

# Mobeus Income & Growth 4 VCT PLC

(formerly Matrix Income & Growth 4 VCT PLC)

A VENTURE CAPITAL TRUST

**Unaudited Half-Yearly Report**  
for the six months ended 31 July 2012

# Investment Objective

Mobeus Income & Growth 4 VCT plc, formerly Matrix Income & Growth 4 VCT plc (“MIG4”, the “Company” or the “Fund”) is a Venture Capital Trust (“VCT”) managed by Mobeus Equity Partners LLP previously Matrix Private 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 months ended 31 July 2012

-  Interim dividend of 5 pence per share for the year ended 31 January 2012 was paid on 6 June 2012. Cumulative dividends paid to date are now 26.70 pence per share.
-  Strong liquidity has been further enhanced by a successful fundraising, in which the Company has raised a further £5.168 million.
-  The Company realised its investment in Iglu.com Holidays in May for an overall return of 2.53 times the original investment cost in two and a half years.
-  The net asset value (NAV) per share at 31 July 2012 was 113.9 pence.

# Performance Summary

## The net asset value (NAV) per share at 31 July 2012 was 113.9 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").

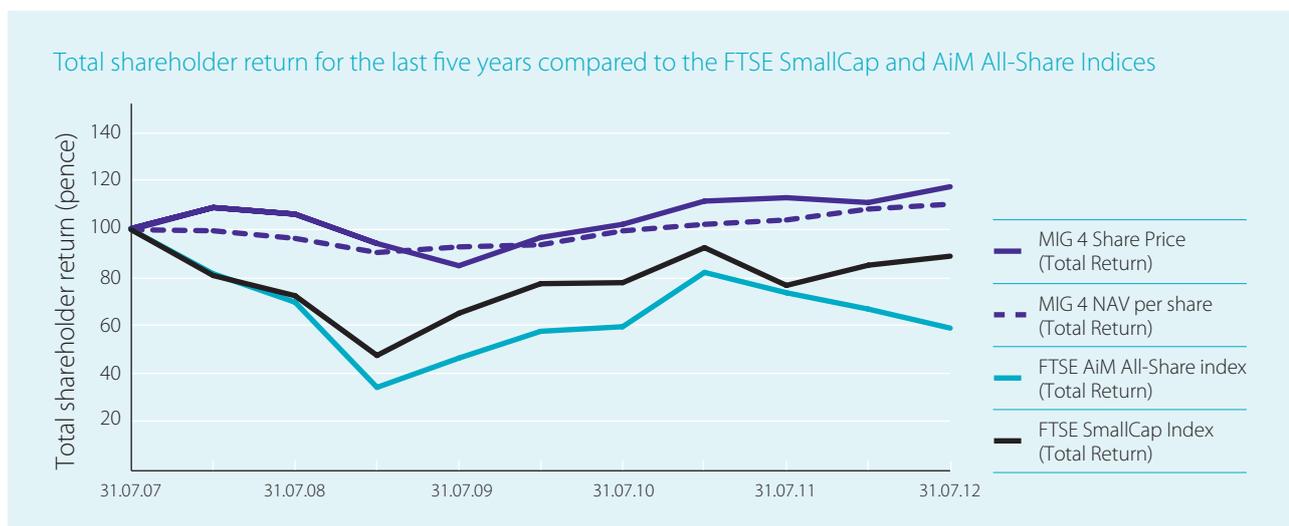
Performance data for all fundraising rounds is shown in a table on page 22 of this Report.

	Net assets (£m)	Net asset value (NAV) per Share (p)	Net cumulative dividends paid 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 31 July 2012</b>	<b>32.9</b>	<b>113.9</b>	<b>26.7</b>	<b>140.6</b>	<b>100.9</b>	<b>127.6</b>
As at 31 January 2012	29.4	116.7	21.7	138.4	100.0	121.7
As at 31 July 2011	28.3	111.9	21.7	133.6	101.8	123.5

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

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

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 2007.



# Chairman's Statement

I am pleased to present the Company's Half-Yearly Report for the six months ended 31 July 2012.

## Performance

As at 31 July 2012 the Company's NAV per share was 113.9 pence (31 January 2012: 116.7 pence). In order to measure the NAV return over the period on a like for like basis, the effect of the interim dividend of 5 pence per share paid to Shareholders on 6 June 2012, in respect of the year ended 31 January 2012, should be excluded. This reduces the NAV per share at the start of the period from 116.7 pence to 111.7 pence. Thus the Company's underlying NAV per share rose by 2.2 pence per share or 2.0% over the period.

The share price total return, being the share price at 31 July 2012 plus the dividend of 5 pence paid in the period, rose by 5.9% during the six month period from 100 pence to 105.9 pence per share. This compares with an increase of 4.4% in the FTSE SmallCap Total Return Index and a fall of 11.8% in the FTSE AIM Total Return Index.

This increase reflects a small net uplift in the value of the portfolio companies.

## Portfolio

Quoted markets have remained volatile during the six months under review with most of the sector price earnings multiples, by reference to which your Company's unquoted investments are valued, declined slightly. Concerns over the weak performance of the UK economy and the state of the global economy have damaged market sentiment. In particular, the stability of the Eurozone (the main trading partner for the UK economy) remains a question, with focus first on the restructuring of Greek debt, and more recently on the parlous state of the Spanish banking sector. Notwithstanding this, overall, the portfolio recorded realised and unrealised gains of £0.637 million over the six month period. Apart from one major realisation (Iglu.com) and a new investment prior to the period-end, into Tessella Limited, the Company's investment and portfolio activity were relatively quiet.

The investment environment was affected by the continued weakness in the economy and more recently by the uncertainty regarding the future direction of VCT tax regulation. These factors made it more difficult for the Manager to complete investments in the period.

The sale of Iglu.com in May for an overall return of 2.5 times the original investment cost in two and a half years was a pleasing result.

We continued to utilise the Operating Partner programme and four new investments in acquisition vehicles were made during the six-month period, totalling £4 million. One of these, Sawrey Limited, was used to support the MBO of Tessella in July and we anticipate that the Operating Partner programme will lead to further new investments during the second half of 2012.

Further details of transactions in the period and the performance of investee companies are contained in the Investment Manager's Review on page 9.

## Liquidity

Cash and liquidity fund balances as at 31 July 2012 amounted to £11.9 million. In addition, there are £6 million of liquid assets held in the acquisition vehicles. 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.

## Dividend

Your Board declared an interim dividend of 5 pence per share, made up of a capital dividend of 3.5 pence and an income dividend of 1.5 pence for the year ended 31 January 2012. The dividend was paid on 6 June 2012 to Shareholders on the register on 11 May 2012, bringing cumulative dividends paid per share to 26.70 pence. The Board has an objective of providing shareholders with a regular dividend. For reasons of administrative efficiency, your Board has decided not to make a relatively small interim payment for the current year, but intends to pay a dividend after considering the year-end results.

## Change of year-end

To facilitate the process of allotting shares arising from any future fund-raising, the Board has decided to amend the Company's accounting reference date to 31 December. Thus the next accounts that Shareholders will receive will be for the 11 months ended 31 December 2012.

## Revenue Account

The net revenue return for the six months to 31 July 2012 was £168k (after tax) or 0.60 pence per share. This compares to a net revenue return of £208k in the six months to 31 July 2011. However, income has risen by £35k, having benefited from the higher level of loan stock interest received from companies, despite a fall in dividend income from £157k last year to £43k. Loan stock interest increased markedly, from £271k to £409k, reflecting initial income from the new investments made last year, notably Motorclean, EMAC and EOTH, and the payment by Blaze of some interest arrears. The fall in dividend income is largely explained by the fact that the dividend of £135k received from DiGiCo last year was not repeated this year, as this investment has since been partially realised.

Interest received from money market funds continues to be low, at an average rate of around 0.5% at the period-end.

Investment Management expenses charged to revenue have increased by £14k compared to 2011, due to the increase in net assets, partly as a result of the funds raised under the Linked Offer for subscription. Other expenses have increased by £44k, due mainly to higher printing, postage and listing related costs.

## Change of company name and change of control at the Manager

As envisaged and notified in earlier communications to Shareholders, the Investment Manager, together with all its staff, became a fully independent firm owned by its partners and renamed itself Mobeus Equity Partners LLP ("Mobeus"), with effect from 29 June 2012. The Company changed its name from Matrix Income & Growth 4 VCT plc to Mobeus Income & Growth 4 VCT plc on 29 June 2012 to be consistent with the Manager's change of name.

The Company's investment strategy and its arrangements with Mobeus, in particular the Manager's investment approach and services, remain unchanged. The team continues to be wholly dedicated to the management and administration of VCTs. The Board looks forward to this new phase of working with its fully independent Investment Manager.

### Share buy-backs

During the six months ended 31 July 2012 the Company continued to implement its buy-back policy and bought back 765,997 Ordinary Shares, representing 3.04% of the shares in issue as at 1 February 2012 at a total cost of £780,873. These shares were subsequently cancelled by the Company.

The Board regularly reviews its buyback policy and endeavours to maintain the discount to NAV at which the Company's shares trade at around 10%. At 25 September, the mid-market price for the Company's shares was 100.88 pence, representing a discount of 10.3% to the latest NAV at 30 April (adjusted for the dividend of 5p paid in June) announced before today.

### 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, Matrix Corporate Capital, by telephoning 020 3206 7176/7 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.

### Linked offer

A further 4,320,141 new shares were allotted under the linked offer which closed on 30 June 2012. A total of £15.506 million was subscribed across the three VCTs of which £5.168 million was raised by the Company.

### Future fundraising

The Board is investigating options for fundraising in 2012/13, but expects to be participating again in a linked fundraising with other Mobeus advised VCTs which is expected to launch later this year. The funds raised will further add to the Company's capability to capitalise on new investment opportunities, should provide further support, if needed, for the share buyback program, and should spread fixed running costs over a larger asset base. Details of the Offer are expected to be posted to shareholders later in the year.

### Shareholder communication

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 Investment Manager has established a new Mobeus website, [www.mobeusequity.co.uk](http://www.mobeusequity.co.uk), which will be 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 documents being placed on the Company's website and a notification sent to Shareholders by email or hard copy or as hard copies through the post. Accompanying this report, Shareholders have received a letter requesting them to choose either of these options. We believe that this provides a more efficient way of communicating with Shareholders as well as making savings to the Company on postage and printing costs.

The Investment Manager held a second successful investor workshop on 25 January 2012. The workshop provided a forum for about 100 VCT Shareholders to hear presentations from the Manager about its investment activity in greater depth and from a successful entrepreneur of one of the portfolio companies. We received positive feedback from those who attended in previous years. All shareholders will receive an invitation to the next event nearer to the date.

The Board also welcomes the opportunity to meet Shareholders at the Company's General Meetings during which representatives of the Investment Manager are present to discuss the progress of the portfolio. The next AGM of the Company will be held in June 2013.

### Outlook

Following on from my comments in my last Chairman's Statement the outlook for the UK economy continues to remain uncertain, with the Coalition Government still finding it difficult to formulate a cohesive economic plan for recovery. Some parts of the economy are doing well, but higher tax rates and higher inflation are negatives. With the mixed UK picture, and concerns about the Eurozone, investor sentiment is likely to continue to fluctuate. The UK economy is in the midst of a double-dip recession having contracted in three out of the four last quarters. Although some rebound in activity is now expected, any recovery over the next twelve months is likely to be modest. Meanwhile, uncertainty over the future of the euro and the Eurozone, coupled with deteriorating prospects for growth in the US and the rest of the world are likely to continue to weigh heavily on investor, consumer and corporate confidence. As a result quoted stock markets are likely to remain volatile.

Such an environment will present both challenges and opportunities for the Company. Only well-managed and well-financed companies with robust business models will thrive or, indeed, survive. The Company has a strong cash position with which to support portfolio companies through a testing period where merited and will use the cash-rich acquisition companies to take advantage of attractive new investment opportunities that present themselves.

# Chairman's Statement

This is particularly important at a time that UK banks, despite government exhortations, are limiting, or even withdrawing funds from the smaller company sector.

Despite the difficult environment, the majority of companies in the portfolio continue to generate operating profits and several are reporting results ahead of their budget and prior year. However, the Investment Manager expects that there may be companies in our portfolio which will continue to find the economic climate challenging in the short term as the economy struggles to achieve positive growth.

The Investment Manager continues to investigate a number of investment opportunities at realistic purchase levels. The Board believes that the VCT's strategy of investing primarily in MBOs and structuring investments to include loan stock will continue to mitigate downside risk. This should contribute to enhancing the Company's performance and help to achieve the objective of attractive dividend payout levels.

As noted at the foot of the Investment Policy on page 8, your Board and Investment Manager are aware of recent changes to the VCT legislation which could affect future operations and policies. It is still too early to know, but the detail of these changes is still being assessed, and any resulting impact on the fund will be reported to shareholders.

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

Christopher Moore  
**Chairman**

26 September 2012

## 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), 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 year ended 31 January 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 24 – 35 and in Note 19 on pages 65 – 72 of the Annual Report and Accounts for the year ended 31 January 2012, copies of which are available on the Investment Manager's website, [www.mobeusequity.co.uk](http://www.mobeusequity.co.uk) or by going direct to the VCT's website, [www.migvct.co.uk](http://www.migvct.co.uk).

## 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.

## 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 65 – 72 of the Annual Report and Accounts for the year ended 31 January 2012. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the half-yearly report and annual financial statements.

## 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**

26 September 2012

# 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.

## UK companies

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

## VCT regulation

(Please note the changes to the VCT tax rules below)

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by 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).

70% of funds raised after 6 April 2011 must be invested 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 VCT.

## Impact of changes to the VCT tax rules on the VCT's investment policy

Changes to the VCT tax legislation, introduced with effect from 6 April 2012 as part of the Finance Act 2012, will impact on the Company's Investments Policy as follows:

- (1) The size of companies in which investment can be made has increased back to pre 6 April 2006 levels; companies can have gross assets of up to £15 million immediately before and £16 million immediately after the investment.
- (2) The maximum number of permitted employees for an investee company at the time of investment has been increased from fewer than 50 to fewer than 250 (this limit does not apply to VCT funds raised before 6 April 2007).
- (3) The £1 million limit on the amount of investment a VCT may make into a particular company within a tax year is to be abolished, except where that company trades in partnership or has a joint venture. A new rule requires that an investee company should not receive more than £5 million from State Aid sources, including VCTs, within any twelve month rolling period on the date of the VCT's investment.
- (4) It is no longer possible for the Manager to carry out certain types of MBO transactions using funds raised after 5 April 2012. The Company does not anticipate that this change will have a major impact on the Company's investment policy, for the foreseeable future.

# Investment Manager's Review

## Overview

The UK economy has exhibited little or no growth in real terms over the last twelve to eighteen months. Over these six months, we have continued our measured approach in assessing the opportunities that are emerging. We have rejected a number of prospective deals either on the grounds that they would not deliver forecast growth or because the required sale price was too high, but there are still a number of opportunities that we are progressing.

## The Portfolio

Against this difficult economic background, the performance of the majority of the companies in the portfolio has been encouraging. The Company's portfolio at 31 July 2012 comprised 36 investments with a cost of £22.5 million valued at £21.3 million. Overall, the portfolio has achieved realised and unrealised gains of £0.665 million (3.7% of the opening value) since the beginning of the year.

The portfolio has continued to perform solidly with a number of companies, particularly ATG Media and DiGiCo, showing good growth in profitability. In the case of ATG, this performance has been reflected in an uplift to this company's valuation. Inevitably, however, some companies, such as those exposed to the consumer and construction sectors, are finding trading more volatile and unpredictable. In February 2012, the Company made a follow-on investment of £5,275 in Sift. PXP also required a small follow-on investment, of £33,376, which was completed in June 2012.

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 in the six months covered by this report totalling £195,665 from Blaze Signs and Fullfield.

In May 2012, the Company realised its entire investment in Iglu.com Holidays, the specialist online ski-holiday and fast growing cruise-holiday travel agent, for a cash consideration of £1,278,073 through a sale to Growth Capital Partners. This realisation contributed to total cash proceeds of £2,222,323 to the Company over the two and a half year life of the investment, representing a 2.5 times return on the Company's original investment of £878k.

Our strategy is to retain and develop a portfolio of successful companies until they have reached the point judged optimal for a profitable realisation. In the meantime, the portfolio normally benefits from returns in the form of loan stock interest, dividends and loan repayments, during the period an investment is held.

In July 2012, the Company made an investment of £1,268,647 million to support the MBO of Tessella, an international provider of science-powered technology and consulting services. The Company used its existing investment of £1 million in the acquisition vehicle Sawrey to finance the transaction, along with a further £268,647 from the Company's cash reserves. Founded in 1980, this company delivers innovative and cost-effective solutions to complex real-world commercial and technical challenges including developing smarter drug trials; preserving the digital heritage of nations across the globe; minimising risk in oil and gas exploration; controlling the orbit and attitude of satellites; and researching fusion energy.

We are confident that the Operating Partner programme will continue to generate successful investments for the Company and accordingly four new £1m investments in acquisition vehicles have been made in the six-month period totalling £4 million. One of these, Sawrey Limited, has already been used following

the period-end to support the MBO of Tessella as set out above. The total amount invested in acquisition vehicles now stands at £6m. Each of these acquisition vehicles is headed by an experienced chairman, well-known to us, who is working closely with us in seeking to identify and complete investments in specific sectors relevant to their industry knowledge and experience.

We anticipate that the Operating Partner programme will lead to further new investments during the second half of 2012.

## Outlook

The difficult economic outlook and the volatility in the quoted markets will inevitably continue to have an impact on the unrealised valuations of the companies in the portfolio. However, we believe that the portfolio has the capability to deliver growth in value which will be released in the long term. Our strategy of investing primarily in MBOs and structuring investments to include loan stock will continue to mitigate downside risk. The Investment Manager is conscious of the need to ensure that investee companies take appropriate actions to respond to the challenging environment ahead.

Much uncertainty remains concerning the quality of the economic recovery and we remain vigilant about the potential impact on the portfolio and cautious when evaluating new opportunities.

## *Mobeus Equity Partners LLP*

26 September 2012

# Investment Portfolio Summary

## as at 31 July 2012

	Total cost at 31-Jul-12 £	Total valuation at 31-Jan-12 £	Total valuation at 31-Jul-12 £	% of equity held	% of portfolio by value
<b>Mobeus Equity Partners LLP</b>					
<b>ATG Media Holdings Limited</b> Publisher and on-line auction platform operator	888,993	1,854,802	2,238,285	8.50%	10.51%
<b>DiGiCo Global Limited</b> Designer and manufacturer of audio mixing desks	1,334,293	1,334,293	1,334,293	2.39%	6.27%
<b>Oval (2253) Limited, trading as Tessella Limited</b> Consultancy	1,268,647	–	1,268,647	5.44%	5.96%
<b>Ingleby (1879) Limited, trading as EMaC Limited</b> Provider of service plans for the motor trade	1,263,817	1,263,817	1,263,817	6.32%	5.94%
<b>CB Imports Group Limited</b> Importer and distributor of artificial flowers, floral sundries and home decor products	1,000,000	1,082,283	1,157,157	5.79%	5.44%
<b>Fullfield Limited (Motorclean Group)</b> Vehicle cleaning and valet services	1,110,096	1,195,488	1,149,890	8.75%	5.40%
<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%	4.69%
<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	–	1,000,000	12.50%	4.69%
<b>Culbone Trading Limited</b> Company looking to acquire businesses in the outsourced services sectors	1,000,000	–	1,000,000	12.50%	4.69%
<b>Fosse Management Limited</b> Company looking to acquire businesses in the brand management, consumer products and retail sectors	1,000,000	1,000,000	1,000,000	12.50%	4.69%
<b>Madacombe Trading Limited</b> Company looking to acquire businesses in the engineering services sectors	1,000,000	–	1,000,000	12.50%	4.69%
<b>Peddars Management Limited</b> Company looking to acquire businesses in the database management, data mapping and management services to legal and building industry sectors	1,000,000	1,000,000	1,000,000	12.50%	4.69%
<b>EOTH Limited</b> Branded outdoor equipment and clothing	951,471	951,471	951,471	1.71%	4.47%
<b>RDL Recruitment Limited (formerly RDL Corporation Limited)</b> Recruitment consultants for the pharmaceutical, business intelligence and IT industries	1,000,000	893,542	857,535	9.05%	4.03%
<b>ASL Technology Holdings Limited</b> Printer and photocopier services	1,257,133	1,154,217	847,539	6.78%	3.98%
<b>Focus Pharma Holdings Limited</b> Licensor and distributor of generic pharmaceuticals	605,837	686,743	763,367	3.10%	3.59%
<b>Blaze Signs Holdings Limited</b> Manufacturer and installer of signs	525,191	618,137	710,161	5.72%	3.34%
<b>Westway Services Holdings (2010) Limited (formerly MC440 Limited)</b> Installation, maintenance and servicing of air-conditioning systems	236,096	422,062	504,521	3.20%	2.37%
<b>Youngman Group Limited</b> Manufacturer of ladders and access towers	500,026	349,983	349,983	4.24%	1.64%
<b>British International Holdings Limited</b> Operator of helicopter services	295,455	323,360	295,455	2.50%	1.39%
<b>The Plastic Surgeon Holdings Limited</b> Snagging and finishing of domestic and commercial properties	458,837	225,654	259,879	6.88%	1.22%
<b>Omega Diagnostics plc</b> In-vitro diagnostics for food intolerance, autoimmune diseases and infectious diseases	199,998	174,998	233,331	1.96%	1.10%

	Total cost at 31-Jul-12 £	Total valuation at 31-Jan-12 £	Total valuation at 31-Jul-12 £	% of equity held	% of portfolio by value
<b>Machineworks Software Limited</b> Software for CAM and machine tool vendors	9,329	143,770	215,288	4.20%	1.01%
<b>Higher Nature Limited</b> Supplier of mineral, vitamin and food supplements	500,127	258,347	161,715	10.34%	0.76%
<b>Duncary 8 Limited (formerly Duncary 4/BG Consulting Limited)</b> Technical training business	126,995	124,465	131,540	5.10%	0.62%
<b>Faversham House Limited</b> Publisher, exhibition organiser and operator of web sites for the environmental, visual communications and building services sectors	346,488	290,720	129,747	6.26%	0.61%
<b>Racoon International Holdings Limited</b> Supplier of hair extensions, hair care products and training	406,805	94,621	93,425	5.70%	0.44%
<b>Monsal Holdings Limited</b> Supplier of engineering services to the water and waste sectors	699,444	63,431	63,431	6.14%	0.30%
<b>Vectair Holdings Limited</b> Designer and distributor of washroom products	24,732	59,357	57,179	2.14%	0.27%
<b>Lightworks Software Limited</b> Software for CAD vendors	9,329	52,810	39,655	4.20%	0.19%
<b>PXP Holdings Limited (Pinewood Structures)</b> Designer, manufacturer, supplier of timber-frames for buildings	712,925	–	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>IGLU.com Holidays Limited</b> Online ski and cruise travel agent	–	1,107,862	–	–	0.00%
<b>Letraset Limited</b> Manufacturer and distributor of graphic art products	–	80,070	–	–	0.00%
<b>Total</b>	<b>21,883,166</b>	<b>17,806,303</b>	<b>21,092,998</b>		<b>99.06%</b>
<b>Former Elderstreet Private Equity Limited Porfolio</b>					
<b>Cashfac Limited</b> Provider of virtual banking application software	260,101	104,906	121,950	2.88%	0.57%
<b>Sparesfinder Limited</b> Supplier of industrial spare parts on-line	250,854	53,625	73,708	1.70%	0.36%
<b>Sift Limited</b> Developer of business to business internet communities	135,391	6,523	2,135	1.28%	0.01%
<b>Total</b>	646,346	165,054	197,793		0.94%
<b>Investment Managers' totals</b>	<b>22,529,512</b>	<b>17,971,357</b>	<b>21,290,791</b>		<b>100.00%</b>

# Unaudited Income Statement

## for the six months ended 31 July 2012

	Notes	Six months ended 31 July 2012 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains on investments held at fair value	8	–	395,733	395,733
Realised gains on investments held at fair value	8	–	241,163	241,163
Income	2	494,501	–	494,501
Investment management expense	3	(95,343)	(286,029)	(381,372)
Other expenses		(199,969)	–	(199,969)
<b>Profit on ordinary activities before taxation</b>		199,189	350,867	550,056
Tax on profit on ordinary activities	4	(31,213)	31,213	–
<b>Profit attributable to equity shareholders</b>		<b>167,976</b>	<b>382,080</b>	<b>550,056</b>
<b>Basic and diluted earnings per Ordinary share</b>	5	<b>0.60p</b>	<b>1.38p</b>	<b>1.98p</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 17 – 21 form part of these Half-Yearly financial statements.

Six months ended 31 July 2011 (unaudited)			Year ended 31 January 2012 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
–	451,225	451,225	–	1,409,405	1,409,405
–	2,551	2,551	–	247,559	247,559
459,395	–	459,395	955,864	–	955,864
(81,573)	(244,718)	(326,291)	(166,809)	(500,427)	(667,236)
(155,917)	–	(155,917)	(302,318)	–	(302,318)
221,905	209,058	430,963	486,737	1,156,537	1,643,274
(13,716)	13,716	–	(56,430)	56,430	–
<b>208,189</b>	<b>222,774</b>	<b>430,963</b>	<b>430,307</b>	<b>1,212,967</b>	<b>1,643,274</b>
<b>0.86p</b>	<b>0.91p</b>	<b>1.77p</b>	<b>1.73p</b>	<b>4.89p</b>	<b>6.62p</b>

# Unaudited Balance Sheet

as at 31 July 2012

	Notes	As at 31 July 2012 (unaudited) £	As at 31 July 2011 (unaudited) £	As at 31 January 2012 (audited) £
<b>Fixed assets</b>				
Investments at fair value	8	21,290,791	19,001,346	17,971,357
<b>Current assets</b>				
Debtors and prepayments		143,343	191,511	200,080
Current investments	9	9,032,105	6,853,014	8,883,265
Cash at bank		2,852,298	2,460,293	2,511,010
		12,027,746	9,504,818	11,594,355
<b>Creditors: amounts falling due within one year</b>		(381,349)	(183,711)	(147,047)
<b>Net current assets</b>		11,646,397	9,321,107	11,447,308
<b>Net assets</b>		<b>32,937,188</b>	<b>28,322,453</b>	<b>29,418,665</b>
<b>Capital and reserves</b>	10			
Called up share capital		289,188	253,166	252,019
Share premium reserve		12,004,600	6,847,570	6,847,570
Capital redemption reserve		901,765	892,958	894,105
Revaluation reserve		696,873	1,273,536	1,204,972
Special distributable reserve		13,017,890	14,861,009	14,078,325
Profit and loss account		6,026,872	4,194,214	6,141,674
<b>Equity shareholders' funds</b>		<b>32,937,188</b>	<b>28,322,453</b>	<b>29,418,665</b>
<b>Net asset value per Ordinary Share</b>	7	<b>113.90p</b>	<b>111.87p</b>	<b>116.73p</b>

The notes on pages 17 – 21 form part of these Half-Yearly financial statements.

# Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 July 2012

	Notes	Six months ended 31 July 2012 (unaudited) £	Six months ended 31 July 2011 (unaudited) £	Year ended 31 January 2012 (audited) £
<b>Opening Shareholders' funds</b>		29,418,665	25,345,179	25,345,179
Net share capital subscribed		5,201,859	3,464,121	3,464,121
Net share capital bought back		(780,873)	(163,990)	(280,089)
Profit for the period before dividends		550,056	430,963	1,643,274
Dividends paid in period	6	(1,452,519)	(753,820)	(753,820)
<b>Closing shareholders' funds</b>		<b>32,937,188</b>	<b>28,322,453</b>	<b>29,418,665</b>

The notes on pages 17 – 21 form part of these Half-Yearly financial statements.

# Unaudited Summarised Cash Flow Statement

## for the six months ended 31 July 2012

	Six months ended 31 July 2012 (unaudited) £	Six months ended 31 July 2011 (unaudited) £	Year ended 31 January 2012 (audited) £
Interest income received	497,491	263,398	609,497
Dividend income	64,965	128,616	264,438
VAT paid to Investment managers	–	(15,287)	(15,287)
Investment management fees paid	(381,371)	(326,080)	(667,235)
Cash payments for other expenses	(231,812)	(131,059)	(299,720)
<b>Net cash outflow from operating activities</b>	<b>(50,727)</b>	<b>(80,412)</b>	<b>(108,307)</b>
<b>Investing activities</b>			
Sale of investments	1,632,865	1,085,668	7,549,563
Purchase of investments	(4,307,298)	(732,348)	(4,971,171)
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(2,674,433)</b>	<b>353,320</b>	<b>2,578,392</b>
<b>Cash (outflow)/inflow before financing and liquid resource management</b>	<b>(2,725,160)</b>	<b>272,908</b>	<b>2,470,085</b>
<b>Dividends</b>			
Equity dividends paid	(1,452,519)	(753,820)	(753,820)
<b>Financing</b>			
Share capital subscribed	5,201,859	5,297,186	5,297,186
Purchase of own shares	(534,052)	(208,872)	(325,081)
<b>Cash inflow from financing</b>	<b>4,667,807</b>	<b>5,027,013</b>	<b>4,910,804</b>
<b>Management of liquid resources</b>			
Increase in monies held in money market fund	(148,840)	(3,208,273)	(5,238,524)
<b>Increase in cash</b>	<b>341,288</b>	<b>1,399,129</b>	<b>1,449,846</b>
<b>Reconciliation of net cash inflow to movement in net funds</b>			
Increase in cash for the period	341,288	1,399,129	1,449,846
Net funds at the start of the period	2,511,010	1,061,164	1,061,164
<b>Net funds at the end of the period</b>	<b>2,852,298</b>	<b>2,460,293</b>	<b>2,511,010</b>

### Reconciliation of profit on ordinary activities before taxation to net cash outflow from operating activities for the six months ended 31 July 2012

	Six months ended 31 July 2012 (unaudited) £	Six months ended 31 July 2011 (unaudited) £	Year ended 31 January 2012 (audited) £
Profit on ordinary activities before taxation	550,056	430,963	1,643,274
Net unrealised gains on investments	(395,733)	(451,225)	(247,559)
Net gains on realisations of investments	(241,163)	(2,551)	(1,409,405)
Decrease/(increase) in debtors	48,632	(76,511)	(76,975)
(Decrease)/increase in creditors	(12,519)	18,912	(17,642)
<b>Net cash outflow from operating activities</b>	<b>(50,727)</b>	<b>(80,412)</b>	<b>(108,307)</b>

The notes on pages 17 – 21 form part of these Half-Yearly financial statements.

# Notes to the Unaudited Financial Statements

## 1. Principal accounting policies

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

### a) Basis of accounting

The unaudited results cover the six months to 31 July 2012 and have been prepared under UK Generally Accepted Accounting Practice (UK GAAP), consistent with the accounting policies set out in the statutory accounts for the year ended 31 January 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.

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

### b) Presentation of the Income Statement

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

### c) Investments

All investments held by the Company are classified as "fair value through profit and loss", in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines, as 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. Purchases 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 IPEVCV 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 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 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 31 July 2012 (unaudited) £	Six months ended 31 July 2011 (unaudited) £	Year ended 31 January 2012 (audited) £
<b>Income from investments</b>			
Dividends	43,123	156,589	206,966
Money-market funds	21,917	22,240	45,637
Loan stock interest	409,184	270,851	677,597
Bank deposits interest	20,277	9,715	25,664
<b>Total Income</b>	<b>494,501</b>	<b>459,395</b>	<b>955,864</b>

## 3. Investment management expense

In accordance with the policy statement published under "Management and Administration" in the Company's prospectus dated 8th February 1999, the Directors have charged 75% of the investment management expense 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 and diluted 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 31 July 2012 (unaudited) £	Six months ended 31 July 2011 (unaudited) £	Year ended 31 January 2012 (audited) £
i) Total earnings after taxation	550,056	430,963	1,643,274
<b>Basic and diluted earnings per Ordinary share (pence)</b>	<b>1.98p</b>	<b>1.77p</b>	<b>6.62p</b>
ii) Revenue earnings from ordinary activities after taxation	167,976	208,189	430,307
<b>Basic and diluted revenue earnings per Ordinary share (pence)</b>	<b>0.60p</b>	<b>0.86p</b>	<b>1.73p</b>
Net unrealised capital gains	395,733	451,225	1,409,405
Net realised capital gains	241,163	2,551	247,559
Capital expenses net of taxation	(254,816)	(231,002)	(443,997)
iii) Capital return	382,080	222,774	1,212,967
<b>Basic and diluted capital earnings per Ordinary share (pence)</b>	<b>1.38p</b>	<b>0.91p</b>	<b>4.89p</b>
iv) Weighted average number of shares in issue in the period	<b>27,809,710</b>	<b>24,337,457</b>	<b>24,804,482</b>

## 6. Dividends paid

	Six months ended 31 July 2012 (unaudited) £	Six months ended 31 July 2011 (unaudited) £	Year ended 31 January 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	–	–
Interim capital dividend paid for year ended 31 January 2012 of 3.5p per Ordinary Share paid 6 June 2012	1,016,763	–	–
Final income dividend paid for year ended 31 January 2011 of 0.4p per Ordinary Share paid 24 June 2011	–	100,509	100,509
Final capital dividend paid for year ended 31 January 2011 of 2.6p per Ordinary Share paid 24 June 2011	–	653,311	653,311
	<b>1,452,519*</b>	<b>753,820*</b>	<b>753,820*</b>

\*- Of these amounts £164,417 (31 July 2011: £61,301; 31 January 2012; £61,301) was re-invested in new shares, issued as part of the DRIS scheme.

## 7. Net asset value per Ordinary share

	As at 31 July 2012 (unaudited) £	As at 31 July 2011 (unaudited) £	As at 31 January 2012 (audited) £
Net assets	32,937,188	28,322,453	29,418,665
Number of shares in issue	28,918,840	25,316,557	25,201,906
<b>Net asset value per share (pence)</b>	<b>113.90p</b>	<b>111.87p</b>	<b>116.73p</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 1 January 2012	174,998	5,687,375	17,204	12,091,780	17,971,357
Purchases at cost	–	1,638,651	–	2,668,647	4,307,298
Reclassification at value	–	(187,955)	–	187,955	–
Sales - proceeds	–	(1,435,586)	(2,042)	(214,984)	(1,652,612)
- realised gains	–	249,696	–	19,319	269,015
Unrealised gains/(losses)	58,333	415,736	(1,250)	(77,086)	395,733
<b>Valuation at 31 July 2012</b>	<b>233,331</b>	<b>6,367,917</b>	<b>13,912</b>	<b>14,675,631</b>	<b>21,290,791</b>
Book cost at 31 July 2012	199,998	7,689,195	23,113	14,617,206	22,529,512
Unrealised gains/(losses) at 31 July 2012	33,333	(1,001,959)	(8,133)	341,730	(635,029)
Permanent impairment of investments	–	(319,319)	(1,068)	(283,305)	(603,692)
<b>Valuation at 31 July 2012</b>	<b>233,331</b>	<b>6,367,917</b>	<b>13,912</b>	<b>14,675,631</b>	<b>21,290,791</b>
Gains on investments	–	1,153,839	–	19,007	1,172,846
Less amounts recognised as unrealised (gains)/losses in previous years	–	(904,143)	–	312	(903,831)
<b>Realised gains based on carrying value at 31 January 2012</b>	<b>–</b>	<b>249,696</b>	<b>–</b>	<b>19,319</b>	<b>269,015</b>
Net movement in unrealised appreciation/(depreciation) in the period	58,333	415,736	(1,250)	(77,086)	395,733
<b>Gains/(losses) on investments for the period ended 31 July 2012</b>	<b>58,333</b>	<b>665,432</b>	<b>(1,250)</b>	<b>(57,767)</b>	<b>664,748</b>

Transaction costs of £27,852 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 £241,163 of gains as shown in the Income Statement.

Proceeds above of £1,652,612 differ from the Cash Flow Statement figure of £1,632,865 by £19,747. £27,852 of this relates to transaction costs and £8,105 relates to an amount receivable at 31 January 2012 which was received during the period.

## 9. Current Investments at fair value

These comprise investments in 5 Dublin based OEIC money market funds managed by Royal Bank of Scotland, Blackrock Investment Management (UK) Ltd, Goldman Sachs, Scottish Widows Investment Management and Fidelity Investment Management and one UK based fund managed by Federated Prime Rate Capital Management.

£9,032,105 (31 July 2011: £6,842,545, 31 January 2012: £8,883,265) of this sum is subject to same day access, whilst £nil (31 July 2011: £10,469, 31 January 2012: £nil) is subject to 2 day access.

## 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 February 2012	252,019	6,847,570	894,105	1,204,972	14,078,325	6,141,674	29,418,665
Shares issued via Linked Offer for Subscription	43,201	4,994,241	–	–	–	–	5,037,442
Dividends re-invested into new shares	1,628	162,789	–	–	–	–	164,417
Shares bought back	(7,660)	–	7,660	–	(780,873)	–	(780,873)
Profit for the period	–	–	–	395,733	–	154,323	550,056
Realised losses transferred to special reserve	–	–	–	–	(279,562)	279,562	–
Realisation of previously unrealised appreciation	–	–	–	(903,832)	–	903,832	–
Dividend – final paid for year ended 31 January 2012	–	–	–	–	–	(1,452,519)	(1,452,519)
<b>At 31 July 2012</b>	<b>289,188</b>	<b>12,004,600</b>	<b>901,765</b>	<b>696,873</b>	<b>13,017,890</b>	<b>6,026,872</b>	<b>32,937,188</b>

During the six months to 31 July 2012, the Company issued 4,320,141 new ordinary shares at an average price of 123.17 pence per share under the Linked Offer for Subscription launched on 20 January 2012.

11. The financial information for the period ended 31 July 2012 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 January 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.
12. 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 as at 31 July 2012      100.90 pence<sup>1</sup>  
 NAV per share as at 31 July 2012      113.90 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 31 July 2012. 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 January 2012 (NAV basis) (p)
<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>	26.70	<b>127.60</b>	140.60	1.59%
<b>Funds raised 2006/07</b>						
<b>(launched 2 November 2006)</b>						
01 February 2007	118.58	<b>83.01</b>	16.00	<b>116.90</b>	129.90	1.72%
19 February 2007	118.58	<b>83.01</b>	16.00	<b>116.90</b>	129.90	1.72%
05 March 2007	121.18	<b>84.83</b>	16.00	<b>116.90</b>	129.90	1.72%
19 March 2007	121.18	<b>84.83</b>	16.00	<b>116.90</b>	129.90	1.72%
02 April 2007	121.18	<b>84.83</b>	16.00	<b>116.90</b>	129.90	1.72%
04 April 2007	121.18	<b>84.83</b>	16.00	<b>116.90</b>	129.90	1.72%
05 April 2007	121.18	<b>84.83</b>	16.00	<b>116.90</b>	129.90	1.72%
<b>Funds raised 2010 Top Up Offer</b>						
<b>(launched 20 January 2010)</b>						
31 March 2010	112.40	<b>78.68</b>	11.00	<b>111.90</b>	124.90	1.79%
01 April 2010	112.40	<b>78.68</b>	11.00	<b>111.90</b>	124.90	1.79%
<b>Funds raised 2011</b>						
<b>(launched 12 November 2010)</b>						
21 January 2011	121.80	<b>85.26</b>	8.00	<b>108.90</b>	121.90	1.83%
28 February 2011	121.80	<b>85.26</b>	8.00	<b>108.90</b>	121.90	1.83%
22 March 2011	121.80	<b>85.26</b>	8.00	<b>108.90</b>	121.90	1.83%
01 April 2011	121.80	<b>85.26</b>	8.00	<b>108.90</b>	121.90	1.83%
05 April 2011	121.80	<b>85.26</b>	8.00	<b>108.90</b>	121.90	1.83%
10 May 2011	119.50	<b>83.65</b>	8.00	<b>108.90</b>	121.90	1.83%
06 July 2011	119.50	<b>83.65</b>	5.00	<b>105.90</b>	118.90	1.88%
<b>Funds raised 2012</b>						
<b>(launched 20 January 2012)</b>						
08 March 2012	123.50	<b>86.45</b>	5.00	<b>105.90</b>	118.90	–
04 April 2012	123.50	<b>86.45</b>	5.00	<b>105.90</b>	118.90	–
05 April 2012	123.50	<b>86.45</b>	5.00	<b>105.90</b>	118.90	–
10 May 2012	123.50	<b>86.45</b>	5.00	<b>105.90</b>	118.90	–
10 July 2012	119.10	<b>83.37</b>	–	<b>100.90</b>	113.90	–

<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.

# Cumulative dividends paid

	Funds raised 1998/99 (p)	Funds raised 2006/07 (p)	Funds raised 2010 – Top up (p)	Funds raised 2011 (p)	Funds raised 2012 (p)
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				
07 June 2006	0.50				
08 June 2005	0.20				
09 June 2004	0.50				
29 May 2003	0.50				
17 June 2002	1.00				
16 July 2001	3.10				
30 June 2000	3.10				
	<b>26.70</b>	<b>16.00</b>	<b>11.00</b>	<b>8.00</b>	<b>5.00</b>

## Historical Performance data (Original fundraising in 1999)

The table below shows the historical performance of the original funds raised in 1999.

	Net assets 1998/99  (£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 31 July 2012</b>	<b>32.9</b>	<b>113.9</b>	<b>140.6</b>	<b>100.9</b>	<b>127.6</b>
As at 31 January 2012	29.4	116.7	138.4	100.0	121.7
As at 31 July 2011	28.3	111.9	133.6	101.8	123.5
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.

# Corporate Information

## Directors (Non-executive)

Christopher Moore (Chairman)  
Andrew Robson  
Helen Sinclair

## Secretary

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