872,362</b>	<b>14,831</b>	<b>15,334,605</b>	<b>23,496,795</b>
Book cost at 30 June 2013	199,998	6,564,234	23,782	15,016,894	21,804,908
Unrealised gains/(losses) at 30 June 2013	74,999	1,627,447	(7,883)	601,016	2,295,579
Permanent impairment of investments	–	(319,319)	(1,068)	(283,305)	(603,692)
<b>Valuation at 30 June 2013</b>	<b>274,997</b>	<b>7,872,362</b>	<b>14,831</b>	<b>15,334,605</b>	<b>23,496,795</b>
(Losses)/gains on investments	–	(117,097)	–	205,296	88,199
Less amounts recognised as unrealised (losses)/gains in previous years	–	(131,465)	–	34,252	(97,213)
<b>Realised gains based on carrying value at 31 December 2012</b>	<b>–</b>	<b>14,368</b>	<b>–</b>	<b>171,044</b>	<b>185,412</b>
Net movement in unrealised appreciation in the period	8,333	1,570,259	–	338,187	1,916,779
<b>Gains on investments for the six months ended 30 June 2013</b>	<b>8,333</b>	<b>1,584,627</b>	<b>–</b>	<b>509,231</b>	<b>2,102,191</b>

Transaction costs of £6,610 were incurred in the period and are deducted in arriving at realised gains on investments in the Income Statement. Deducting these from realised gains above gives £178,802 of gains as shown in the Income Statement. These transaction costs also explain the difference between proceeds above of £969,790 and that shown in the Cash Flow Statement of £963,180.

Unrealised gains/(losses) at 30 June 2013 of £2,295,579 differ to that shown in the Revaluation Reserve of £3,543,394. The difference of £1,247,815 is loan stock received (net of £84,087 repayment made during the period) as part of the disposal of DiGiCo Europe Limited in December 2011 which was not recognised as a realised gain in that year.

## 9. Current Investments at fair value

These comprise investments of £6,521,540 in six OEIC money market funds (five Dublin based and one London based) subject to immediate access, and £7,750,000 in four bank deposit or money market accounts, repayable within one year.

## 10. Capital and reserves

	Called up share capital £	Share Premium account £	Capital redemption reserve £	Revaluation reserve £	Special distributable reserve £	Profit and loss reserve £	Total £
At 1 January 2013	285,895	12,004,600	905,059	1,529,402	12,501,764	6,310,551	33,537,271
Shares issued via Linked Offer for Subscription	69,513	8,023,023	–	–	–	–	8,092,536
Dividends re-invested into new shares	2,425	243,885	–	–	–	–	246,310
Shares issued under Enhanced Buyback Facility (note a)	57,216	6,866,156	–	–	–	–	6,923,372
Shares bought back under Enhanced Buyback Facility (note a)	(59,023)	–	59,023	–	(7,054,296)	–	(7,054,296)
Shares bought back	(3,639)	–	3,639	–	(373,723)	–	(373,723)
Cancellation of the share premium account (note b)	–	(13,858,090)	–	–	13,858,090	–	–
Profit for the period	–	–	–	1,916,779	–	315,001	2,231,780
Realised losses transferred to special reserve	–	–	–	–	(343,859)	343,859	–
Realisation of previously unrealised depreciation	–	–	–	97,213	–	(97,213)	–
Dividends paid	–	–	–	–	–	(1,924,328)	(1,924,328)
<b>At 30 June 2013</b>	<b>352,387</b>	<b>13,279,574</b>	<b>967,721</b>	<b>3,543,394</b>	<b>18,587,976</b>	<b>4,947,870</b>	<b>41,678,922</b>

Note a: Within this figure are the expenses of the Enhanced Buyback Facility ('EBF') of £130,924. These costs are borne by those Shareholders who participated in the EBF. No fees were charged by the Manager.

As part of the EBF transaction on 4 April 2013, 4,366,277 ordinary shares were bought back at a price of 117.3 pence per share and immediately following this 4,232,601 ordinary shares were allotted at 121.0 pence per share.

On 8 April 2013, again as part of the EBF transaction, 1,536,003 ordinary shares were bought back at a price of 117.3 pence per share and immediately following this, 1,488,988 new ordinary shares were allotted at 121.0 pence per share.

Note b: The cancellation of £13,858,090 from the share premium account (as approved at the General Meeting held on 22 February 2013 and by order of the Court dated 13 March 2013) has increased the Company's special distributable reserve. The purpose of this reserve is to fund market purchases of the Company's own Shares, and to write off existing and future losses.

As part of the 2013 Linked Offer for Subscription, a total of 6,951,240 ordinary shares were allotted at prices ranging from 115.6 pence to 124.2 pence per share, raising net funds of £8,092,536.

## 11. Post balance sheet events

On 26 July 2013, the Company made an investment of £1,620,086 to support the management buy out of Veritek Global Limited, using the Company's existing investment of £1 million in the acquisition vehicle Madacombe Trading Limited and an additional £620,086 from its cash reserves.

## 12. Statutory Information

The financial information for the period ended 30 June 2013 does not comprise full financial statements within the meaning of Section 435 of the Companies Act 2006. The financial statements for the 11 months ended 31 December 2012 have been filed with the Registrar of Companies. The auditor has reported on these financial statements and that report was unqualified and did not contain a statement under section 498(2) of the Companies Act 2006.

## 13. Half-Yearly Report

This Half-Yearly Report will shortly be made available on our website: [www.mig4vct.co.uk](http://www.mig4vct.co.uk) and will be circulated by post to those Shareholders who have requested copies of the Report. Further copies are available free of charge from the Company's registered office, 30 Haymarket, London SW1Y 4EX or can be downloaded via the website.

# Investor Performance Appendix

Share price at 30 June 2013      103.25 pence<sup>1</sup>  
 NAV per share as at 30 June 2013      118.28 pence

## Performance data for all fundraising rounds

The following tables show, for all investors in Mobeus Income & Growth 4 VCT plc, how their investments have performed since they were originally allotted shares in each fundraising.

Shareholders should note that funds from the original fundraising in 1999 were managed by three investment advisers, up until 1 August 2006. At that date, Mobeus became the sole adviser, to this and all subsequent fundraisings.

Total return data, which includes cumulative dividends paid to date, is shown on both a share price and a NAV basis as at 30 June 2013. The NAV basis enables Shareholders to evaluate more clearly the performance of the Manager, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector.

Allotment date(s)	Allotment price	Net allotment price <sup>2</sup>	Cumulative dividends paid per share	Total return per share to Shareholders since allotment		
				(Share price basis) (p)	(NAV basis) (p)	% increase since 31 December 2012 (NAV basis) (%)
<b>Funds raised 1999<sup>3</sup></b>						
<b>(launched 8 February 1999)</b>						
Between 8 February 1999 and 30 June 1999	200.00	<b>160.00</b>	32.20	<b>135.45</b>	150.48	4.49%
<b>Funds raised 2006/07</b>						
<b>(launched 2 November 2006)</b>						
01 February 2007	118.58	<b>83.01</b>	21.50	<b>124.75</b>	139.78	4.85%
19 February 2007	118.58	<b>83.01</b>	21.50	<b>124.75</b>	139.78	4.85%
05 March 2007	121.18	<b>84.83</b>	21.50	<b>124.75</b>	139.78	4.85%
19 March 2007	121.18	<b>84.83</b>	21.50	<b>124.75</b>	139.78	4.85%
02 April 2007	121.18	<b>84.83</b>	21.50	<b>124.75</b>	139.78	4.85%
04 April 2007	121.18	<b>84.83</b>	21.50	<b>124.75</b>	139.78	4.85%
05 April 2007	121.18	<b>84.83</b>	21.50	<b>124.75</b>	139.78	4.85%
<b>Funds raised 2010 Top Up Offer</b>						
<b>(launched 20 January 2010)</b>						
31 March 2010	112.40	<b>78.68</b>	16.50	<b>119.75</b>	134.78	5.04%
01 April 2010	112.40	<b>78.68</b>	16.50	<b>119.75</b>	134.78	5.04%
<b>Funds raised 2011</b>						
<b>(launched 12 November 2010)</b>						
21 January 2011	121.80	<b>85.26</b>	13.50	<b>116.75</b>	131.78	5.16%
28 February 2011	121.80	<b>85.26</b>	13.50	<b>116.75</b>	131.78	5.16%
22 March 2011	121.80	<b>85.26</b>	13.50	<b>116.75</b>	131.78	5.16%
01 April 2011	121.80	<b>85.26</b>	13.50	<b>116.75</b>	131.78	5.16%
05 April 2011	121.80	<b>85.26</b>	13.50	<b>116.75</b>	131.78	5.16%
10 May 2011	119.50	<b>83.65</b>	13.50	<b>116.75</b>	131.78	5.16%
06 July 2011	119.50	<b>83.65</b>	10.50	<b>113.75</b>	128.78	5.29%
<b>Funds raised 2012</b>						
<b>(launched 20 January 2012)</b>						
08 March 2012	123.50	<b>86.45</b>	10.50	<b>113.75</b>	128.78	5.29%
04 April 2012	123.50	<b>86.45</b>	10.50	<b>113.75</b>	128.78	5.29%
05 April 2012	123.50	<b>86.45</b>	10.50	<b>113.75</b>	128.78	5.29%
10 May 2012	123.50	<b>86.45</b>	10.50	<b>113.75</b>	128.78	5.29%
10 July 2012	119.10	<b>83.37</b>	5.50	<b>108.75</b>	123.78	5.51%



Allotment date(s)	Allotment price (p)	Net allotment price <sup>2</sup> (p)	Cumulative dividends paid per share (p)	Total return per share to Shareholders since allotment		
				(Share price basis) (p)	(NAV basis) (p)	% increase since 31 December 2012 (NAV basis) (%)
<b>Funds raised 2013 (launched 29 November 2012)</b>						
14 January 2013	120.10	<b>84.07</b>	5.50	<b>108.75</b>	123.78	–
28 March 2013	121.30	<b>84.91</b>	5.50	<b>108.75</b>	123.78	–
04 April 2013	121.30	<b>84.91</b>	5.50	<b>108.75</b>	123.78	–
05 April 2013	121.30	<b>84.91</b>	5.50	<b>108.75</b>	123.78	–
10 April 2013 Pre RDR <sup>4</sup>	124.20	<b>86.94</b>	5.50	<b>108.75</b>	123.78	–
10 April 2013 Post RDR <sup>4</sup>	121.30	<b>84.91</b>	5.50	<b>108.75</b>	123.78	–
07 May 2013	115.60	<b>80.92</b>	–	<b>103.25</b>	118.28	–

<sup>1</sup> - Source: London Stock Exchange.

<sup>2</sup> - Net allotment price is the allotment price less applicable income tax relief. The tax relief was 20% up to 5 April 2004, 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

<sup>3</sup> - Investors in this fundraising may also have enhanced their returns if they had also deferred capital gains tax liabilities.

<sup>4</sup> - RDR mean the date of implementation of the Retail Distribution Review on 31 December 2012, which affected the level of charges in the allotment price for applications received before and after that date.

## Cumulative dividends paid per share

	Funds raised 1998/99 (p)	Funds raised 2006/07 (p)	Funds raised 2010 – Top up (p)	Funds raised 2011 (p)	Funds raised 2012 (p)	Funds raised 2013 (p)
10 May 2013	5.50	5.50	5.50	5.50	5.50	5.50
06 June 2012	5.00	5.00	5.00	5.00	5.00	
24 June 2011	3.00	3.00	3.00	3.00		
05 November 2010	1.00	1.00	1.00			
09 June 2010	2.00	2.00	2.00			
07 November 2009	1.00	1.00				
10 June 2009	1.00	1.00				
07 November 2008	1.00	1.00				
11 June 2008	1.25	1.25				
08 November 2007	0.75	0.75				
26 October 2006	1.80 <sup>1</sup>					
07 June 2006	0.50 <sup>1</sup>					
08 June 2005	0.20 <sup>1</sup>					
09 June 2004	0.50 <sup>1</sup>					
29 May 2003	0.50 <sup>1</sup>					
17 June 2002	1.00 <sup>1</sup>					
16 July 2001	3.10 <sup>1</sup>					
30 June 2000	3.10 <sup>1</sup>					
<b>Total dividends paid<sup>2</sup></b>	<b>32.20</b>	<b>21.50</b>	<b>16.50</b>	<b>13.50</b>	<b>10.50</b>	<b>5.50</b>

<sup>1</sup> - Dividend payment amounts have been restated following a capital reorganisation in October 2006.

<sup>2</sup> - The above data relates to an investor in the first allotment of each fundraising. The precise amount of dividends paid to Shareholders by date of allotment is shown on pages 21 and 22 above.

## Historical Performance data (Original fundraising in 1999)

The table below shows the historical performance of the original funds raised in 1999 since 31 January 2008.

	Net assets (£m)	Net asset value (NAV) per share (p)	NAV total return to Shareholders since launch per share (p) <sup>2</sup>	Share price (p) <sup>1</sup>	Share price total return to Shareholders since launch per share (p) <sup>2</sup>
<b>As at 30 June 2013</b>	<b>41.7</b>	<b>118.3</b>	<b>150.5</b>	<b>103.3</b>	<b>135.5</b>
As at 31 December 2012	33.5	117.3	144.0	102.5	129.2
As at 31 July 2012	32.9	113.9	140.6	100.9	127.6
As at 31 January 2012	29.4	116.7	138.4	100.0	121.7
As at 31 January 2011	25.3	112.9	131.6	103.5	122.2
As at 31 January 2010	21.2	106.3	122.0	92.3	108.0
As at 31 January 2009	21.0	104.6	118.3	92.0	105.7
As at 31 January 2008	24.1	117.4	128.9	109.0	120.5

<sup>1</sup> - Source: London Stock Exchange.

<sup>2</sup> - Total returns to Shareholders include dividends paid.

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Andrew Robson  
Helen Sinclair

## Secretary

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