

# Mobeus Income & Growth 4 VCT PLC

A VENTURE CAPITAL TRUST

**Unaudited Half-Yearly Report**  
for the six months ended 30 June 2014

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

## Company Objective

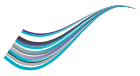

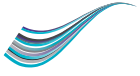


The objective of the Company is to provide investors with a regular income stream by way of tax-free dividends and to generate capital growth through portfolio realisations which can be distributed by way of additional tax-free dividends.

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# Financial Highlights

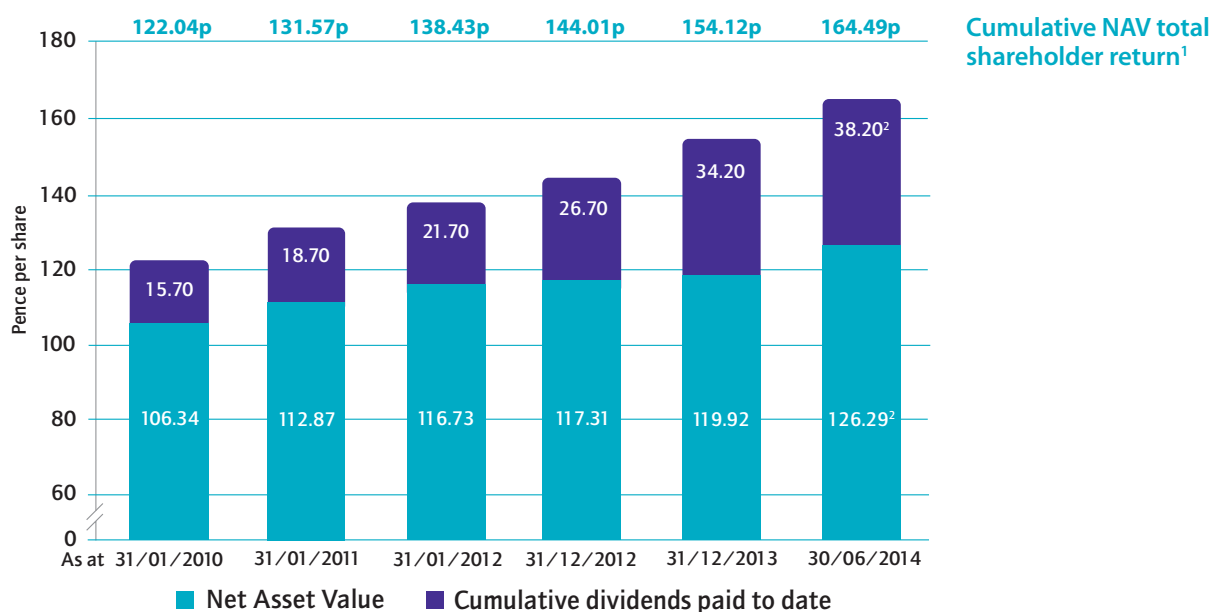
## Results for the six months ended 30 June 2014

-  Net asset value (NAV) total return per share for the period was 8.6%.
-  An interim exceptional capital dividend of 12 pence per share has been declared as a result of the high level of realisations in the period. This, together with an interim income dividend of 2 pence per share, will bring the total dividend paid to 14 pence per share and cumulative dividends paid to shareholders since launch to 52.2 pence per share.
-  £5.52 million of cash proceeds were receivable during the period, including the partial sale of ATG Media for £3.10 million, in addition to MachineWorks and Monsal. DiGiCo was realised following the period-end for further cash proceeds of £1.73 million.
-  A total of £3.56 million was invested in the period into Bourn Bioscience, Entanet International and Creative Graphics International.
-  Strong liquidity has been enhanced by a successful fundraising in 2014 from which net funds of £8.19 million were raised by the Company.

## Performance Summary

The net asset value per share of the Company at 30 June 2014 was 126.29 pence.

### Cumulative total shareholder return per share (NAV basis)



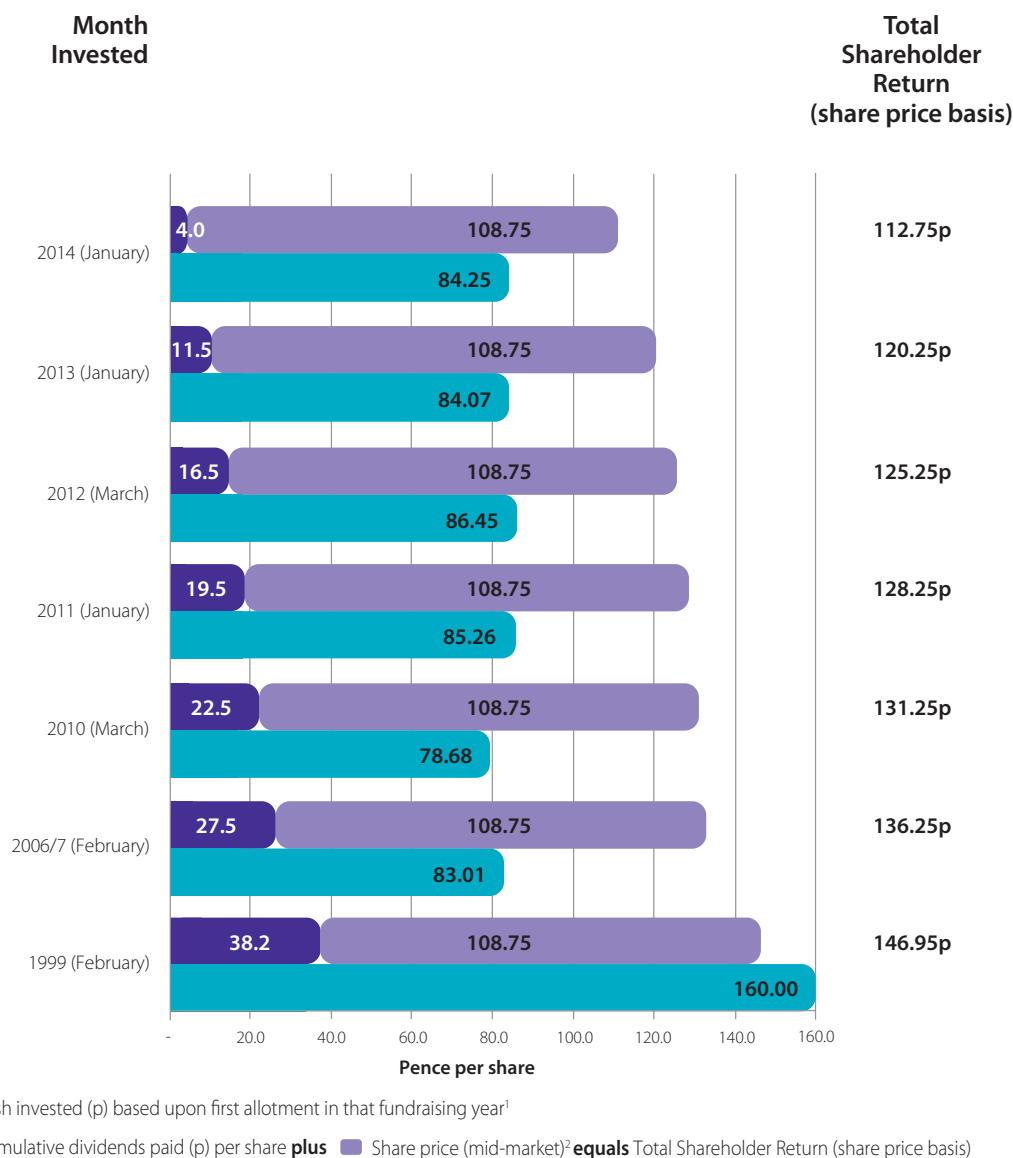
<sup>1</sup> Cumulative NAV total shareholder return per share is net asset value per share plus cumulative dividends paid (pence per share) since 1999 to date excluding dividends declared but not yet paid.

<sup>2</sup> An interim exceptional capital dividend of 12 pence per share and an interim income dividend of 2 pence per share was declared. This brings the total dividend declared by the Directors to 14 pence per share. The interim dividend will be paid on 12 September 2014, bringing cumulative dividends paid to date to 52.2 pence per share. The NAV per share will reduce by a corresponding 14 pence.

Performance data for all fundraising rounds is shown in a table on pages 23 – 25 of this Half-Yearly Report.

## Shareholder returns from fundraising rounds (based on share price)

The table below shows the amounts that shareholders, investing in each fundraising round, have received in dividends since investment plus the share price that they would have realised, if they had sold their investment, compared with the amount invested (net of income tax relief also received).



The table above compares the original investment per share with the returns per share received to date. The data is for the first allotment in each fundraising undertaken by the Company.

The returns for shareholders are:

- Initial income tax relief received treated as a cash return at the time of the initial investment and deducted from the cash then invested. The amount returned was 20% of the initial investment (for the tax year 1999/2000) and 30% (for the tax years 2006/07 onwards);

- Tax-free dividends received as further cash returns since that initial investment;
- The closing share price which is an indication of what a shareholder may obtain if they elected to sell their shares.

<sup>1</sup> These figures are derived from the Investor Performance Appendix on pages 23 to 25.

<sup>2</sup> The mid-market price may be slightly higher than the bid-price, at which shareholders could realise their investment, by around 0.5-1%.

# Chairman's Statement

I am pleased to present this Half-Yearly Report for Mobeus Income & Growth 4 VCT plc covering the six months ended 30 June 2014.

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

The net asset value per share as at 30 June 2014 was 126.29 pence compared with the NAV per share of 119.92 pence as at 31 December 2013.

The Company's total return to shareholders for the half-year (NAV basis) was 8.6% (2013: 5.5%), after allowing for the final dividend of 4.0 pence per share for the year ended 31 December 2013, which was paid in the period.

This healthy rise in NAV return over the period was largely due to three substantial, profitable realisations of ATG Media (partial), Machineworks and Monsal and also due to other unrealised gains across the portfolio, notably increases in the valuations of ASL Technology, DiGiCo Global, EMaC, Focus and Youngman. The increase in the value of the portfolio reflects the higher levels of profitability of a number of investee companies, several of which have used surplus cash to make loan repayments to the Company.

This has been another period of strong performance for the Company. Consequently, the cumulative NAV total return per share (being the closing net asset value plus total dividends paid to date since launch) rose during the six month period by 6.7% from 154.12 pence to 164.49 pence.

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 Half-Yearly Report on pages 23 – 25.

## Interim dividend

The Board is again declaring an interim dividend, comprising an income payment, together with an exceptional capital payment boosted by the highly successful full and partial realisations

referred to above. The income payment amounts to 2 pence per share; the capital payment amounts to 12 pence per share. The interim dividend, amounting in total to 14 pence per share, will be paid on 12 September 2014 to shareholders on the Register on 22 August 2014. This payment will bring cumulative dividends paid per share since launch to 52.2 pence.

With regard to the future, shareholders are again reminded that capital payments can vary significantly, depending on realisations achieved in the relevant financial period.

## Investment portfolio

Overall the investment portfolio recorded a gain of £3.76 million during the first half of the year (15.3% of the 1 January, 2014 value) and was valued at £27.20 million at the period-end.

A total of £3.56 million was invested during the period to finance three transactions. In January 2014, £1.13 million was invested into Bourn Bioscience Limited, the owner and manager of the Bourn Hall fertility clinics in the East of England. The Company invested £1.37 million to support the MBO of Entanet International Limited ("Entanet"), a wholesale communications provider, in February; whilst in June, a new investment of £1.06 million was made to support the Buy-in/MBO of Creative Graphics International Limited ("CGI"), a leading specialist provider of self-adhesive branding solutions to the automotive, recreational vehicle and airline markets.

Shortly after the period-end, a further investment of £1.16 million was made to support the MBO of Tharstern Limited, the UK's leading supplier of software-based management information systems to the print sector.

This has been a particularly active period for portfolio realisations. Net cash proceeds receivable during the first six months of the year amounted to £5.52 million, representing realised gains of £1.79 million in the period. This arose primarily from the partial sale of ATG Media and full sales of MachineWorks and Monsal, but also includes the loan stock repayments of £1.01 million from five companies, being mainly from CB Imports (Country Baskets) and Fullfield (Motorclean). In addition, DiGiCo was sold

following the period-end, realising further proceeds of £1.73 million and gains of £0.30 million in the period to date, for the Company. This means therefore, total gains over the cost of the investments sold in the period to date, are £5.32 million.

Further details of all these transactions can be found in the Investment Review on pages 9 – 11 of this Half-Yearly Report.

## Revenue account

The net revenue return for the period has also achieved a good result, rising by £0.57 million from £0.38 million at the last half-year, to £0.95 million for this half-year. This was mainly because income has risen by £0.56 million, primarily due to a rise in loan stock interest of £0.39 million. Dividend income rose by £0.18 million to £0.25 million. Income from cash balances fell by a net amount of £0.02 million, as interest rates on bank deposits fell, despite more cash being retained in them.

Running costs rose slightly as Investment Adviser fees charged to revenue rose by £0.02 million due to rising net assets. Other costs fell by £0.01 million, mainly due to a fall in trail commission costs as a cap was reached in the period, along with lower registrar's fees, countered by higher professional fees and printing costs.

## Linked VCT fundraising

The Company participated with the other three Mobeus VCTs in a successful linked fundraising that closed on 30 May 2014. A total of £33.7 million (in excess of the original target of £24 million which was subsequently increased to £34 million) was subscribed for under the Offer across the four VCTs, of which £8.4 million (£8.19 million after costs) was raised by the Company. The Board would like to thank the 1,097 new shareholders who invested in the Company through this fundraising. The Company had 4,764 shareholders as at 30 June 2014.

Recent fundraisings have taken the Company to an economic size in terms of cost ratios and diversification.

Annual fundraisings by the Company enable it to maintain a consistent level of cash not only for investment but also to help meet its running costs, fund dividend payments and support the Company's share buyback policy, which



helps to provide a degree of liquidity in the Company's shares in what is normally an extremely illiquid market. The Board is currently minded to participate in future fundraisings for Mobeus VCTs although, given current liquidity levels, such fundraising may be at a lower level than 2014. If the Company does fundraise, shareholders will have the opportunity to increase their investment in the Company and will be sent details of the Offer later in the year.

### Liquidity

The 2013/14 fundraising and recent successful disposals increased the level of liquidity to approximately £17 million at 30 June 2014. This will fall by £5.86 million when the interim exceptional capital and interim income dividend is paid. While the Board recognises that liquidity remains at a high level, which impacts on total returns, it is encouraged by the investment opportunities in the pipeline.

The Company continues to seek opportunities to increase returns on the liquid assets of the Company without compromising the overriding requirement that risk to the liquid assets portfolio is minimised. It continues to hold £6.52 million in a selection of money market funds with AAA credit ratings at 30 June 2014. The balance of cash and current asset investments is held in deposit accounts with a number of well-known financial institutions across a range of maturities. Current returns from these balances are low, but the Board anticipates that returns will increase when UK interest rates start to rise.

### Investment in qualifying holdings

The Company is required to meet the target set by HM Revenue & Customs ("HMRC") of investing 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 10 and 11) throughout the period. The balance of the portfolio was invested in non-qualifying investments and cash.

### Share buy-backs

During the six months ended 30 June 2014, the Company bought back a further 367,468 of its own shares, representing

1.1% of the issued share capital at the beginning of the period, at an average price, including costs, of £1.06 per share.

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

### Industry Developments

The Finance Act 2014, has introduced two measures that affect VCTs. Firstly, shareholders who sell their existing shares within six months before or after the date of subscribing for shares in the same VCT will not retain income tax relief on their new investment, a measure designed to prevent "enhanced buybacks".

Secondly, VCTs will not be able to make payments or distributions to shareholders from share capital or reserves created from converted share premium accounts within a time limit. The limit is three years from the end of the accounting period in which the VCT had raised new funds, from which the converted share premium account originated. This is intended to prevent the return of capital to shareholders prior to any profits being earned from investments. This restriction only applies to shares issued after 5 April 2014, and it will not affect the ability of the Company to continue to pay dividends from realised capital profits, and income.

The Board has appointed the Company as its own Alternative Investment Fund Manager ("AIFM") in compliance with the European Commission's Alternative Investment Fund Manager's Directive, with effect from 22 July 2014. The Company is registered as a small AIFM, and is therefore exempt from the principal requirements of the Directive. Mobeus will continue to provide investment advisory and administrative services to the Company under the current agreement subject to one change. This is that company secretarial staff are now directly responsible to the Board, under its instruction, for accessing and dealing with the documents of title to the Company's investments. These new arrangements will enable the Company to discharge its safekeeping responsibilities for these documents.

### Shareholder Communications

Shareholders wishing to follow the Company's progress can visit the Company's website at [www.mig4vct.co.uk](http://www.mig4vct.co.uk).

The Investment Adviser ("Adviser") 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 Adviser welcome feedback from shareholders and we have been pleased to receive positive comments from those attending in previous years. The Adviser 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, 27 January 2015 at the Royal Institute of British Architects in Central London. There will be a day-time and a separate evening session. Shareholders will be sent an invitation to this event and further details nearer to the date.

### Dividend investment scheme

The Company Dividend Investment Scheme ("the Scheme") is a convenient, easy and cost effective way for shareholders to build up their shareholding in the Company. Instead of receiving cash dividends they can elect to receive new shares in the Company. By opting to receive their dividend in this manner, there are three benefits to shareholders:

- The dividend remains tax free;
- Shareholders are allotted new shares in the Company which will, subject to their particular circumstances, attract VCT tax reliefs applicable for the tax year in which the shares are allotted. The tax relief currently available to investors in new VCT shares is 30% for the 2014/2015 tax year for investments up to £200,000 in any one tax year; and
- The Scheme also has one particular advantage. Under its terms, a member is able to re-invest at an advantageous price, being the average market price of the shares for the five business days prior to the dividend being paid. This price is likely to be at a discount of 10% to the underlying net asset value (provided that this is greater than 70% of the latest published net asset value per share).

# Chairman's Statement

Shareholders wishing to join the Scheme should submit a mandate form to Capita Asset Services, the Scheme Administrator, by no later than 28 August 2014 to ensure that they receive the above dividend as shares.

Further information on the Scheme, including details of where to obtain an application form can be found in Shareholder Information on page 26.

## Outlook

After a protracted recession, the UK economy is now projected to grow by around 3% this year. It is particularly pleasing to see three investments being realised at substantial gains over cost during the period under review, which demonstrates the effectiveness of the Board's and Adviser's investment strategy. A challenge for the Company will be to sustain current investment levels. The Investment Adviser believes that there continues to be a healthy level of quality dealflow in the market and that many of our investee companies should continue to trade profitably and grow. This should provide further opportunities for positive realisations and for attractive new investments.

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

Christopher Moore

*Chairman*

13 August 2014

# 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 VCT. This includes investments in early stage and technology companies.

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

## VCT regulation

The investment policy is designed to ensure that the VCT 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 or group of companies 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 (70% for funds raised from 6 April 2011) must be in ordinary shares which carry no preferential rights. In addition, although the Company can invest less than 30% (70% for funds raised from 6 April 2011) 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).

## 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.

## 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 around 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 investing in unquoted businesses, each qualifying investment is structured to maximise the amount which may be invested in loan stock as opposed to equity.

## Co-investment

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

## Borrowing

The Company's articles permit borrowing of amounts up to 10% of the adjusted capital and reserves (as defined therein). The Company has never borrowed and the Board 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 Adviser 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.




# Investment Review


## New investment

A total of £5.38 million was invested during the six months under review. This included £3.56 million of substantial new investments in a development capital opportunity in Bourn Bioscience ("Bourn Hall") and to support the MBOs of Entanet International ("Entanet") and Creative Graphics International ("CGI").

### Principal new investments in the half-year

Company	Business	Month	Amount of new investment (£m)
	In-vitro fertilisation clinics	January	1.13

Bourn Bioscience is one of the UK's leading IVF/assisted fertility businesses with a dominant presence in East Anglia. Its Bourn Hall clinic near Cambridge was the first IVF clinic in the world. It was founded in 1980 by Robert Edwards and Patrick Steptoe who developed the technology behind the conception of the first test tube baby, Louise Brown, two years earlier in 1978.

	Wholesale provider of internet connectivity solutions	February	1.37*
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Entanet is one of the UK's leading independent wholesale voice and data communications providers. Headquartered in Telford and with over 80 staff, the company provides a diverse portfolio of business class data and voice services via a network of over 2,000 wholesale and reseller channel partners in the UK. The Company's audited accounts for the 13 months ended 31 December 2013 show annual sales of £29.42 million and profit before interest, tax and goodwill of £2.78 million.


	Producer of adhesive decorative graphics for vehicles	June	1.06
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Creative Graphics International is a leading specialist provider of adhesive decorative graphics to the automotive, recreational vehicle and airline markets. It operates from two centres, in Bedford and South Africa. The Company's audited accounts for the year ended 30 November 2012 show annual sales of £12.64 million and profit before interest, tax and goodwill of £2.49 million.

\*The investment into Entanet International utilised £1 million from Ackling Management Limited, one of the Company's acquisition vehicles, which is included in the above figures. For further details please see the Investment Portfolio Summary on pages 10 – 11

The VCT has also invested a further £1.82 million into two new acquisition vehicle investments in the period.


### Investments post period-end

Company	Business	Month	Amount of new investment (£m)
	Software-based management information systems	July	1.16

Tharstern is the UK's leading supplier of software-based management information systems (MIS) to the print sector. The Company's audited accounts for the year ended 31 January 2014 show annual sales of £3.87 million and profit before interest, tax and goodwill of £0.80 million.

## Realisations in the half-year

The VCT completed three full or partial realisations of investments during the period under review for total net proceeds of £5.98 million, which has contributed to total net proceeds of £7.05 million received during the period. Both of the above figures include £1.53 million of loan and equity instruments issued by the acquirer of ATG, and were retained by the Company. Total net cash proceeds received from realisations in the period were therefore £5.52 million.

Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	Software for CAM and machine tool vendors	April 2006 – April 2014	£0.56 million/ 4.1 times cost

MachineWorks' core software products are used by builders of machine tools and machine tool controllers to simulate real life manufacturing situations. The company was spun out of the Company's original investment in VSI in March 2011 and was sold to the German company, Dr Johannes Heidenhain GmbH to produce a good return on original investment cost.

	Publisher and online auction platform	October 2008 – present	£3.67 million 1.8 times cost to date
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ATG Media has grown revenues and profits materially since initial investment in 2008. A partial sale of the company under a secondary MBO to a larger private equity house, ECI Partners, has realised proceeds of £4.63 million, being cash of £3.10 million, with the balance being new loan stock and a minority equity stake. The cash returns received to date have crystallised an annual return of 20%, making this a particularly successful investment.

	Supplier of engineering services to the water and waste sectors	December 2007 – June 2014	£1.43 million 1.9 times cost
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The sale of Monsal, a renewable energy consultancy, to the US conglomerate General Electric Company, realised £1.00 million. The return on original cost represents a good return on an investment originally made in 2007 but which required support from further funding rounds in 2009 and 2011.


## Loan stock repayments

Loan stock repayments totalled £3.11 million for the period, which amount contains £2.10 million included in the disposals above. Positive cashflow at five other companies contributed to the balance of £1.01 million, as summarised below:-

Company	Business	Month	Amount (£000's)
Country Baskets	Artificial flowers, floral sundries and home décor products	June	625
Motorclean	Vehicle cleaning and valeting services	June	213
Westway	Air conditioning services	January	67
Tessella	Consultancy services	Quarterly	64
Newquay Helicopters	Helicopter services	April	42
<b>Total</b>			<b>1,011</b>

# Investment Review

## Realisation post period-end

Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	Audio mixing desks	July 2007 – July 2014	£5.49 million 5.5 times cost

The VCT realised this investment through a sale to a new professional audio group backed by Electra Partners. The business has demonstrated strong and consistent growth since investment. Turnover has grown threefold from £8 to £24 million over the period of the VCT's investment. This full sale follows a partial realisation in December 2011 through a secondary buyout by ISIS Equity Partners.

## Adviser's investment outlook

We have been particularly pleased with the realisation results over the first half of the year which, including DiGiCo, realised after the period-end, have all generated good returns for the Company. Three new deals into Bourn Bioscience, Entanet International and Creative Graphics International completed in the period, and Tharstern completed after the period-end.

We are pursuing a number of opportunities which we hope will materialise over the coming months into both new investments and further realisations for the Company. Dealflow remains healthy, reflecting our perception that the level of M&A activity in the small company sector continues to be buoyant. Our intention is to maximise the opportunities presented by these current favourable market conditions to guide new investment deals and realisations through to completion, to meet our aims of sustaining current investment levels and securing continued good returns to shareholders.

# Investment Portfolio Summary

## at 30 June 2014

	Total cost at 30 June 2014 £	Total valuation at 31 December 2013 £	Total valuation at 30 June 2014 £	% of equity held	% of portfolio by value
<b>Mobeus Equity Partners LLP</b>					
<b>Ingleby (1879) Limited (trading as EMaC)</b> Provider of service plans for the motor trade	1,000,522	1,701,086	2,186,697	6.3%	8.0%
<b>Virgin Wines Holding Company Limited (formerly Culbone Trading Limited)</b> Online wine retailer	1,999,771	1,999,771	1,999,771	9.7%	7.4%
<b>DiGiCo Global Limited</b> Design and manufacture of audio mixing desks	829,769	1,470,071	1,734,714	2.4%	6.4%
<b>Fullfield Limited (trading as Motorclean)</b> Vehicle cleaning and valet services	1,579,751	2,062,805	1,728,996	9.8%	6.4%
<b>Tessella Holdings Limited</b> Consultancy	1,113,963	1,577,809	1,631,413	5.4%	6.0%
<b>Turner Topco Limited (trading as ATG Media)</b> Publisher and online auction platform operator	1,529,075	–	1,562,600	3.8%	5.7%
<b>Veritek Global Holdings Limited (formerly Madacombe Trading Limited)</b> Maintenance of imaging equipment	1,620,086	1,620,086	1,477,328	10.3%	5.4%
<b>Gro-Group Holdings Limited</b> Manufacturer of safer sleep solutions for babies and young children	1,540,061	1,540,061	1,390,627	8.4%	5.1%
<b>Ackling Management Limited (trading as Entanet)<sup>1</sup></b> Wholesale voice and data communications provider	1,369,050	–	1,369,050	9.6%	5.0%
<b>ASL Technology Holdings Limited</b> Printer and photocopier services	1,257,133	891,775	1,321,189	6.8%	4.9%
<b>Focus Pharma Holdings Limited</b> Licensor and distributor of generic pharmaceuticals	271,566	840,258	1,211,961	3.1%	4.5%
<b>Bourn Bioscience Limited</b> Bourn Hall In-vitro fertilisation clinics	1,132,521	–	1,132,521	7.7%	4.2%
<b>Creative Graphics International Limited</b> Provider of adhesive decorative graphics for the automotive, recreational vehicle and airline markets	1,060,269	–	1,060,269	6.3%	3.9%
<b>EOTH Limited (trading as Rab and Lowe Alpine)</b> Branded outdoor equipment and clothing	951,471	956,917	1,041,821	1.7%	3.8%
<b>Manufacturing Services Investment Limited</b> Company seeking to acquire businesses in the manufacturing sector	912,800	–	912,800	11.4%	3.4%
<b>South West Services Investment Limited</b> Company seeking to acquire a business service company in the South West of England	908,000	–	908,000	11.4%	3.3%
<b>Blaze Signs Holdings Limited</b> Manufacturer and installer of signs	190,631	719,777	773,603	5.7%	2.8%
<b>RDL Corporation Limited</b> Recruitment consultants for the pharmaceutical, business intelligence and IT industries	1,000,000	461,401	636,650	9.1%	2.2%
<b>Westway Services Holdings (2010) Limited</b> Installation, maintenance and servicing of air-conditioning systems	84,537	676,723	628,865	3.2%	2.2%
<b>Youngman Group Limited</b> Manufacturer of ladders and access towers	500,026	349,983	564,426	4.2%	2.1%
<b>Plastic Surgeon Holdings Limited</b> Snagging and finishing of domestic and commercial properties	458,837	398,625	470,374	6.9%	1.7%

# Investment Portfolio Summary

at 30 June 2014

	Total cost at 30 June 2014 £	Total valuation at 31 December 2013 £	Total valuation at 30 June 2014 £	% of equity held	% of portfolio by value
<b>CB Imports Group Limited</b> Importer and distributor of artificial flowers, floral sundries and home décor products	484,375	872,988	393,771	5.8%	1.4%
<b>Omega Diagnostics plc</b> In-vitro diagnostics for food intolerance, auto-immune diseases and infectious diseases	200,028	291,664	316,683	1.5%	1.2%
<b>Higher Nature Limited</b> Supplier of mineral, vitamin and food supplements	500,127	133,013	138,405	10.3%	0.5%
<b>Vectair Holdings Limited</b> Designer and distributor of washroom products	24,732	114,615	113,298	2.1%	0.4%
<b>Duncary 8 Limited (formerly Duncary 4/BG Consulting Limited)</b> Technical training business	101,995	103,607	104,183	5.1%	0.4%
<b>Newquay Helicopters (2013) Limited (formerly British International Holdings Limited)</b> Operator of helicopter services	56,500	98,412	56,500	2.5%	0.2%
<b>PXP Holdings Limited (Pinewood Structures)</b> Designer, manufacturer and supplier of timber frames for buildings	712,925	15,687	15,687	4.4%	0.1%
<b>Lightworks Software Limited</b> Software for CAD vendors	9,329	41,820	14,739	4.2%	0.1%
<b>Racoon International Holdings Limited</b> Supplier of hair extensions, hair care products and training	406,805	1,000	1,000	5.7%	0.0%
<b>Monsal Holdings Limited</b> Supplier of engineering services to water and waste sectors	–	42,287	–	0.0%	0.0%
<b>Legion Group plc - in administration</b> Provider of manned guarding, patrolling and alarm response services	150,102	–	–	–	0.0%
<b>Watchgate Limited</b> Holding company	1,000	–	–	33.3%	0.0%
<b>ATG Media Holdings Limited</b> Publisher and online auction platform operator	–	4,093,629	–	0.0%	0.0%
<b>Ackling Management Limited<sup>1</sup></b> Company looking to acquire businesses in the food manufacturing, distribution and brand management sectors	–	1,000,000	–	12.5%	0.0%
<b>Machineworks Software Limited</b> Software for CAM and machine tool vendors	–	191,474	–	4.2%	0.0%
<b>Total</b>	<b>23,957,757</b>	<b>24,267,344</b>	<b>26,897,941</b>		<b>98.7%</b>
<b>Former Elderstreet Private Equity Limited Portfolio</b>					
<b>Cashfac Limited</b> Provider of virtual banking application software	260,101	189,692	160,273	2.9%	0.7%
<b>Sparesfinder Limited</b> Supplier of industrial spare parts on-line	250,854	80,718	123,251	1.7%	0.5%
<b>Sift Limited</b> Developer of business to business internet communities	135,391	32,015	15,869	1.3%	0.1%
<b>Total</b>	<b>646,346</b>	<b>302,425</b>	<b>299,393</b>		<b>1.3%</b>
<b>Investment Advisers' totals</b>	<b>24,604,103</b>	<b>24,569,769</b>	<b>27,197,334</b>		<b>100.0%</b>

<sup>1</sup> - £1,000,000 of this investment into Ackling Management Limited (trading as Entanet International) had been invested in this company, which was formerly an acquisition vehicle, in a previous period.



# Statement of Directors' Responsibilities

## 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 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 year ended 31 December 2013. 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 of the 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 Strategic Report on pages 21 – 22 and in Note 19 on pages 58 – 64 of the Annual Report and Accounts for the year ended 31 December 2013, copies of which are available on the Investment Adviser'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 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, buybacks 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 58 – 64 of the Annual Report and Accounts for the year ended 31 December 2013. 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*

13 August 2014

# Unaudited Income Statement

## for the six months ended 30 June 2014

	Notes	Six months ended 30 June 2014 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains on investments held at fair value	8	–	1,974,394	1,974,394
Realised gains on investments held at fair value	8	–	1,786,569	1,786,569
Income	2	1,332,823	–	1,332,823
Investment Adviser fees	3	(132,511)	(397,532)	(530,043)
Other expenses		(185,111)	–	(185,111)
<b>Profit on ordinary activities before taxation</b>		<b>1,015,201</b>	<b>3,363,431</b>	<b>4,378,632</b>
Tax on profit on ordinary activities	4	(63,940)	63,940	–
<b>Profit attributable to equity shareholders</b>		<b>951,261</b>	<b>3,427,371</b>	<b>4,378,632</b>
<b>Basic and diluted earnings per Ordinary share</b>	5	<b>2.43p</b>	<b>8.76p</b>	<b>11.19p</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 18 – 22 form part of these Half-Yearly financial statements.

Six months ended 30 June 2013 (unaudited)			Year ended 31 December 2013 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
–	1,916,779	1,916,779	–	2,785,539	2,785,539
–	178,802	178,802	–	258,724	258,724
774,873	–	774,873	1,737,504	–	1,737,504
(110,079)	(330,236)	(440,315)	(228,977)	(686,932)	(915,909)
(198,359)	–	(198,359)	(373,788)	–	(373,788)
466,435	1,765,345	2,231,780	1,134,739	2,357,331	3,492,070
(87,217)	87,217	–	(133,343)	133,343	–
<b>379,218</b>	<b>1,852,562</b>	<b>2,231,780</b>	<b>1,001,396</b>	<b>2,490,674</b>	<b>3,492,070</b>
<b>1.17p</b>	<b>5.69p</b>	<b>6.86p</b>	<b>2.96p</b>	<b>7.35p</b>	<b>10.31p</b>

# Unaudited Balance Sheet

## as at 30 June 2014

	Notes	30 June 2014 (unaudited) £	30 June 2013 (unaudited) £	31 December 2013 (audited) £
<b>Fixed assets</b>				
Investments at fair value	8	27,197,334	23,496,795	24,569,769
<b>Current assets</b>				
Debtors and prepayments		2,195,853	411,679	305,234
Current investments	9	14,334,829	14,271,540	14,318,103
Cash at bank		9,369,984	3,812,235	3,125,287
		25,900,666	18,495,454	17,748,624
<b>Creditors: amounts falling due within one year</b>		(219,454)	(313,327)	(194,670)
<b>Net current assets</b>		25,681,212	18,182,127	17,553,954
<b>Net assets</b>		<b>52,878,546</b>	<b>41,678,922</b>	<b>42,123,723</b>
<b>Capital and reserves</b>	10			
Called up share capital		418,722	352,387	351,272
Share premium reserve		5,162,961	13,279,574	13,374,724
Capital redemption reserve		3,675	967,721	969,753
Revaluation reserve		4,691,442	3,543,394	4,518,594
Special distributable reserve		34,218,500	18,587,976	17,418,387
Profit and loss account		8,383,246	4,947,870	5,490,993
<b>Equity shareholders' funds</b>		<b>52,878,546</b>	<b>41,678,922</b>	<b>42,123,723</b>
<b>Net asset value per Ordinary share</b>	7	<b>126.29p</b>	<b>118.28p</b>	<b>119.92p</b>

The notes on pages 18 – 22 form part of these Half-Yearly financial statements.

# Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2014

	Notes	Six months ended 30 June 2014 (unaudited) £	Six months ended 30 June 2013 (unaudited) £	Year ended 31 December 2013 (audited) £
<b>Opening shareholders' funds</b>		42,123,723	33,537,271	33,537,271
Share capital subscribed – net of expenses		8,413,657	15,262,218	15,358,285
Share capital bought back – including expenses		(390,343)	(7,428,019)	(7,634,821)
Profit for the period		4,378,632	2,231,780	3,492,070
Dividends paid in period	6	(1,647,123)	(1,924,328)	(2,629,082)
<b>Closing shareholders' funds</b>		<b>52,878,546</b>	<b>41,678,922</b>	<b>42,123,723</b>

The notes on pages 18 – 22 form part of these Half-Yearly financial statements.



# Unaudited Cash Flow Statement

## for the six months ended 30 June 2014

Notes	Six months ended 30 June 2014 (unaudited) £	Six months ended 30 June 2013 (unaudited) £	Year ended 31 December 2013 (audited) £
<b>Operating activities</b>			
Interest income received	930,281	617,145	1,419,008
Dividend income	338,640	59,152	166,382
Investment Adviser fees paid	(530,043)	(375,235)	(850,830)
Cash payments for other expenses	(150,085)	(112,750)	(364,197)
<b>Net cash inflow from operating activities</b>	<b>588,793</b>	<b>188,312</b>	<b>370,363</b>
<b>Investing activities</b>			
Sale of investments	8	4,467,945	963,180
Purchase of investments	8	(4,382,670)	(526,227)
<b>Net cash inflow from investing activities</b>	<b>85,275</b>	<b>436,953</b>	<b>312,563</b>
<b>Dividends</b>			
Equity dividends paid	6	(1,647,123)	(1,924,328)
<b>Cash outflow before liquid resource management and financing</b>	<b>(973,055)</b>	<b>(1,299,063)</b>	<b>(1,946,156)</b>
<b>Management of liquid resources</b>			
Increase in monies held in current investments	(16,726)	(5,251,396)	(5,297,959)
<b>Financing</b>			
Share issued as part of Linked Offer for Subscription and Dividend Investment Scheme	10	7,624,821	8,168,986
Purchase of own shares	(390,343)	(348,483)	(586,300)
Shares issued as part of Enhanced Buyback Facility	–	6,923,372	250,000
Shares bought back as part of Enhanced Buyback Facility (including expenses)	–	(7,027,119)	(375,149)
<b>Cash inflow from financing</b>	<b>7,234,478</b>	<b>7,716,756</b>	<b>7,723,464</b>
<b>Increase in cash</b>	<b>6,244,697</b>	<b>1,166,297</b>	<b>479,349</b>
<b>Reconciliation of net cash inflow to movement in net funds</b>			
Increase in cash for the period	6,244,697	1,166,297	479,349
Net funds at the start of the period	3,125,287	2,645,938	2,645,938
<b>Net funds at the end of the period</b>	<b>9,369,984</b>	<b>3,812,235</b>	<b>3,125,287</b>

### Reconciliation of profit on ordinary activities before taxation to net cash inflow from operating activities for the six months ended 30 June 2014

	Six months ended 30 June 2014 (unaudited) £	Six months ended 30 June 2013 (unaudited) £	Year ended 31 December 2013 (audited) £
Profit on ordinary activities before taxation	4,378,632	2,231,780	3,492,070
Net unrealised gains on investments	(1,974,394)	(1,916,779)	(2,785,539)
Net gains on realisations of investments	(1,786,569)	(178,802)	(258,724)
Increase in debtors	(53,660)	(27,654)	(90,970)
Increase in creditors	24,784	79,767	13,526
<b>Net cash inflow from operating activities</b>	<b>588,793</b>	<b>188,312</b>	<b>370,363</b>

The notes on pages 18 – 22 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 2014 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 December 2013 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) 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 of the Income Tax Act 2007.

### c) 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 Adviser 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 Adviser, 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 2014 (unaudited) £	Six months ended 30 June 2013 (unaudited) £	Year ended 31 December 2013 (audited) £
Dividends	249,962	69,023	220,304
Money-market funds	12,593	12,493	25,216
Loan stock interest	1,002,854	616,071	1,344,035
Bank deposit interest	57,910	77,286	147,949
Interest on preference dividends	5,997	–	–
Other Income	3,507	–	–
<b>Total Income</b>	<b>1,332,823</b>	<b>774,873</b>	<b>1,737,504</b>

## 3. Investment Adviser fees

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 Adviser fees 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 previous periods, which can be offset between revenue and capital.

## 5. Basic and diluted earnings per Ordinary 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 2014 (unaudited) £	Six months ended 30 June 2013 (unaudited) £	Year ended 31 December 2013 (audited) £
i) Total earnings after taxation	4,378,632	2,231,780	3,492,070
<b>Basic and diluted earnings per Ordinary share (pence)</b>	<b>11.19p</b>	<b>6.86p</b>	<b>10.31p</b>
ii) Revenue earnings from ordinary activities after taxation	951,261	379,218	1,001,396
<b>Basic and diluted revenue earnings per Ordinary share (pence)</b>	<b>2.43p</b>	<b>1.17p</b>	<b>2.96p</b>
Unrealised capital gains	1,974,394	1,916,779	2,785,539
Net realised capital gains	1,786,569	178,802	258,724
Capital expenses net of taxation	(333,592)	(243,019)	(553,589)
iii) Capital return	3,427,371	1,852,562	2,490,674
<b>Basic and diluted capital earnings per Ordinary share (pence)</b>	<b>8.76p</b>	<b>5.69p</b>	<b>7.35p</b>
iv) Weighted average number of Ordinary shares in issue in the period	39,118,336	32,541,370	33,875,228

## 6. Dividends paid

	Six months ended 30 June 2014 (unaudited) £	Six months ended 30 June 2013 (unaudited) £	Year ended 31 December 2013 (audited) £
Interim income dividend for the 11 months ended 31 December 2012 of 1 pence per Ordinary share paid 10 May 2013	–	349,877	349,878
Interim capital dividend for the 11 months ended 31 December 2012 of 4.5 pence per Ordinary share paid 10 May 2013	–	1,574,451	1,574,452
Interim income dividend for the year ended 31 December 2013 of 1.25 pence per Ordinary share paid 20 September 2013	–	–	440,471
Interim capital dividend for the year ended 31 December 2013 of 0.75 pence per Ordinary share paid 20 September 2013	–	–	264,281
Final income dividend for the period ended 31 December 2013 of 1.25 pence per Ordinary share paid 16 May 2014	514,726	–	–
Final capital dividend for the year ended 31 December 2013 of 2.75 pence per Ordinary share paid 16 May 2014	1,132,397	–	–
	<b>1,647,123*</b>	<b>1,924,328*</b>	<b>2,629,082*</b>

\* - Of these amounts £219,742 (30 June 2013: £246,310; 31 December 2013: £342,378) were issued in new shares, issued as part of the Dividend Investment Scheme.

## 7. Net asset value per Ordinary share

	As at 30 June 2014 (unaudited) £	As at 30 June 2013 (unaudited) £	As at 31 December 2013 (audited) £
Net assets	52,878,546	41,678,922	42,123,723
Number of shares in issue	41,872,204	35,238,721	35,127,218
<b>Net asset value per Ordinary share (pence)</b>	<b>126.29p</b>	<b>118.28p</b>	<b>119.92p</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 2013	291,664	8,140,282	16,119	16,121,704	24,569,769
Purchases at cost	30	1,634,976	1,330	4,275,409	5,911,745
Sales - proceeds	–	(4,110,457)	(1,111)	(3,110,065)	(7,221,633)
- realised gains	–	1,465,144	–	497,915	1,963,059
Unrealised gains	24,989	1,214,884	5,303	729,218	1,974,394
<b>Valuation at 30 June 2014</b>	<b>316,683</b>	<b>8,344,829</b>	<b>21,641</b>	<b>18,514,181</b>	<b>27,197,334</b>
Book cost at 30 June 2014	200,028	6,906,183	25,289	17,472,603	24,604,103
Unrealised gains/(losses) at 30 June 2014	116,655	2,140,343	(1,999)	1,609,064	3,864,063
Permanent impairment of investments	–	(701,697)	(1,649)	(567,486)	(1,270,832)
<b>Valuation at 30 June 2014</b>	<b>316,683</b>	<b>8,344,829</b>	<b>21,641</b>	<b>18,514,181</b>	<b>27,197,334</b>
Gains on investments	–	3,527,988	–	236,617	3,764,605
Less amounts recognised as unrealised gains/(losses) in previous years	–	2,062,844	–	(261,298)	1,801,546
<b>Realised gains based on carrying value at 31 December 2013</b>	<b>–</b>	<b>1,465,144</b>	<b>–</b>	<b>497,915</b>	<b>1,963,059</b>
Net movement in unrealised appreciation in the period	24,989	1,214,884	5,303	729,218	1,974,394
<b>Gains on investments for the six months ended 30 June 2014</b>	<b>24,989</b>	<b>2,680,028</b>	<b>5,303</b>	<b>1,227,133</b>	<b>3,937,453</b>

Transaction costs of £176,490 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 £1,786,569 of gains as shown in the Income Statement.

Purchases above of £5,911,745 differ to that shown in the Cash Flow Statement of £4,382,670 by £1,529,075 which is the accounting cost of ATG proceeds received, in the form of equity and loan stock in the acquirer, of £1,529,075. Sales proceeds above of £7,221,633 differ to that shown in the Cash Flow Statement of £4,467,945 by £2,753,688. This is due to proceeds receivable from the sale of Monsal Holdings Limited of £1,073,742, new equity and loan stock instruments of £1,529,075 received as consideration for the sale of ATG, an ATG equity proceeds retention of £49,489 and transaction costs of £101,382.

Unrealised gains at 30 June 2014 of £3,864,063 differ to that shown in the Revaluation Reserve of £4,691,442. The difference of £827,379 is loan stock received 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 £6,524,156 (30 June 2013: £6,521,540; 31 December 2013: £6,522,954) in six OEIC money market funds (five Dublin based and one London based) subject to immediate access, and £7,810,673 (30 June 2013: £7,750,000; 31 December 2013: £7,795,149) 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 2014	351,272	13,374,724	969,753	4,518,594	17,418,387	5,490,993	42,123,723
Shares issued via Linked Offer for Subscription (note a)	69,072	8,128,331	–	–	(3,488)	–	8,193,915
Dividends re-invested into new shares	2,053	217,689	–	–	–	–	219,742
Shares bought back	(3,675)	–	3,675	–	(390,343)	–	(390,343)
Cancellation of the share premium account (note b)	–	(16,557,783)	(969,753)	–	17,527,536	–	–
Profit for the period	–	–	–	1,974,394	–	2,404,238	4,378,632
Realised losses transferred to special reserve (note b)	–	–	–	–	(333,592)	333,592	–
Realisation of previously unrealised appreciation	–	–	–	(1,801,546)	–	1,801,546	–
Dividends paid	–	–	–	–	–	(1,647,123)	(1,647,123)
<b>At 30 June 2014</b>	<b>418,722</b>	<b>5,162,961</b>	<b>3,675</b>	<b>4,691,442</b>	<b>34,218,500</b>	<b>8,383,246</b>	<b>52,878,546</b>

Note a: As part of the 2014 Linked Offer for Subscription, a total of 6,907,184 Ordinary shares were allotted at average effective offer prices ranging from 120.36 pence to 125.79 pence per share, raising net funds of £8,193,915.

Shares issued as part of the joint fundraising offer for subscription and Dividend Investment Scheme per the cash flow statement of £7,624,821 differs to the total shown separately above, firstly as shares issued of £8,193,915 and secondly as shares allotted under the Company's dividend investment scheme of £219,742, by £788,836. This is due to £788,836 of net funds, being due to the Company arising from shares allotted on 6 June 2014, which was received after the period end.

Note b: The cancellation of £16,557,783 from the share premium account and £967,753 from the capital redemption reserve (as approved at the General Meeting held on 22 February 2013 and by order of the Court dated 12 March 2014) has increased the Company's special distributable reserve. The purpose of this reserve is to fund market purchases of the Company's own shares, to write off existing and future losses and for any other corporate purpose. All of this reserve arose from shares issued before 5 April 2014.

## 11. Post balance sheet events

On 18 July 2014, the Company made an investment of £1,158,500 to support the management buy-out of Tharstern Limited, a leading supplier of software based management information systems to the global commercial printing and graphic arts industries.

On 30 July 2014, the entire holding of DiGiCo Global Limited was realised for net proceeds of £1,734,714.

## 12. Financial statements for the year ended 31 December 2013

The financial information for the six months ended 30 June 2014 does not comprise full financial statements within the meaning of Section 435 of the Companies Act 2006. The financial statements for the year ended 31 December 2013 have been filed with the Registrar of Companies. The auditor has reported on the financial statements for the year ended 31 December 2013 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 is available on, and can be downloaded from, our website: [www.mig4vct.co.uk](http://www.mig4vct.co.uk) and is circulated by post to those shareholders who have requested copies of the Report. Further copies are also available free of charge from the Company's registered office, 30 Haymarket, London SW1Y 4EX.

# Investor Performance Appendix

Share price at 30 June 2014      108.75 pence<sup>1</sup>  
 NAV per share as at 30 June 2014    126.29 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 2014. The NAV basis enables shareholders to evaluate more clearly the performance of the Adviser, 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 2013 (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>	38.20	<b>146.95</b>	164.49	6.73%
<b>Funds raised 2006/07</b>						
<b>(launched 2 November 2006)</b>						
01 February 2007	118.58	<b>83.01</b>	27.50	<b>136.25</b>	153.79	7.23%
19 February 2007	118.58	<b>83.01</b>	27.50	<b>136.25</b>	153.79	7.23%
05 March 2007	121.18	<b>84.83</b>	27.50	<b>136.25</b>	153.79	7.23%
19 March 2007	121.18	<b>84.83</b>	27.50	<b>136.25</b>	153.79	7.23%
02 April 2007	121.18	<b>84.83</b>	27.50	<b>136.25</b>	153.79	7.23%
04 April 2007	121.18	<b>84.83</b>	27.50	<b>136.25</b>	153.79	7.23%
05 April 2007	121.18	<b>84.83</b>	27.50	<b>136.25</b>	153.79	7.23%
<b>Funds raised 2010 Top Up Offer</b>						
<b>(launched 20 January 2010)</b>						
31 March 2010	112.40	<b>78.68</b>	22.50	<b>131.25</b>	148.79	7.49%
01 April 2010	112.40	<b>78.68</b>	22.50	<b>131.25</b>	148.79	7.49%
<b>Funds raised 2011</b>						
<b>(launched 12 November 2010)</b>						
21 January 2011	121.80	<b>85.26</b>	19.50	<b>128.25</b>	145.79	7.65%
28 February 2011	121.80	<b>85.26</b>	19.50	<b>128.25</b>	145.79	7.65%
22 March 2011	121.80	<b>85.26</b>	19.50	<b>128.25</b>	145.79	7.65%
01 April 2011	121.80	<b>85.26</b>	19.50	<b>128.25</b>	145.79	7.65%
05 April 2011	121.80	<b>85.26</b>	19.50	<b>128.25</b>	145.79	7.65%
10 May 2011	119.50	<b>83.65</b>	19.50	<b>128.25</b>	145.79	7.65%
06 July 2011	119.50	<b>83.65</b>	16.50	<b>125.25</b>	142.79	7.83%
<b>Funds raised 2012</b>						
<b>(launched 20 January 2012)</b>						
08 March 2012	123.50	<b>86.45</b>	16.50	<b>125.25</b>	142.79	7.83%
04 April 2012	123.50	<b>86.45</b>	16.50	<b>125.25</b>	142.79	7.83%
05 April 2012	123.50	<b>86.45</b>	16.50	<b>125.25</b>	142.79	7.83%
10 May 2012	123.50	<b>86.45</b>	16.50	<b>125.25</b>	142.79	7.83%
10 July 2012	119.10	<b>83.37</b>	11.50	<b>120.25</b>	137.79	8.13%

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)	(NAV basis)	% increase since 31 December 2013 (NAV basis)
	(p)	(p)	(p)	(p)	(p)	(%)
<b>Funds raised 2013</b>						
<b>(launched 29 November 2012)</b>						
14 January 2013	120.10	<b>84.07</b>	11.50	<b>120.25</b>	137.79	8.13%
28 March 2013	121.30	<b>84.91</b>	11.50	<b>120.25</b>	137.79	8.13%
04 April 2013	121.30	<b>84.91</b>	11.50	<b>120.25</b>	137.79	8.13%
05 April 2013	121.30	<b>84.91</b>	11.50	<b>120.25</b>	137.79	8.13%
10 April 2013 Pre RDR <sup>4</sup>	124.20	<b>86.94</b>	11.50	<b>120.25</b>	137.79	8.13%
10 April 2013 Post RDR <sup>4</sup>	121.30	<b>84.91</b>	11.50	<b>120.25</b>	137.79	8.13%
07 May 2013	115.60	<b>80.92</b>	6.00	<b>114.75</b>	132.29	8.50%
<b>Funds raised 2014</b>						
<b>(launched 28 November 2013)</b>						
09 January 2014	120.36 <sup>5</sup>	<b>84.25</b>	4.00	<b>112.75</b>	130.29	–
11 February 2014	120.66 <sup>5</sup>	<b>84.46</b>	4.00	<b>112.75</b>	130.29	–
31 March 2014	125.22 <sup>5</sup>	<b>87.65</b>	4.00	<b>112.75</b>	130.29	–
03 April 2014	125.79 <sup>5</sup>	<b>88.05</b>	4.00	<b>112.75</b>	130.29	–
04 April 2014	125.01 <sup>5</sup>	<b>87.51</b>	4.00	<b>112.75</b>	130.29	–
06 June 2014	125.11 <sup>5</sup>	<b>87.58</b>	–	<b>108.75</b>	126.29	–

<sup>1</sup> - Source: London Stock Exchange (mid-price), when the latest announced NAV was 120.44p.

<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.

<sup>5</sup> - Average effective offer price. Shares were allotted pursuant to the 2013/14 offer at individual prices for each investor in accordance with the allotment formula set out in the Securities Note.

# 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)	Funds raised 2014 (p)
16 May 2014	4.00	4.00	4.00	4.00	4.00	4.00	4.00
20 September 2013	2.00	2.00	2.00	2.00	2.00	2.00	
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 cumulative dividends paid<sup>2</sup></b>	<b>38.20</b>	<b>27.50</b>	<b>22.50</b>	<b>19.50</b>	<b>16.50</b>	<b>11.50</b>	<b>4.00</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 cumulative dividends paid to shareholders by date of allotment is shown on page 24.

## 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.

Period	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 (p) <sup>2</sup>
<b>As at 30 June 2014</b>	<b>52.9</b>	<b>126.3</b>	<b>164.5</b>	<b>108.8</b>	<b>147.0</b>
As at 31 December 2013	42.1	119.9	154.1	104.8	139.0
As at 30 June 2013	41.7	118.3	150.5	103.3	135.5
As at 31 December 2012	33.5	117.3	144.0	102.5	129.2
As at 31 January 2012	29.4	116.7	138.4	102.0	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.

# Shareholder Information

Shareholders wishing to follow the Company's progress can visit its website at [www.mig4vct.co.uk](http://www.mig4vct.co.uk). The website includes dedicated pages on the Company providing up-to-date details on fund performance and dividends as well as publicly available information on the Company's portfolio of investments and copies of company reports. There is also a link to the London Stock Exchange's website at: [www.londonstockexchange.com](http://www.londonstockexchange.com) where shareholders can obtain up to the minute details of the share price and latest NAV announcements, etc. A number of commentators such as Allenbridge at [www.taxshelterreport.co.uk](http://www.taxshelterreport.co.uk) provide comparative performance figures for the VCT sector as a whole. The share price is also quoted in the Financial Times.

## Net asset value per share

The Company's NAV per share as at 30 June 2014 was 126.29 pence. The Company announces its audited NAV in respect of its annual accounts in March of each year. It announces unaudited NAVs in respect of the remaining quarters.

## Dividends

The Directors have declared an interim exceptional capital and an interim income dividend in respect of the year ending 31 December 2014 totalling 14 pence per share (comprising 12 pence from capital and 2 pence from income). These dividends will be paid on 12 September 2014 to shareholders on the Register on 22 August 2014.

Shareholders who wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrars, Capita Asset Services at the address given at the end of this section.

**Shareholders are encouraged to ensure that the Registrars maintain up-to-date details for themselves and to check whether they have received and banked all dividends payable to them. This is particularly important if they have recently moved house or changed their bank. We are aware that a number of dividends remain unclaimed by shareholders and whilst we will endeavour to contact them if this is the case, we cannot guarantee that we will be able to do so if the Registrars do not have an up-to-date telephone number and/or email address.**

## Financial calendar

Late August 2014	Half-Yearly Report for the six months ended 30 June 2014 to be circulated to shareholders.
22 August 2014	Record date for shareholders to be eligible for interim dividend payable on 12 September 2014.
12 September 2014	Payment date for an interim dividend of 14 pence per share.
31 December 2014	Year-end.
27 January 2015	Shareholder workshop.
Late March 2015	Annual Report for the year ended 31 December 2014 to be circulated to shareholders.
May 2015	Annual General Meeting.

## Managing your shareholding online

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. Many shareholders who have not specifically chosen either of these options receive a letter notifying them where to access the reports on the website.

For details on your individual shareholding and to manage your account online, you can log into or register with the Capita Shareholder Portal by going to: [www.capitashareportal.com](http://www.capitashareportal.com)

This provides the most efficient way of checking information on your account and making changes to your information. You can use the Shareholder Portal to change your address details, check your holding balance and transactions, view the dividends you have received, add and amend your bank details and manage how you receive your dividends. You can also use the site to manage your options for receiving communications from the Company, including submitting proxy votes for general meetings.

## 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 they obtain the best price, shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2716/7 before agreeing a price with their stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares.

# Shareholder Information

## Communication with shareholders

We aim to communicate regularly with our shareholders. In addition to the Half-Yearly and Annual Reports, shareholders receive a twice-yearly newsletter from the Adviser, approved by the Board. The newsletter includes information on the latest investments made by the Company and portfolio news as well as performance data. The Board welcomes the opportunity to meet shareholders at the Company's General Meetings. The next AGM of the Company will be held in May 2015. Representatives of the Adviser will be present at the meeting to discuss the progress of the portfolio with shareholders.

## Shareholder workshop

The Adviser held its fourth annual shareholder workshop in January 2014. The workshop, which was attended by around 160 Mobeus VCT shareholders, included presentations from the Adviser and the managing directors of two diverse portfolio companies, Gro-Group and Newquay Helicopters. The Adviser is planning a further workshop to be held on Tuesday, 27 January 2015 at the Royal Institute of British Architects in Central London. Shareholders will be sent an invitation to this event and further details nearer to the date.

## Boiler room fraud and unsolicited communications to shareholders

We are aware that from time to time our shareholders have received unsolicited telephone calls and/or mail which purport to come from the Company or to be authorised by the VCT.

MIG4 VCT is obliged by law to make its share register publicly available on request and, as a result, it is possible that shareholder address information could be used by third parties to obtain telephone numbers and/or send unsolicited mail. However, the Company has the right to challenge such a request when the reason given for the request is not acceptable to us and we will be taking advantage of these provisions as appropriate.

The practice of boiler room fraud has been highlighted by the Financial Conduct Authority (FCA) and the Institute of Chartered Secretaries and Administrators ("ICSA"), and their warning notice to shareholders is reproduced below.

## Warning issued by the FCA and the ICSA (updated to reflect changes at the FCA)

In recent years, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the FCA has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims have been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation;
- Check that they are properly authorised by the FCA before getting involved by visiting [www.fca.gov.uk/register/](http://www.fca.gov.uk/register/) and contacting the firm using the details on the register;
- Report the matter to the FCA either by contacting its consumer helpline on 0800 111 6768 or [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk) or visiting the consumer pages at their website which includes comprehensive information in the section on investment scams including a reporting form; and
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme ("FSCS"). The FSCS can be contacted via their website at [www.fscs.org.uk](http://www.fscs.org.uk).

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

More detailed information on this or similar activity can be found on the Money Advice Service website: [www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk).

For further information, shareholders may also contact Mobeus, the Company Secretary, Tel : 020 7024 7600.

## Shareholder enquiries:

The Registrars may be contacted by telephone or post at:

Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU Tel: 0871 664 0324.

To contact the Chairman or any member of Board, please contact the Company Secretary, Mobeus Equity Partners LLP in the first instance, on 020 7024 7600 or by e-mail to [mig4@mobeusequity.co.uk](mailto:mig4@mobeusequity.co.uk).

# Chronology of Mobeus Income & Growth 4 VCT plc

- 1998** Company launched as Triven VCT plc and managed by three managers, LICA, Elderstreet and GLE Development Capital.
- 1999** Company completes its first fundraising.
- October 2002** LICA acquired by NOVA Capital Management.
- April 2004** GLE Development Capital team joins Matrix Group to form Matrix Private Equity Partners and continues with the management of its share of the Company's portfolio in the Company.
- July 2006** Matrix Private Equity Partners appointed as sole manager of the Company. Triven VCT plc changes its name to Matrix Income & Growth 4 VCT plc to be consistent with the Investment Adviser's change of name.
- June 2012** Matrix Private Equity Partners becomes a fully independent firm owned by its partners and renames itself Mobeus Equity Partners LLP. Matrix Income & Growth 4 VCT plc changes its name to Mobeus Income & Growth 4 VCT plc to be consistent with the Investment Adviser's change of name.
- 2010 – 2013** The Company launched four linked fundraisings with other Mobeus VCTs.

# Corporate Information

## Directors (Non-executive)

Christopher Moore (Chairman)  
Andrew Robson  
Helen Sinclair

## Secretary

Mobeus Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX

## Company's Registered Office and Head Office

30 Haymarket  
London SW1Y 4EX

## Company Registration Number

3707697

## Investment Adviser, Promoter and Administrator

Mobeus Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX  
[www.mobeusequity.co.uk](http://www.mobeusequity.co.uk)  
Telephone: 020 7024 7600

## Website

[www.mig4vct.co.uk](http://www.mig4vct.co.uk)

## Solicitors

SGH Martineau LLP  
No 1 Colmore Square  
Birmingham  
B4 6AA

Also at  
One America Square  
Crosswall  
London  
EC3N 2SG

## Stockbroker

Panmure Gordon (UK) Limited  
1 New Change  
London  
EC4M 9AF

## Registrars

Capita Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

**Tel: 0871 664 0300** (calls cost 10p per minute plus network extras. Lines are open 9.00am – 5.30pm Mon-Fri. If calling from overseas please ring +44 208 639 3399)

## Independent Auditor

BDO LLP  
55 Baker Street  
London  
W1U 7EU

## VCT Status Adviser

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

## Bankers

National Westminster Bank plc  
City of London Office  
PO Box 12258  
1 Princes Street  
London  
EC2R 8BP



# Notes

# Notes

Mobius Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX

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[www.mig4vct.co.uk](http://www.mig4vct.co.uk)