

# Mobeus Income & Growth 4 VCT plc

A VENTURE CAPITAL TRUST

**Unaudited Half-Yearly Report**  
for the six months ended 30 June 2015

**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 2015

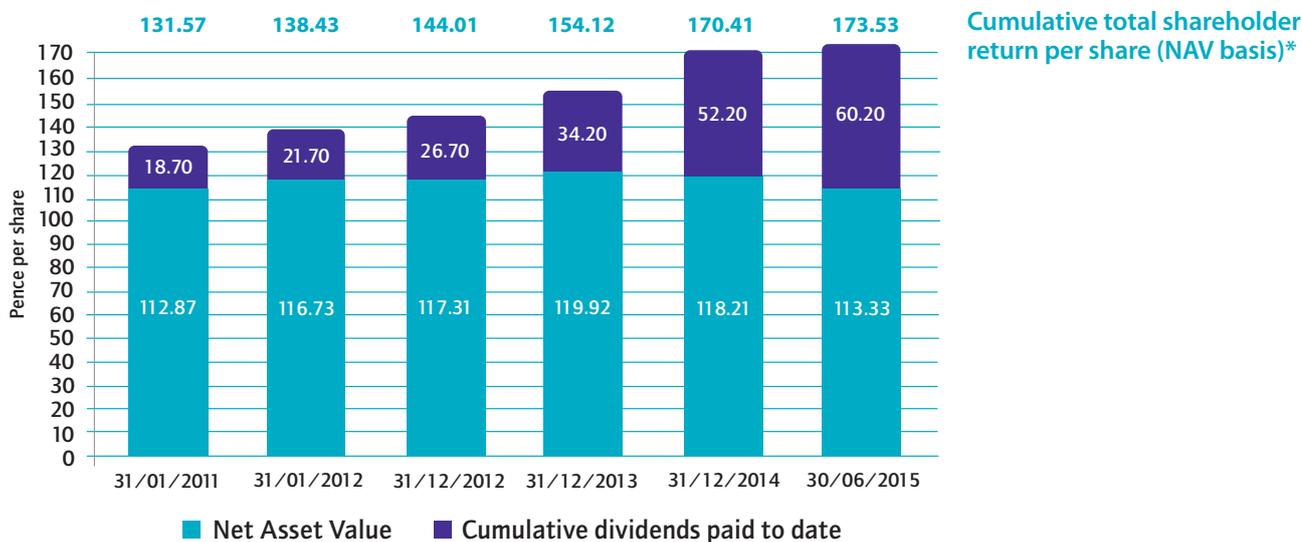
-  Net asset value (NAV) total return per share for the half-year was 2.6%.
-  Shareholders received a second interim dividend in respect of the year ended 31 December 2014 of 8.00 pence per share on 6 May 2015.
-  The Company has declared an interim dividend of 2.00 pence per share, payable on 25 September 2015 to shareholders on the register on 21 August 2015, bringing total cumulative dividends paid to shareholders since inception to 62.20 pence per share.
-  Two new and three follow-on investments totalling £5.09 million have been made during the period.

Note: The above data does not reflect the benefit of income tax relief.

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

The net asset value (NAV) per share as at 30 June 2015 was 113.33 pence.

The longer term trend of performance on this measure is shown in the chart below:-



\* Cumulative NAV total shareholder return is net asset value plus cumulative dividends paid since 1999 to date.

The chart above shows the recent past performance of the original funds raised in 1999. The original subscription price in 1999 was equivalent to 200p per share before the benefit of income tax relief. Subsequent subscription prices from subsequent fundraisings and historic performance data from 2008 are available on the Company's website.

# 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 2015.

Shareholders may have noted that the recently announced summer budget 2015 statement has set out a number of new rules which, if implemented as currently stated, will change the Company's future investment strategy. For further information please see Industry Developments below.

The full impact of these new rules is being carefully evaluated by your Board, the Mobeus team and by advisers. Shareholders will be fully informed of our conclusions.

## Performance

The NAV per share as at 30 June 2015 was 113.33 pence compared with the NAV per share of 118.21 pence as at 31 December 2014.

The Company's total return (NAV basis) to shareholders for the half-year was 2.6% (2014: 8.6%), after taking into consideration the second interim dividend of 8.00 pence per share for the year ended 31 December 2014, which was paid on 6 May 2015.

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 is available on the Company's website.

## Interim dividend

The Board is declaring an interim dividend of 2.00 pence per share (comprising 1.00 pence from capital and 1.00 pence from income) which will be paid on 25 September 2015 to Shareholders on the Register on 21 August 2015. This payment will bring cumulative dividends paid per share since launch to 62.20 pence.

## Investment portfolio

The investment portfolio recorded a gain of £1.53 million during the first half of the year (6.1% of the 1 January, 2015 value) and was valued at £40.72 million at the period-end. The portfolio has continued to perform well.

2014 was an exceptional year for realisations from the portfolio. The rate of realisation has slowed down this year, although the one sale, of Higher Nature, has enabled exit from one of our oldest investments that has not met expectations, at a total return just above cost. However, good cash generation at a number of portfolio companies, including new investments Jablite and Ward Thomas, has contributed to a total of £0.92 million in partial loan stock prepayments that has been received from six companies including Jablite, Tessella and Ward Thomas.

New investment activity has continued at the strong levels of last year. A total of £5.09 million was invested during the period in five transactions. In January 2015, £2.72 million was invested into Media Business Insight ("MBI"), a publishing and events business which focuses on the creative production industries. In April 2015, £1.12 million was invested into Jablite, the UK's largest domestic manufacturer of Expanded Polystyrene ("EPS") products. Jablite has had a promising start as a portfolio company, very quickly returning cash of £0.68 million following a particularly strong initial period of cash generation. Three follow-on investments, totalling £1.25 million, were made into existing portfolio companies, namely Entanet, CGI Creative Graphics International and Racoon. In addition, further sums were invested into a number of acquisition vehicles shortly before the end of the 2014/15 tax year, one of which was utilised for the transaction into Jablite.

Shortly after the period-end, a new investment of £0.90 million was made in Tushingham Sails, a leading supplier of stand up paddleboards.

Further details of all these transactions can be found in the Investment Review on pages 5 to 7 of this Half-Yearly Report.

## Revenue account

The net revenue return for the period fell by £0.33 million from £0.95 million at 30 June 2014, to £0.62 million for this half-year. Income during the period has fallen by £0.28 million, primarily due to a number of one-off interest arrears receipts from realised investments in the previous period not being repeated, resulting in a fall in loan stock interest of £0.06 million. Dividend income also fell by £0.20 million to £0.05 million, due

similarly to a number of preference dividends on investments subsequently realised being received last year, but not repeated.

Running costs rose as Investment Adviser fees charged to revenue rose by £0.02 million due to rising net assets. Other costs have remained static over the period, but the revenue tax charge has risen by £0.03 million.

## Fundraising

The Company successfully raised the full £6 million sought under its 2014/15 Offer, which closed earlier than planned on 18 February 2015. Recent fundraisings have taken the Company to an economic size, contributing to lower cost ratios and greater diversification. The Board will reserve a decision in respect of further fundraising until later in 2015.

## Liquidity

The recent fundraisings and realisations in 2014 have resulted in a relatively high level of liquidity of £13.89 million as at 30 June 2015.

The Company continues to hold £6.53 million in a selection of money market funds with AAA credit ratings at 30 June 2015. The balance of cash and current asset investments of £7.36 million is held in deposit accounts with a number of well-known financial institutions across a range of maturities. Current returns from both categories of liquidity balances are poor, but the Board anticipates that returns will increase when UK interest rates start to rise. Alternative ways of prudently investing cash continue to be sought, although the risk of a loss of capital remains the overriding consideration. In addition, the Company holds a number of acquisition vehicles, which themselves hold cash or cash equivalents pending using those funds to acquire suitable business opportunities.

## Investment in qualifying holdings

The Company is required to meet the threshold 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 8 to 10) throughout the period. The balance of the portfolio was invested in non-qualifying investments and cash.

## Share buybacks

During the six months ended 30 June 2015, the Company bought back 168,443 of its own shares, representing 0.4% of the issued share capital at the beginning of the period, at an average price, including costs, of 100.17 pence per share, representing an approximate discount of 10% to the net asset value per share then prevailing.

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 price per share at which the shares are bought back and cancelled.

## Industry Developments

The Budget in March this year announced that some further amendments would be introduced to the VCT legislation, most of which were specifically aimed at enabling the scheme to gain continued approval under the European Commission's State Aid guidelines. These changes were not enacted in the truncated Finance Act passed prior to the General Election, but were proposed for a Finance Bill later in 2015.

The Summer Budget 2015 has proposed additional new rules to prevent VCT investment being used to acquire existing shares or the principal trade assets of businesses. It is expected that VCTs will no longer be permitted to finance management buyouts ("MBOs"). The key aspects of the proposed new rules are as follows:

- Introducing an 'age of company' restriction of a maximum of 7 years at the time of first investment;
- Introducing a lifetime investment limit of £12 million; and
- Prohibiting VCT investment to finance acquisitions (as mentioned above).

The proposals remain subject to approval by the European Commission so the date when these proposals become legislation is uncertain, but currently the new rules are expected to apply to investments made by VCTs from October 2015. The precise details and implications for the VCT's future investment programme will only be fully clear once the legislation is enacted. However, in the longer term, the Investment Adviser does anticipate a

reduction in the range of companies that the VCT could consider as potential investments, together with changes in the Company's investment strategy. In the meantime, the Investment Adviser, along with others in the industry, is in discussions with HM Treasury about the restrictive nature of the proposed new rules, the impact on smaller company funding, and the way in which these changes are being introduced.

## Dividend Investment Scheme

The Company's 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.

Shareholders who already participate, or are considering whether to participate, in the Scheme should be aware of the current uncertainties around the Company's future investment activities created by the regulatory changes proposed in the Summer Budget, as referred to above. Shareholders may wish to defer or suspend their participation until the new rules have been enacted and the implications of these changes are clearer.

The current uncertainties created by these proposed changes represents a heightened risk, bearing in mind the associated five year holding period required to secure income tax relief when new shares are allotted under the Scheme. If you are in any doubt about whether to participate in the Scheme or not, you should consult your financial adviser.

Shareholders wishing to join or leave the Scheme should submit a mandate form, if joining, or submit a written instruction requesting to leave the Scheme, to Capita Asset Services, the Scheme Administrator, by no later than 10 September 2015. Further information on the Scheme, including details of where to obtain an application form, can be found on the Company's website.

## Shareholder Communications

The Investment Adviser holds an annual VCT event for shareholders in central London. Each event includes a presentation on the Mobeus VCTs' investment activity and performance. After the successful event held in January 2015, the next workshop is to be held on

26 January 2016. An invitation to this event is enclosed with this Half-Yearly Report.

## Outlook

Confidence in prospects for the UK economy is growing and the Investment Adviser's deal flow is strong. The investment focus is on building the portfolio, both by making new and follow-on investments.

As stated above, the Summer Budget measures mean that there are uncertainties around the Company's future investment activities. Your Board is carefully considering these matters and will advise shareholders in due course.

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

## Christopher Moore

*Chairman*

11 August 2015

# 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.

Note: In the light of the proposed regulatory developments referred to in the Chairman's Statement, this policy may need to be reviewed, amending some aspects of the policy, once the details of the legislation are finalised, published and understood.

# 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

Investments remain spread across a number of sectors, primarily in support services, general retailers, media and fixed line telecommunications.

## New investment

A total of £5.09 million was invested during the six months under review. This included substantial new investments to support the MBOs of Media Business Insight and Jablite and three follow-on investments.

## Principal new investments in the half-year

	Company	Business	Date of investment	Amount of new investment (£m)
	Media Business Insight	Events and publishing	January 2015	2.72*

Media Business Insight is a publishing and events business focused on the creative production industries, specifically advertising, TV production and film. Based in Shoreditch, East London, the company comprises four distinct brands. The investment represented an attractive opportunity to invest in a sector-leading company underpinned by strong recurring revenues from subscriptions and events. The company's latest audited accounts for the period ended 31 December 2013 show annual sales of £8.24 million and profit before interest, tax and amortisation of goodwill of £1.06 million.

\* A further £1.14 million was invested into South West Services Investment Limited ("SWSI") adding to its earlier investment of £0.91 million. This enabled SWSI to acquire Media Business Insight Limited ("MBI"). The Company has also advanced a non-qualifying loan of £0.67 million to MBI. SWSI subsequently changed its name to Media Business Insight Holdings Limited.

	Jablite	Expanded polystyrene products	April 2015	1.12*
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Jablite is the UK's largest domestic manufacturer of Expanded Polystyrene ("EPS") products operating under two divisions; manufacturing packaging (Styropak) and construction (Jablite) products. The business was bought out from its Dutch parent and operates from five production sites in the UK. For the year ended 31 December 2013, Jablite Limited and Styropak (UK) Limited, generated annual sales of £27.43 million and £15.33 million respectively and profit/(loss) before interest, tax and amortisation of goodwill of £0.66 million and £(0.001) million respectively.

\* £1.12 million was invested into the acquisition vehicle Duncary 16 on 2 April 2015. This enabled Duncary 16 to acquire Jablite on 23 April 2015. Duncary 16 has subsequently changed its name to Jablite Holdings Limited.

The VCT also invested a further £11.26 million into a number of new acquisition vehicles in the period.

# Investment Review

## Further investments into existing portfolio companies in the half-year

	Company	Business	Date of investment	Amount of new investment (£m)
	Racoon International	Hair extension, hair care products and training	January 2015	0.06

Racoon International is a premier supplier of ethically sourced hair for hair extensions, based in Warwickshire. A small further investment was made with the expectation that this, together with the appointment of a successful sales-orientated Mobeus operating partner to the management team of the business, will add value to a previously unsuccessful investment. Racoon has a £1.94 million turnover and has generated profit before interest, tax and amortisation of goodwill in the year ended 31 March 2014 of £0.09 million.

	Entanet	Wholesale provider of internet connectivity solutions	February 2015	0.80
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Entanet is one of the UK's leading independent wholesale voice and data communications providers based in Telford. The VCT made a further loan stock investment in February 2015 as negotiated at the time of the original investment in February 2014. Entanet had a turnover of £25.75 million and generated a profit before interest, tax and amortisation of goodwill of £1.82 million during the eleven months to 31 December 2014.

	CGI	Producer of adhesive decorative graphics for vehicles	June 2015	0.39
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CGI Creative Graphics 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 Cape Town, South Africa. The Company's latest audited accounts for the year ended 30 November 2012 show annual sales of £12.64 million and profits before interest, tax and amortisation of goodwill of £2.49 million.

## Further investment after the period-end

	Company	Business	Date of investment	Amount of new investment (£m)
	Tushingham Sails	Supplier of watersports equipment	July 2015	0.90*

Until 2009, Tushingham Sails Limited ("TSL") had been a niche business operating in the watersports market for nearly 40 years, primarily as a supplier of sails to the UK windsurfing market. TSL's design capabilities and market knowledge led it to enter the new watersport of Stand Up Paddleboarding ("SUP"), where it has created its own dynamic fast-growing brand called Red Paddle. It currently has an 18% worldwide market share of inflatable SUP sales and 8% worldwide market share of all hard board and inflatable SUP sales. For the year ended 28 February 2015, the business generated adjusted profit before interest, tax and amortisation of goodwill of £1.08 million on sales of £7.54 million.

\* £0.90 million held in Vian Marketing, an acquisition vehicle, was used to acquire Tushingham Sails Limited. This resulted in a net repayment to the Company of £0.23 million.

The VCT made a further investment of £1.10 million into an existing acquisition vehicle, Manufacturing Services Investment Limited, in July 2015.

## Realisations

The number and value of realisations this year has not repeated those of 2014, which were at exceptional levels. There was a modest realisation of one long standing investment, in Higher Nature Limited, during the period under review. The transaction provided £0.30 million in cash for the Company compared to a valuation as at 31 March 2015 of £0.16 million. Further sundry realisations from previous sales totalled £0.04 million.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	Higher Nature	Distributor of vitamins and natural medicines	Nov 1999 – June 2015	£1.26 million 1.12 X cost

Higher Nature is a mail order distributor of vitamins and natural medicines and was one of the VCT's oldest investments. The sale was to the existing management and its realisation delivered £0.30 million for shareholders. Cash proceeds from the investment totalled £1.26 million, compared to a total investment cost of £1.13 million providing a return of 1.12 x cost.

## Loan stock repayments

In addition to the realisation above, loan stock repayments totalled £0.92 million for the half-year. These proceeds are summarised below:-

Company	Business	Month	Amount £000's
Jablite	Expanded polystyrene products	May and June 2015	454
Motorclean	Vehicle cleaning and valeting services	February – April 2015	171
Leap New Co (Ward Thomas)	Logistics, storage and removals business	May and June 2015	122
Tharstern	Software based management information systems	March 2015	83
Aussie Man & Van	Domestic removals and storage	May and June 2015	51
Tessella	Provider of science powered technology and consulting services	Quarterly	36
		<b>Total</b>	<b>917</b>

## Mobeus Equity Partners LLP

Investment Adviser  
11 August 2015

# Investment Portfolio Summary

## at 30 June 2015

	Total cost at 30 June 2015 £	Total valuation at 31 December 2014 £	Total valuation at 30 June 2015 £	% of equity held	% of portfolio by value
<b>Mobeus Equity Partners LLP</b>					
<b>Entanet Holdings Limited</b> Wholesale communications provider	2,167,662	2,335,499	3,233,195	9.6%	7.9%
<b>Media Business Insight Holdings Limited (formerly South West Services Investment Limited)<sup>1</sup></b> A publishing and events business focused on the creative production industries	2,722,760	908,000	2,722,760	15.7%	6.7%
<b>Virgin Wines Holding Company Limited</b> Online wine retailer	1,930,813	2,031,795	2,225,088	9.7%	5.5%
<b>ASL Technology Holdings Limited</b> Printer and photocopier services	1,933,591	2,192,099	2,219,015	9.5%	5.5%
<b>Veritek Global Holdings Limited</b> Maintenance of imaging equipment	1,620,086	1,628,647	2,114,575	10.3%	5.2%
<b>Tessella Holdings Limited</b> Consultancy services	1,041,107	1,432,880	1,963,960	5.4%	4.8%
<b>CGI Creative Graphics International Limited</b> Vinyl graphics to global automotive, recreation vehicle and aerospace markets	1,449,746	1,060,269	1,646,818	6.3%	4.0%
<b>Tharstern Group Limited</b> MIS & Commercial print software solutions	1,091,886	1,149,811	1,468,817	12.2%	3.6%
<b>Turner TopCo Limited (trading as ATG Media)</b> Publisher and online auction platform operator	1,529,075	1,539,830	1,250,061	3.8%	3.1%
<b>EOTH Limited (trading as Equip Outdoor Technologies)</b> Branded outdoor equipment and clothing	951,471	1,034,433	1,153,921	1.7%	2.8%
<b>Backhouse Management Limited</b> Company seeking to acquire a business in the motor sector	1,134,000	–	1,134,000	11.3%	2.8%
<b>Barham Consulting Limited</b> Company seeking to acquire a business in the catering sector	1,134,000	–	1,134,000	11.3%	2.8%
<b>Chatfield Services Limited</b> Company seeking to acquire a business in the retail sector	1,134,000	–	1,134,000	11.3%	2.8%
<b>Creasy Marketing Services Limited</b> Company seeking to acquire a business in the textile sector	1,134,000	–	1,134,000	11.3%	2.8%
<b>McGrigor Management Limited</b> Company seeking to acquire a business in the pharmaceutical sector	1,134,000	–	1,134,000	11.3%	2.8%
<b>Pound FM Consultants Limited</b> Company seeking to acquire a business in the construction sector	1,134,000	–	1,134,000	11.3%	2.8%
<b>Tovey Management Limited</b> Company seeking to acquire a business in the support services sector	1,134,000	–	1,134,000	11.3%	2.8%
<b>Vian Marketing Limited</b> Acquisition vehicle used to support the investment into Tushingam Sails after the period-end	1,134,000	–	1,134,000	11.3%	2.8%
<b>Fullfield Limited (trading as Motorclean)</b> Vehicle cleaning and valet services	1,366,272	1,630,299	1,116,343	9.8%	2.7%
<b>Hollydale Management Limited</b> Company seeking to acquire a business in the food industry	1,095,500	–	1,095,500	11.0%	2.7%
<b>Knighton Management Limited</b> Company seeking to acquire a business in the engineering sector	1,095,500	–	1,095,500	11.0%	2.7%
<b>Leap New Co Limited (trading as Ward Thomas Removals and Bishopsgate)</b> A specialist logistics, storage and removals business	1,052,761	1,175,000	1,052,761	6.2%	2.6%

	Total cost at 30 June 2015 £	Total valuation at 31 December 2014 £	Total valuation at 30 June 2015 £	% of equity held	% of portfolio by value
<b>Gro-Group Holdings Limited</b> Baby sleep products	1,577,977	1,428,543	951,655	8.4%	2.3%
<b>Manufacturing Services Investment Limited</b> Company seeking to acquire businesses in the manufacturing sector	912,800	912,800	912,800	11.4%	2.2%
<b>Westway Services Holdings (2014) Limited</b> Installation, service and maintenance of air conditioning systems	38,778	836,941	874,168	3.8%	2.2%
<b>Bourn Bioscience Limited</b> Bourn Hall In-vitro fertilisation clinics	1,132,521	856,920	869,796	7.7%	2.1%
<b>Jablite Holdings Limited (formerly Duncary 16 Limited)</b> Manufacturer of expanded polystyrene products	794,495	–	794,495	9.1%	2.0%
<b>Plastic Surgeon Holdings Limited</b> Snagging and finishing of domestic and commercial properties	458,935	570,655	635,886	8.6%	1.6%
<b>RDL Corporation Limited</b> Recruitment consultants within the pharmaceutical, business intelligence and IT industries	1,000,000	536,525	529,461	9.1%	1.3%
<b>Aussie Man &amp; Van Limited</b> Domestic removal and storage services	465,564	517,000	465,564	6.2%	1.1%
<b>Blaze Signs Holdings Limited</b> Manufacturer and installer of signs	190,631	268,844	408,121	5.7%	1.0%
<b>Omega Diagnostics plc</b> In-vitro diagnostics for food intolerance, auto-immune diseases and infectious diseases	200,028	300,015	350,018	1.5%	0.9%
<b>Vectair Holdings Limited</b> Designer and distributor of washroom products	24,732	75,717	95,120	2.1%	0.2%
<b>BG Training Limited</b> City-based provider of specialist technical training	101,995	87,671	91,104	5.1%	0.2%
<b>Newquay Helicopters (2013) Limited</b> Helicopter service operator	56,500	56,500	56,500	2.5%	0.1%
<b>Racoon International Holdings Limited</b> Supplier of hair extensions, hair care products and training	462,192	1,000	55,387	10.5%	0.1%
<b>Lightworks Software Limited</b> Provider of software for CAD and CAM vendors	9,329	13,530	22,470	4.2%	0.1%
<b>CB Imports Group Limited</b> Importer and distributor of artificial flowers, floral sundries and home décor products	175,000	–	16,534	5.8%	0.0%
<b>PXP Holdings Limited (Pinewood Structures)</b> Designer, manufacturer and supplier of timber frames for buildings	712,925	–	–	4.4%	0.0%
<b>Legion Group plc (in liquidation)</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>Realised investments</b>					
<b>Higher Nature Limited</b> Mail order distributor of vitamins and natural medicines	–	124,799	–	0.0%	0.0%
<b>Total</b>	<b>38,585,734</b>	<b>24,706,022</b>	<b>40,559,393</b>		<b>99.6%</b>

<sup>1</sup> - A further £1.14 million was invested into South West Services Investment Limited ('SWSI') adding to its earlier investment of £0.91 million. This enabled SWSI to acquire Media Business Insight Limited ('MBI'). The company also advanced a non-qualifying loan of £0.67 million to MBI. SWSI subsequently changed its name to Media Business Insight Holdings Limited.

# Investment Portfolio Summary

at 30 June 2015

	Total cost at 30 June 2015 £	Total valuation at 31 December 2014 £	Total valuation at 30 June 2015 £	% of equity held	% of portfolio by value
<b>Former Elderstreet Private Equity Limited Portfolio</b>					
<b>Cashfac Limited</b> Provider of virtual banking application software solutions to corporate customers	260,101	145,933	79,978	2.9%	0.2%
<b>Sparesfinder Limited</b> Supplier of industrial spare parts online	250,854	120,821	57,732	2.0%	0.1%
<b>Sift Limited</b> Developer of business-to-business internet communities	135,391	26,514	22,706	1.3%	0.1%
<b>Total</b>	<b>646,346</b>	<b>293,268</b>	<b>160,416</b>		<b>0.4%</b>
<b>Investment Adviser's Total</b>	<b>39,232,080</b>	<b>24,999,290</b>	<b>40,719,809</b>		<b>100.0%</b>

# Statement of the Directors' Responsibilities

## Responsibility Statements

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

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 level of regulatory uncertainty has increased following the publication of the July 2015 Finance Bill. The VCT tax rules contained in section 274 will be amended although the prospective new rules have not yet been finalised. With this exception, the Board confirms in accordance with DTR 4.2.7, that the principal risks and uncertainties facing the Company have not changed materially since the publication of the Annual Report and Accounts for the year ended 31 December 2014.

The principal risks faced by the Company are:

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

A more detailed explanation of these risks can be found in the Strategic Report on pages 21 – 22 and in Note 19 on pages 59 – 65 of the Annual Report and Accounts for the year ended 31 December 2014, 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 59 – 65 of the Annual Report and Accounts for the year ended 31 December 2014. 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.

For and on behalf of the Board:

**Christopher Moore**  
*Chairman*

11 August 2015

# Unaudited Income Statement

## for the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains on investments held at fair value	9	–	1,168,300	1,168,300
Realised gains on investments held at fair value	9	–	363,926	363,926
Income	4	1,049,392	–	1,049,392
Investment Adviser's fees	5	(151,050)	(453,150)	(604,200)
Other expenses		(188,387)	–	(188,387)
<b>Profit on ordinary activities before taxation</b>		<b>709,955</b>	<b>1,079,076</b>	<b>1,789,031</b>
Tax on profit on ordinary activities	6	(91,622)	91,622	–
<b>Profit attributable to equity shareholders</b>		<b>618,333</b>	<b>1,170,698</b>	<b>1,789,031</b>
<b>Basic and diluted earnings per ordinary share</b>	7	<b>1.30p</b>	<b>2.47p</b>	<b>3.77p</b>

The total column of this statement is the Income Statement of the Company.

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

Six months ended 30 June 2014 (unaudited)			Year ended 31 December 2014 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
–	1,974,394	1,974,394	–	1,123,572	1,123,572
–	1,786,569	1,786,569	–	4,911,818	4,911,818
1,332,823	–	1,332,823	2,415,923	–	2,415,923
(132,511)	(397,532)	(530,043)	(275,054)	(825,163)	(1,100,217)
(185,111)	–	(185,111)	(380,120)	–	(380,120)
1,015,201	3,363,431	4,378,632	1,760,749	5,210,227	6,970,976
(63,940)	63,940	–	(169,152)	169,152	–
<b>951,261</b>	<b>3,427,371</b>	<b>4,378,632</b>	<b>1,591,597</b>	<b>5,379,379</b>	<b>6,970,976</b>
<b>2.43p</b>	<b>8.76p</b>	<b>11.19p</b>	<b>3.91p</b>	<b>13.21p</b>	<b>17.12p</b>

# Unaudited Statement of Financial Position

## as at 30 June 2015

	Notes	30 June 2015 (unaudited) £	30 June 2014 (unaudited) £	31 December 2014 (audited) £
<b>Fixed assets</b>				
Investments at fair value	9	40,719,809	27,197,334	24,999,290
Monies held pending investment	10	5,064,494	1,919,216	2,538,251
		45,784,303	29,116,550	27,537,541
<b>Current assets</b>				
Debtors and prepayments		198,428	2,195,853	244,103
Current investments	10	7,338,743	12,415,613	13,331,283
Cash at bank and in hand		1,484,061	9,369,984	9,445,843
		9,021,232	23,981,450	23,021,229
<b>Creditors: amounts falling due within one year</b>		(196,711)	(219,454)	(267,733)
<b>Net current assets</b>		8,824,521	23,761,996	22,753,496
<b>Net assets</b>		<b>54,608,824</b>	<b>52,878,546</b>	<b>50,291,037</b>
<b>Capital and reserves</b>				
Called up share capital		481,870	418,722	425,434
Share premium reserve		12,461,332	5,162,961	5,985,042
Capital redemption reserve		6,827	3,675	5,143
Revaluation reserve		2,758,561	4,691,442	1,214,933
Special distributable reserve		32,991,954	34,218,500	33,748,039
Profit and loss reserve		5,908,280	8,383,246	8,912,446
<b>Equity shareholders' funds</b>		<b>54,608,824</b>	<b>52,878,546</b>	<b>50,291,037</b>
<b>Basic and diluted net asset value per ordinary share</b>	11	<b>113.33p</b>	<b>126.29p</b>	<b>118.21p</b>

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

# Unaudited Statement of Changes in Equity

## for the six months ended 30 June 2015

	Called up share capital £	Share premium reserve £	Capital redemption reserve £	Revaluation reserve £	Special distributable reserve £	Profit and loss reserve £	Total £
At 1 January 2015	425,434	5,985,042	5,143	1,214,933	33,748,039	8,912,446	50,291,037
<b>Comprehensive income for the period</b>							
Profit for the period	–	–	–	1,168,300	–	620,731	1,789,031
Other comprehensive income for the period	–	–	–	–	–	–	–
<b>Total comprehensive income for the period</b>	–	–	–	<b>1,168,300</b>	–	<b>620,731</b>	<b>1,789,031</b>
<b>Contributions by and distributions to owners</b>							
Shares issued via Offer for Subscription (notes a and b)	51,679	5,841,843	–	–	(26,070)	–	5,867,452
Dividends re-invested into new shares (note b)	6,441	634,447	–	–	–	–	640,888
Shares bought back (note c)	(1,684)	–	1,684	–	(168,734)	–	(168,734)
Dividends paid	–	–	–	–	–	(3,810,850)	(3,810,850)
<b>Total contributions by and distributions to owners</b>	<b>56,436</b>	<b>6,476,290</b>	<b>1,684</b>	–	<b>(194,804)</b>	<b>(3,810,850)</b>	<b>2,528,756</b>
<b>Other movements</b>							
Realised losses transferred to special reserve (note c)	–	–	–	–	(561,281)	561,281	–
Realisation of previously unrealised depreciation	–	–	–	375,328	–	(375,328)	–
<b>Total other movements</b>	–	–	–	375,328	(561,281)	185,953	–
<b>At 30 June 2015</b>	<b>481,870</b>	<b>12,461,332</b>	<b>6,827</b>	<b>2,758,561</b>	<b>32,991,954</b>	<b>5,908,280</b>	<b>54,608,824</b>

Note a: As part of the Offer for Subscription launched on 10 December 2014, a total of 5,167,929 ordinary shares were allotted at average effective offer prices ranging from 115.40 pence to 117.10 pence per share, raising net funds of £5,867,452.

Note b: Shares issued as part of the Offer for Subscription and Dividend Investment Scheme per the Statement of Cash Flows of £6,508,340 differ to that shown as shares issued above of £5,867,452 due to £640,888 of shares allotted under the Company's Dividend Investment Scheme, shown separately above.

Note c: The Special distributable reserve also provides the Company with a reserve to fund market purchases of the Company's own shares, to absorb any existing and future losses and for any other corporate purpose.

# Unaudited Statement of Changes in Equity

## for the six months ended 30 June 2014

	Called up share capital £	Share premium reserve £	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
<b>Comprehensive income</b>							
<b>for the period</b>							
Profit for the period	–	–	–	1,974,394	–	2,404,238	4,378,632
Other comprehensive income for the period	–	–	–	–	–	–	–
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,974,394</b>	<b>–</b>	<b>2,404,238</b>	<b>4,378,632</b>
<b>Contributions by and distributions to owners</b>							
Shares issued via Linked Offer for Subscription	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)
Dividends paid	–	–	–	–	–	(1,647,123)	(1,647,123)
<b>Total contributions by and distributions to owners</b>	<b>67,450</b>	<b>8,346,020</b>	<b>3,675</b>	<b>–</b>	<b>(393,831)</b>	<b>(1,647,123)</b>	<b>6,376,191</b>
<b>Other movements</b>							
Cancellation of the share premium account	–	(16,557,783)	(969,753)	–	17,527,536	–	–
Realised losses transferred to special reserve	–	–	–	–	(333,592)	333,592	–
Realisation of previously unrealised appreciation	–	–	–	(1,801,546)	–	1,801,546	–
<b>Total other movements</b>	<b>–</b>	<b>(16,557,783)</b>	<b>(969,753)</b>	<b>(1,801,546)</b>	<b>17,193,944</b>	<b>2,135,138</b>	<b>–</b>
<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>

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

# Unaudited Statement of Cash Flows

## for the six months ended 30 June 2015

Notes	Six months ended 30 June 2015 (unaudited) £	Six months ended 30 June 2014 (unaudited) £	Year ended 31 December 2014 (audited) £
<b>Cash flows from operating activities</b>			
<b>Profit for the financial period</b>	1,789,031	4,378,632	6,970,976
<b>Adjustments for:</b>			
Net gains on realisations of investments	(363,926)	(1,786,569)	(4,911,818)
Net unrealised gains on investments	(1,168,300)	(1,974,394)	(1,123,572)
(Increase)/decrease in debtors	(10,457)	(53,660)	117,165
(Decrease)/increase in creditors	(71,482)	24,784	73,063
<b>Net cash inflow from operating activities</b>	174,866	588,793	1,125,814
<b>Cash flows from investing activities</b>			
Sale of investments	9	1,311,736	4,467,945
Purchase of investments	9	(15,443,897)	(4,382,670)
(Increase)/decrease in monies held pending investment	(2,526,243)	(6,477)	(625,512)
<b>Net cash (outflow)/inflow from investing activities</b>	(16,658,404)	78,798	4,924,323
<b>Cash flows from financing activities</b>			
Shares issued as part of Offer for Subscription and Dividend Investment Scheme	6,508,340	7,624,821	9,243,918
Equity dividends paid	8	(3,810,850)	(7,509,196)
Purchase of own shares	(168,274)	(390,343)	(538,384)
<b>Net cash inflow from financing activities</b>	2,529,216	5,587,355	1,196,338
<b>Net (decrease)/increase in cash and cash equivalents</b>			
Cash and cash equivalents at start of period	(13,954,322)	6,254,946	7,246,475
<b>Cash and cash equivalents at end of period</b>	22,777,126	15,530,651	15,530,651
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand	1,484,061	9,369,984	9,445,843
Cash equivalents	10	7,338,743	12,415,613
	8,822,804	21,785,597	22,777,126

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

# Notes to the Unaudited Financial Statements

## 1. Company information

Mobeus Income and Growth 4 VCT plc is a public limited company incorporated in England, registration number 03707697. The registered office is 30 Haymarket, London, SW1Y 4EX.

## 2. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ("FRS102"), with the Companies Act 2006 and the 2014 Statement of Recommended practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the SORP) issued by the Association of Investment Companies. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

This is the first period in which the financial statements have been prepared under FRS102. There has been no material change in the accounting policies and so there has been no restatement of comparatives.

## 3. 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.

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.

### a) 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.

### b) 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 ("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. 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 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 Investment Adviser compared to the sector including, inter alia, a lack of marketability).
- or:-
- b) Where an earnings multiple is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

or:-

c) where a company's underperformance against plan indicates fair value is lower than cost, and such fall is considered permanent, 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 that will be received upon repayment of loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

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.

#### 4. Income

	Six months ended 30 June 2015 (unaudited) £	Six months ended 30 June 2014 (unaudited) £	Year ended 31 December 2014 (audited) £
Dividends	45,858	249,962	456,510
Loan stock interest	942,879	1,002,854	1,797,666
Money-market funds	14,074	12,593	26,884
Bank deposit interest	46,412	57,910	118,350
Interest on preference share dividend arrears	169	5,997	5,997
Other income	–	3,507	10,516
<b>Total income</b>	<b>1,049,392</b>	<b>1,332,823</b>	<b>2,415,923</b>

#### 5. Investment Adviser's 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's 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.

#### 6. Taxation

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

# Notes to the Unaudited Financial Statements

## 7. Basic and diluted earnings per share

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

	Six months ended 30 June 2015 (unaudited) £	Six months ended 30 June 2014 (unaudited) £	Year ended 31 December 2014 (audited) £
i) Total earnings after taxation	1,789,031	4,378,632	6,970,976
<b>Basic and diluted earnings per share (pence)</b>	<b>3.77p</b>	<b>11.19p</b>	<b>17.12p</b>
ii) Revenue earnings from ordinary activities after taxation	618,333	951,261	1,591,597
<b>Basic and diluted revenue earnings per share (pence)</b>	<b>1.30p</b>	<b>2.43p</b>	<b>3.91p</b>
Net unrealised capital gains	1,168,300	1,974,394	1,123,572
Net realised capital gains	363,926	1,786,569	4,911,818
Capital expenses net of taxation	(361,528)	(333,592)	(656,011)
iii) Capital return	1,170,698	3,427,371	5,379,379
<b>Basic and diluted capital earnings per share (pence)</b>	<b>2.47p</b>	<b>8.76p</b>	<b>13.21p</b>
iv) Weighted average number of shares in issue in the period	47,431,807	39,118,336	40,720,836

## 8. Dividends paid

	Six months ended 30 June 2015 (unaudited) £	Six months ended 30 June 2014 (unaudited) £	Year ended 31 December 2014 (audited) £
Final income dividend for the period ended 31 December 2013 of 1.25 pence per ordinary share paid 16 May 2014	–	514,726	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	1,132,396
Interim income dividend for the year ended 31 December 2014 of 2.00 pence per ordinary share paid 12 September 2014	–	–	837,439
Interim capital dividend for the year ended 31 December 2014 of 12.00 pence per ordinary share paid 12 September 2014	–	–	5,024,635
Second interim income dividend for the year ended 31 December 2014 of 1.00 pence per ordinary share paid 6 May 2015	476,356	–	–
Second interim capital dividend for the year ended 31 December 2014 of 7.00 pence per ordinary share paid 6 May 2015	3,334,494	–	–
	<b>3,810,850*</b>	<b>1,647,123*</b>	<b>7,509,196*</b>

\* - Of these amounts £640,888 (30 June 2014: £219,742; 31 December 2014: £1,050,003) were issued in new shares, as part of the Dividend Investment Scheme.

## 9. Summary of investments at fair value during the period

	Traded on AIM £	Unquoted equity shares £	Unquoted preference shares £	Loan stock £	Total £
Valuation at 31 December 2014	300,015	5,140,827	211,297	19,347,151	24,999,290
Purchases at cost	–	5,584,329	227	9,859,439	15,443,995
Reclassification at value	–	1,000	–	(1,000)	–
Sales - proceeds	–	(338,383)	–	(917,319)	(1,255,702)
- realised gains	–	213,584	–	150,342	363,926
Unrealised gains/(losses)	50,003	1,402,660	(72,393)	(211,970)	1,168,300
<b>Valuation at 30 June 2015</b>	<b>350,018</b>	<b>12,004,017</b>	<b>139,131</b>	<b>28,226,643</b>	<b>40,719,809</b>
Book cost at 30 June 2015	200,028	12,439,873	25,652	26,566,527	39,232,080
Unrealised gains at 30 June 2015	149,990	265,841	115,128	2,227,602	2,758,561
Permanent impairment of investments	–	(701,697)	(1,649)	(567,486)	(1,270,832)
<b>Valuation at 30 June 2015</b>	<b>350,018</b>	<b>12,004,017</b>	<b>139,131</b>	<b>28,226,643</b>	<b>40,719,809</b>
(Losses)/gains on investments	–	(161,744)	–	150,342	(11,402)
Less amounts recognised as unrealised losses in previous years	–	(375,328)	–	–	(375,328)
Realised gains based on carrying value at 31 December 2014	–	213,584	–	150,342	363,926
Net movement in unrealised appreciation/(depreciation) in the period	50,003	1,402,660	(72,393)	(211,970)	1,168,300
<b>Gains/(losses) on investments for the six months ended 30 June 2015</b>	<b>50,003</b>	<b>1,616,244</b>	<b>(72,393)</b>	<b>(61,628)</b>	<b>1,532,226</b>

Purchases above of £15,443,995 are higher than that shown in the Statement of Cash Flows of £15,443,897 by £98, which relates to the purchase of shares via options in an investee company which completed in the period.

Sales proceeds above of £1,255,702 are less than that shown in the Statement of Cash Flows of £1,311,736 by £56,034. This sum relates to deferred cash proceeds receivable from two investments realised in the previous year, received in the current period.

## 10. Monies held pending investment and Current investments at fair value

Monies held pending investment total £5,064,494 (30 June 2014: £1,919,216; 31 December 2014: £2,538,251) held in bank deposit accounts repayable within one year.

Current investments comprise investments of £6,527,580 (30 June 2014: £6,524,156; 31 December 2014: £6,526,003) held in six OEIC money market funds and £811,163 (30 June 2014: £5,891,457; 31 December 2014: £6,805,280) held in bank deposits, both subject to immediate access. These sums are treated as cash equivalents in the Statement of Cash Flows.

## 11. Net asset value per share

	As at 30 June 2015 (unaudited) £	As at 30 June 2014 (unaudited) £	As at 31 December 2014 (audited) £
Net assets	54,608,824	52,878,546	50,291,037
Number of shares in issue	48,186,955	41,872,204	42,543,360
<b>Net asset value per share (pence)</b>	<b>113.33p</b>	<b>126.29p</b>	<b>118.21p</b>

# Notes to the Unaudited Financial Statements

## 12. Post balance sheet events

On 7 July 2015, a further £1.10 million was invested into Manufacturing Services Investment Limited, one of the Company's acquisition vehicles.

On 24 July 2015, funds of £0.90 million held by Vian Marketing Limited, one of the company's acquisition vehicles, were used to acquire Tushingam Sails Limited. This resulted in a net repayment of £0.23 million.

On 31 July 2015, Fullfield Limited (trading as Motorclean) repaid £0.09 million of loan stock.

On 31 July 2015, Jablite Holdings Limited repaid £0.23 million of loan stock, including £0.06 million premium.

## 13. Financial statements for the year ended 31 December 2014

The financial information for the period ended 30 June 2015 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 2014 have been filed with the Registrar of Companies. The auditor has reported on the financial statements for the year ended 31 December 2014 and that report was unqualified and did not contain a statement under section 498(2) of the Companies Act 2006.

## 14. Half-Yearly Report

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

# 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 VCT newsletter from the Investment Adviser, approved by the Board in July and January. The May annual general meetings provide a useful platform for the Board to meet shareholders and exchange views. Your Board welcomes your attendance at general meetings to give you the opportunity to meet your Directors and representatives of the Investment Adviser.

Recent changes to the European Commission's Transparency Directive mean that the Company is no longer required to publish Interim Management Statements. However, the Board intends to continue to publish Interim Management Statements in order to provide shareholders with updated information about the Company.

Shareholders wishing to follow the Company's progress can visit the Company's website at [www.mig4vct.co.uk](http://www.mig4vct.co.uk) which contains publicly available information about our largest investments, the latest NAV and the share price. The London Stock Exchange's website at: [www.londonstockexchange.com/prices-and-markets/stocks/stocks-and-prices.htm](http://www.londonstockexchange.com/prices-and-markets/stocks/stocks-and-prices.htm) provides up to the minute details of the share price and latest NAV announcement, etc. A number of commentators such as Tax Efficient Review 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 available from the Company's website.

## Electronic Communication

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.

## Shareholder event

The Investment Adviser held a further successful shareholder event on 27 January 2015 at the Royal Institute of British Architects in Central London. The event provided a forum for about 270 Mobeus VCT shareholders to hear presentations from the Investment Adviser and to learn more about its investment activity in greater depth from the Managing Director of Virgin Wines and the Chairman of Tessella and Tharstern. The Investment Adviser is holding a similar event on 26 January 2016, again at the Royal Institute of British Architects.

## Mobeus website

The Investment Adviser's website can be accessed by going to [www.mobeusequity.co.uk](http://www.mobeusequity.co.uk). This is regularly updated with information on your investment including case studies of portfolio companies. The Company continues to have its own dedicated section of the website which shareholders may prefer to access directly by going to [www.mig4vct.co.uk](http://www.mig4vct.co.uk). This includes performance tables and details of dividends paid as well as copies of past reports to shareholders. Videos of the presentations and Q&A sessions from the 2015 Shareholder event can also be viewed here.

## Net asset value per share

The Company's NAV per share as at 30 June 2015 was 113.33 pence. The Company announces its unaudited NAV on a quarterly basis.

## Dividends

The Directors are recommending an interim dividend in respect of the year ended 31 December 2015 of 2.00 pence per share (comprising 1.00 pence from capital and 1.00 pence from income). This dividend will be paid on 25 September 2015 to shareholders on the Register on 21 August 2015.

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 them and to check whether they have received 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 you 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 for you. You can update your contact details and view any unclaimed dividend payments via the [capitashareportal.com](http://capitashareportal.com).**

# Shareholder Information

## Financial calendar

Late August 2015	Half-Yearly Report for the six months ended 30 June 2015 to be circulated to shareholders.
21 August 2015	Record date for shareholders to be eligible for the interim dividend payable on 25 September 2015.
25 September 2015	Payment date for interim dividend of 2.00 pence per share.
31 December 2015	Year-end
26 January 2016	Shareholder event
May 2016	Annual General Meeting

## 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. **If you are considering selling your shares, you are strongly advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2716/7 before agreeing a price with their stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares.

## Shareholder enquiries and investment monitoring

For enquiries concerning the investment portfolio, please contact the Investment Adviser, Mobeus Equity Partners LLP, on 020 7024 7600 or by email to [vcts@mobeusequity.co.uk](mailto:vcts@mobeusequity.co.uk).

For information on your holding, to notify the Company of a change in address or to request mandate form (should you wish to have future dividends paid directly into your bank account) please contact the Company's Registrar, Capita Asset Services, on +44 (0) 371 664 0324 (calls are charged at the standard geographic rate and will vary by provider). Calls outside the United Kingdom will be charged at the appropriate international rate. Telephone lines are open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales. Alternatively you can contact them via their website at [www.capitashareportal.com](http://www.capitashareportal.com).

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).

## 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.

MIG 4 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 FCA and the Institute of Chartered Secretaries and Administrators ("ICSA"), and their advice includes:

- 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.org.uk/register](http://www.fca.org.uk/register) and contacting the firm using the details on the register.
- Report the matter to the FCA either by calling its consumer helpline on 0800 111 6768 or [consumer.enquiries@fca.org.uk](mailto:consumer.enquiries@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.

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 FCA website: [www.fca.org.uk/consumers/scams](http://www.fca.org.uk/consumers/scams).

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

## 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 relief 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 2015/2016 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).

Shareholders wishing to join the Scheme should submit a mandate form to Capita Asset Services, the Scheme Administrator, by no later than 10 September 2015 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 on the Company's website.

**Shareholders should note the comments made on the Scheme in the Chairman's Statement on page 3.**

# 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 completed its first fundraising.
- October 2002** LICA acquired by NOVA Capital Management.
- April 2004** GLE Development Capital team joined 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 became a fully independent firm owned by its partners and renames itself Mobeus Equity Partners LLP. The 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 – 2014** 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

03707697

## Investment Adviser, Promoter and Administrator

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

## Website

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

## E-mail

[vcts@mobeusequity.co.uk](mailto:vcts@mobeusequity.co.uk)

## Independent Auditor

BDO LLP  
55 Baker Street  
London  
W1U 7EU

## Receiving Agent

The City Partnership (UK) Limited  
Thistle House  
21 Thistle Street  
Edinburgh  
EH2 1DF

## Sponsor

Howard Kennedy Corporate Services LLP  
1 London Bridge  
London  
SE1 9BG

## Solicitors

Shakespeare Martineau LLP  
No 1 Colmore Square  
Birmingham  
B4 6AA

## Registrars

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

Tel: +44 (0) 371 664 0324 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the appropriate international rate. Telephone lines are open 9.00am-5.30pm Mon-Fri excluding public holidays in England and Wales.

## Corporate Broker

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

## VCT Status Adviser

Robertson Hare LLP  
4-6 Staple Inn  
High Holborn  
London  
WC1V 7QH

## Bankers

Barclays Bank plc  
PO Box 544  
54 Lombard Street  
London  
EC3V 9EX

# Notes

Mobius Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX

020 7024 7600  
[www.mig4vct.co.uk](http://www.mig4vct.co.uk)