

Matrix Income & Growth 4 VCT plc



**Unaudited Half-Yearly Report
for the six months ended 31 July 2010**

First draft
1 September 2010




Investment objective

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

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

Financial Highlights

As at 31 July 2010

-  Increase of 4.4% in net asset value (NAV) over the six month period
-  Increase of 4.8% in total shareholder return (share price basis) over the six month period
-  Increase of 5.5% in total shareholder return (net asset value basis) over the six month period

Performance Summary – Ordinary Shares of 1 penny

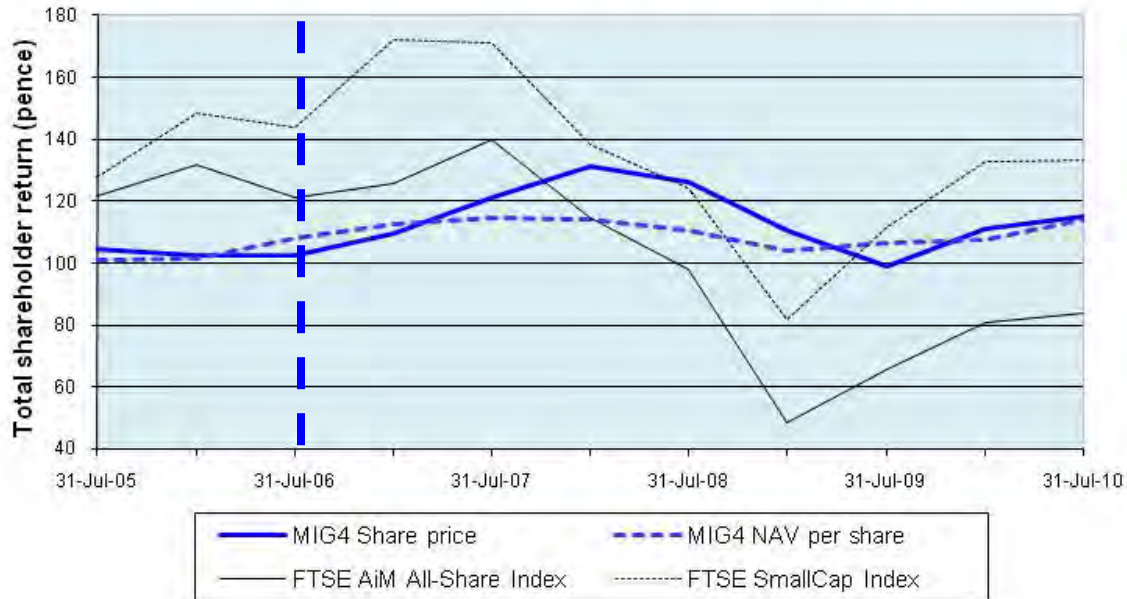
Period	Net assets (£ million)	Net asset value (NAV) per share (p)	NAV total return to shareholders since launch (p) ²	Share price (p) ¹	Share price total return to shareholders since launch per share (p) ²
Six months ended					
31 July 2010	23.3	111.0	128.7	95.5	113.2
31 July 2009	21.1	105.1	119.8	82.0	96.7
Year ended					
31 January 2010	21.2	106.3	122.0	92.3	108.0
31 January 2009	21.0	104.6	118.3	92.0	105.7
31 January 2008	24.1	117.4	128.9	109.0	120.5
31 January 2007	9.8	116.3	125.2	91.0	101.7
31 January 2006	9.3	106.6	115.0	85.0	93.9

¹ Source: London Stock Exchange

² Total returns to Shareholders include dividends paid

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

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



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

Source: Matrix Corporate Capital LLP

The table below shows the value at 31 July 2010 of £10,000 invested in a particular tax year:

Tax year	Tax relief	Cost net of tax relief	Issue price per share	Number of shares	Net asset value at 31 July 2010	Dividends paid to date	NAV total return	Profit/(loss) ⁴
1998/1999 & 1999/2000	20% ¹	£8,000	200p ²	5,000	£5,550	£885	£6,435	£(3,565)
2006/2007	30%	£7,000	119.9p ³	8,340	£9,257	£917	£10,174	£174
2009/2010 & 2010/2011	30%	£7,000	112.4p	8,896	£9,875	£178	£10,053	£53

¹ Additional capital gains tax deferral available to qualifying shareholders.

² Original investment at 100p per ordinary share of 5p each, converted on a 2 for 1 basis to ordinary shares of 1p each in October 2006.

³ Average issue price of shares.

⁴ NAV total return minus initial investment cost (before tax relief).

Chairman's Statement

I am pleased to present the Company's Half-Yearly Report for the six months ended 31 July 2010.

Performance

As at 31 July 2010 the Company's NAV per Ordinary Share was 111.0 pence (31 January 2010: 106.3 pence) an increase of 4.4% over the six month period. This compares with a decline of 0.9% in the capital return of the FTSE SmallCap Index and a rise of 2.7% in the FTSE All-Share AiM Index during the same period.

This result reflects both recovery and increased value in some of the portfolio companies and the tendency for unquoted asset portfolios to lag the trends seen in the main quoted indices.

Cumulative dividends paid to date amount to 17.7 pence per Ordinary Share.

Portfolio

Quoted markets have remained volatile during the six months under review with sector price earnings multiples (by reference to which unquoted investments are often valued) varying accordingly.

Overall, the portfolio showed a net appreciation of £895,140 over the six month period. The most significant contributors to this increase were Monsal, ATG Media, Focus Pharma and Westway Services.

Monsal's current valuation is based on the price paid in July for an equity stake of 26% for an investment of £4m by Four Winds Capital Management. Four Winds specialises in providing funding for the global commodities and natural resources sectors. ATG Media and Focus Pharma are reporting better results than budgeted. British International has benefited from an oil exploration contract in the Falklands.

StoreText FM was disposed of for total proceeds of £513,759, a loss of £48,057. DiGiCo Europe made a partial loan repayment of £74,745 in June, as well as paying a dividend of 18p per share received shortly after the period end. Two very small follow-on investments were made in Sparesfinder and Monsal.

Cash and liquidity fund balances as at 31 July 2010 amounted to £7.4 million.

Dividend

[to complete]

Revenue Account

Revenue return for the six months to 31 July 2010 was £48,156 (after tax) or 0.23p per share. This compares to a loss of £14,420 in the six months to 31 July 2009. Income has been improved by the receipt of loan stock interest from Westway, CB Imports and Iglu.com, despite several investee companies being unable to service their loan stock interest due to bank covenant breaches.

DiGiCo declared a maiden dividend of 18p per share, which resulted in a payment of £69,574 to the Company, received shortly after the period end. VSI also paid a small preference share dividend during the period.

Interest received from money market funds continues to be low, at an average of around 0.5%.

Investment Management expenses have increased by approximately £10,000 compared to 2009, due to the increase in net assets and funds raised under the Top-up Offer. Other expenses have increased by around £34,000, following an adjustment to the timing of trail commission payments, listing fees relating to the Top-up Offer and fees relating to director recruitment.

Share buy-backs

During the six months ended 31 July 2010 the Company continued to implement its buy-back policy and bought back 426,053 Ordinary Shares, representing 2.18% of the shares in issue as at 1 February 2010 at a total cost of £403,567.50. These shares were subsequently cancelled by the Company.

Top-up offer

1,479,320 new Ordinary Shares were allotted under the top-up offer which closed on 3 April 2010. A total of £1.64m before expenses was raised.

Outlook

Much debate is currently taking place over whether the UK economy will enter a double dip recession. What is certainly clear is that the imprudent stewardship of the nation's finances by the previous government means that putting the UK economy back on a sound basis will be a painful exercise. Although this Fund invests in profitable companies, and is not investing in technology high risk start ups, companies which are in most cases at a relatively early stage in their growth will be challenged by a testing economic environment over the coming winter. On the other hand, it is encouraging to be able to report that a number of companies in the portfolio continue to trade profitably and are reporting results which are ahead of budget [specify further?].

The Company retains a significant cash position, having correctly limited investment during the downturn. The unquoted sector is beginning to see a return to more active levels, and it is hoped that some attractive investment opportunities will be identified.

[Statement about future dividends?].

In summary, your Board believes that the Fund is showing resilience in difficult conditions, and that free cash can be attractively deployed in the future.

The Board

As advised in the last annual report, the new provisions of the AIC Code and the revised listing rules for VCTs come into effect this month. As a result I am resigning as Chairman at the end of September 2010 and Christopher Moore will be appointed as my successor. On 1 August 2010 Andrew Robson was appointed to the Board and will take over the role of Chairman of the Audit Committee at the end of this month. Andrew is a qualified Chartered Accountant who has wide City experience which includes private equity investment. He is also a director of British Empire Securities & General Trust plc, Shires Income Trust plc, M&G Equity Investment Trust plc and J P Morgan Smaller Companies Investment Trust plc.

MIG 4 website

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

In conclusion may I again thank Shareholders for their continued support. I would like to thank the partners and members of MPEP, together with the Fund's accounting and legal advisers, for their advice, guidance and support during the period of my Chairmanship. The Company is currently in a healthy position and I am confident that the new Board, under Christopher Moore's leadership, will successfully guide the Fund through the difficult economic times we currently face.

Colin Hook

Chairman

[16] September 2010

Note: I have not included in the above a reference to this year's fundraising. To discuss.

Principal risks and uncertainties

In accordance with Disclosure and Transparency Rule (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 2010. 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;
- investment and strategic risk;
- regulatory risk (including VCT status);
- financial and operating risk;
- market risk;
- asset liquidity risk;
- market liquidity risk;
- credit/counterparty risk.

A more detailed explanation of these can be found in the Directors' Report on pages 23 - 24 and in Note 20 on pages 63 - 70 of the Annual Report and Accounts for the year ended 31 January 2010 copies of which are available on the VCT's website, www.mig4vct.co.uk.

Responsibility Statement

In accordance with DTR 4.2.10 the Directors 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; and
- (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 above, 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.

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

Colin Hook
Chairman
[16] September 2010

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. The £14.9 million of Funds raised by the Company after 6 April 2006 are subject to a £7 million gross assets test for an investment to be VCT qualifying.

VCT regulation

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.

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 £1 million at cost. Normally, no holding in any one company will represent more than 10% (but in any event will not be greater than 15%) of the value of the Company's investments, based on cost, at the time of investment. Ongoing monitoring of each investment is carried out by the Investment Manager, generally through taking a seat on the board of each VCT qualifying company.

Co-investment

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

Borrowing

The Company has no current plans to undertake any borrowing.

Management

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

Investment Manager's Review

Overview

The six months to 31 July have continued to be challenging, both for new investment and achieving exits. The recent political uncertainty and slow recovery from recession have meant that companies have been reluctant to market their businesses for sale or raise new capital. However, now that the coalition Government has set out its plans for reducing the budget deficit, this should provide business owners with the clarity they need to plan for the future. We are hopeful, therefore, that a greater number of more attractively priced opportunities will come forward.

Those deals that we have found sufficiently attractive have been difficult to complete. We have remained cautious and continue to be highly selective in the companies that we consider.

The Portfolio

The MPEP-invested portfolio at 31 July 2010 comprised twenty-eight investments with a cost of £15.7 million and a valuation of £16.1 million. On a like-for-like basis the value of the portfolio has increased by 8.6% in the first six months of the year.

The uplift in value has been assisted by the improved performance of three companies; ATG Media, British International and Racoon; and a third party investment in Monsal.

ATG Media has seen its core magazine business perform ahead of budget, partly due to increased sales and also an increase in advertising revenues. Its online auction technology continues to grow and is also performing ahead of budget. British International has returned to historic levels of profitability after a disappointing year in 2009. It continues to supply helicopter support to the drilling rig stationed in Falkland Islands' waters. Racoon has improved its profitability through a more focussed marketing expenditure.

Monsal successfully completed a second fundraising that brought in a new investor, FourWinds Capital, which has invested £4 million at a valuation significantly above our original cost and previous valuation. Matrix VCTs received a repayment of their recent loan stock investment and made small purchases of shares, MIG 4 VCT receiving back £70,475 and investing £1,717 for further shares. FourWinds Capital has also committed a further £10 million to finance other business opportunities for Monsal.

The six acquisition companies continue to seek investments in their chosen sectors but have not yet found sufficiently attractive investments at the right price.

DiGiCo continues to grow its business and generate strong profits. This has been driven by a strong product offering and development of new innovative products. In June, DiGiCo repaid £69,565 of loan stock plus a premium of £5,180 and paid a dividend of 18p per share to its shareholders. Focus Pharma is also seeing increased success and expects to be materially ahead of its budget for the year.

CB Imports, Iglu and Westway have all made strong starts since investment and are all performing ahead of their investment plans. CB Imports and Iglu continue to be held at cost, having been completed in December 2009, although we expect to see increased valuations going forward.

In June, BG Consulting and Duncary 4 completed a restructuring, with your Company's investment transferring to a new holding company, Duncary 8 Limited. Despite challenging trading conditions, BG Consulting has been trading ahead of its budget. This has resulted in an increase in value although the investment still remains below cost.

As reported in the Annual Report, Stortext FM was successfully sold in February for total proceeds of £488,000 plus loan notes in Box-It Data Management Limited of £25,759. Box-It continues to trade satisfactorily although no value has as yet been attributed to the loan notes.

Whilst the building and construction sector has continued to suffer from sluggish demand, those portfolio companies with direct exposure to this sector, Blaze Signs, Plastic Surgeon, PXP and Youngman, are all performing steadily. We have worked with these and other portfolio businesses and encouraged them to make the changes necessary to ensure they are in the best possible position to withstand this period of economic uncertainty. It is a measure of this effort that hardly any additional funding has been required during the past two years.

Despite a recent trading update which was only slightly behind market expectations, Legion Group requested a suspension of its shares pending clarification of its working capital position in July. Unfortunately, it was unable to agree a repayment plan with a major creditor and the business was placed into administration shortly after the period end.

The investments previously made by Elderstreet are trading behind their budgets and their valuations have reduced accordingly. Cashfac has, however, increased its headcount in anticipation of a strong increase in sales in the financial sector. Sift has experienced a weakening in advertising revenues although management anticipates a partial recovery in the second half of its financial year. In February, your Company acquired further shares in sparesFinder for a total cost of £854. sparesFinder has been trading behind its budget for the year but remains ahead of its previous financial year.

Outlook

Although the UK economic environment remains uncertain, there appear to be no signs of further threats to the financial health of our portfolio companies. The more stable political and economic environment should allow smaller companies to plan for the future and we expect to see increasingly attractive opportunities coming forward. With significant cash reserves, your Company is well placed to take advantage of this point in the cycle.

Investment Portfolio Summary

at 31 July 2010

	Total cost at 31-Jul-10 £	Total valuation at 31-Jan-10 £	Additional investments in the period £	Total valuation at 31-Jul-10 £	% of equity held	% of portfolio by value
Matrix Private Equity Partners LLP						
DiGiCo Europe Limited	495,652	1,697,193	-	1,688,891	6.52%	10.43%
Design and manufacture of audio mixing desks						
ATG Media Holdings Limited	1,000,000	905,295	-	1,225,512	8.50%	7.57%
Publisher and online auction platform operator						
Monsal Holdings Limited	636,013	675,928	1,717	1,147,620	6.37%	7.09%
Supplier of engineering services to water and waste sectors						
Focus Pharma Holdings Limited	772,451	885,606	-	1,033,277	3.14%	6.38%
Licenser and distributor of generic pharmaceuticals						
CB Imports Group Limited	1,000,000	1,000,000	-	1,000,000	6.00%	6.18%
Importer and distributor of artificial flowers, floral sundries and home decor products						
Backbarrow Limited	1,000,000	1,000,000	-	1,000,000	25.00%	6.18%
Food manufacturing, distribution and brand management						
Bladon Castle Management Limited	1,000,000	1,000,000	-	1,000,000	25.00%	6.18%
Brand management, consumer products and retail						
Fullfield Limited	1,000,000	1,000,000	-	1,000,000	25.00%	6.18%
Food manufacturing, distribution and brand management						
Rusland Management Limited	1,000,000	1,000,000	-	1,000,000	49.00%	6.18%
Brand management, consumer products and retail						
Torvar Limited	1,000,000	1,000,000	-	1,000,000	49.00%	6.18%
Database management, mapping, data mapping and management services to legal and building industries						
Vanir Consultants Limited	1,000,000	1,000,000	-	1,000,000	16.67%	6.18%
Database management, mapping, data mapping and management services to legal and building industries						
IGLU.com Holidays Limited	878,249	878,249	-	878,249	7.15%	5.43%
Online ski and cruise retailer						
Westway Services Holdings (2010) Limited (formerly MC440 Limited)	327,616	526,041	-	660,501	3.20%	4.08%
Installation, maintenance and servicing of air-conditioning systems						
Higher Nature Limited	500,127	682,568	-	650,882	10.69%	4.02%
Supplier of mineral, vitamin and food supplements						
Youngman Group Limited	500,026	349,983	-	349,983	4.24%	2.16%
Manufacturer of ladders and access towers						
VSI Limited	111,928	382,667	-	335,948	4.20%	2.08%
Provider of software for CAD and CAM vendors						
British International Holdings Limited	295,455	191,887	-	333,626	2.50%	2.06%
Operator of helicopter services						
Racoon International Holdings Limited	406,805	59,138	-	195,903	5.70%	1.21%
Supplier of hair extensions, hair care products and training						
Vectair Holdings Limited	100,000	170,535	-	168,738	2.14%	1.04%
Designer and distributor of washroom products						
Blaze Signs Holdings Limited	610,016	110,681	-	152,127	5.72%	0.94%
Manufacturer and installer of signs						
Duncary 8 Limited (formerly Duncary 4/BG Consulting Limited) ²	126,995	33,725	126,995	120,836	5.10%	0.75%
Technical training business						
Plastic Surgeon Holdings Limited	458,837	114,709	-	114,709	6.88%	0.71%
Snagging and finishing of domestic and commercial properties						
Campden Media Limited	152,620	34,024	-	54,118	1.75%	0.33%
Magazine publisher and conference organiser						
Letraset Limited (formerly Creative Opportunities)	150,000	-	-	19,625	5.00%	0.12%
Manufacturer and distributor of graphic art products						
PXP Holdings Limited (Pinewood Structures)	679,549	-	-	-	4.98%	0.00%
Designer, manufacturer and supplier of timber frames for buildings						
BOX-IT Data Management Limited (former investment in Stortext FM Limited)	25,759	-	25,759	-	-	0.00%
Software based solutions for document management						
Stortext FM Limited	-	445,866	-	-	-	0.00%
Software based solutions for document management						
Other investments in the portfolio ¹	500,102	64,323	-	-	-	0.00%
Total	15,728,200	15,208,418	154,471	16,130,545	-	99.66%
Former Elderstreet Private Equity Limited Portfolio						
Cashfac Limited	260,101	63,125	-	45,929	3.04%	0.28%
Provider of virtual banking application software						
Sift Limited	130,116	1,226	-	566	1.03%	0.00%
Developer of business to business internet communities						
Sparesfinder Limited	250,854	19,197	854	10,068	-	0.06%
Supplier of industrial spare parts on-line						
Total	641,071	83,548	854	56,563	-	0.34%
Investment Managers' totals	16,369,271	15,291,966	155,325	16,187,108	-	100.00%

¹ Other investments in the portfolio comprises those investments that have been valued at nil and from which the Directors only expect to receive small recoveries ie Inca Interiors Limited (in administration) and Legion Group plc (in administration) in the MPEP portfolio.

² There was a reconstruction in the period of BG Consulting/Duncary 4 Limited into Duncary 8 Limited.

Unaudited Income Statement
for the six months ended 31 July 2010

	Notes	Six months ended 31 July 2010 (unaudited)			Six months ended 31 July 2009 (unaudited)			Year ended 31 January 2010 (audited)		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Unrealised gains on investments held at fair value	9	-	1,364,628	1,364,628	-	139,431	139,431	-	700,336	700,336
Realised gains on investments held at fair value	9	-	76,786	76,786	-	289,185	289,185	-	268,469	268,469
Income	2	321,660	-	321,660	222,835	-	222,835	489,753	-	489,753
Recoverable VAT	3	-	-	-	1,051	3,155	4,206	1,051	3,155	4,206
Investment management expense	4	(48,185)	(144,555)	(192,740)	(45,477)	(136,431)	(181,908)	(97,204)	(291,610)	(388,814)
Other expenses		(225,319)	-	(225,319)	(192,829)	-	(192,829)	(360,819)	-	(360,819)
Profit/(loss) on ordinary activities before taxation		48,156	1,296,859	1,345,015	(14,420)	295,340	280,920	32,781	680,350	713,131
Tax on profit/(loss) on ordinary activities	5	-	-	-	-	-	-	-	-	-
Profit/(loss) attributable to equity shareholders		48,156	1,296,859	1,345,015	(14,420)	295,340	280,920	32,781	680,350	713,131
Basic and diluted earnings per Ordinary share	6	0.23p	6.23p	6.46p	(0.07)p	1.47p	1.40p	0.16p	3.40p	3.56p

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

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

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

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

The notes on pages 16 - 19 form part of these Half-Yearly financial statements.

Unaudited Balance Sheet
as at 31 July 2010

	Notes	31 July 2010 (unaudited) £	31 July 2009 (unaudited) £	31 January 2010 (audited) £
Non-current assets				
Investments at fair value	9	16,187,108	7,484,707	15,291,966
Current assets				
Debtors and prepayments		164,359	118,914	139,702
Investments at fair value	10	7,116,251	13,588,405	5,975,819
Cash at bank		255,319	33,038	70,404
		7,535,929	13,740,357	6,185,925
Creditors: amounts falling due within one year		(390,964)	(167,673)	(255,349)
Net current assets		7,144,965	13,572,684	5,930,576
Net assets		23,332,073	21,057,391	21,222,542
Capital and reserves				
	11			
Called up share capital		210,277	200,383	199,576
Capital redemption reserve		889,606	884,438	885,245
Share premium reserve		1,583,088	-	-
Revaluation reserve		317,939	(1,779,492)	(1,473,847)
Special distributable reserve		15,787,420	16,776,720	16,540,857
Profit and loss account		4,543,743	4,975,342	5,070,711
Equity shareholders' funds		23,332,073	21,057,391	21,222,542
Net asset value per Ordinary share	8	110.96p	105.09p	106.34p

Unaudited Reconciliation of Movements in Shareholders' Funds
for the six months ended 31 July 2010

	Six months ended 31 July 2010 (unaudited) £	Six months ended 31 July 2009 (unaudited) £	Year ended 31 January 2010 (audited) £
Opening Shareholders' Funds	21,222,542	21,035,698	21,035,698
Net share capital subscribed	1,598,150	-	-
Net share capital bought back	(405,046)	(58,149)	(124,256)
Profit for the period before dividends	1,345,015	282,920	713,131
Dividends paid in period	7	(201,078)	(402,031)
Closing shareholders' funds	23,332,073	21,059,391	21,222,542

The notes on pages 16 - 19 form part of these Half-Yearly financial statements.

Unaudited Summarised Cash Flow Statement
for the six months ended 31 July 2010

	Six months ended 31 July 2010 (unaudited) £	Six months ended 31 July 2009 (unaudited) £	Year ended 31 January 2010 (audited) £
Interest income received	285,302	146,807	281,147
Dividend income	22,653	84,140	156,673
Other income	-	5,098	14,901
VAT received	44,569	89,665	100,239
Investment management fees paid	(327,610)	(118,181)	(224,334)
Cash payments for other expenses	(195,955)	(134,333)	(334,604)
Net cash (outflow)/inflow from operating activities	(171,040)	73,196	(5,978)
Investing activities			
Sale of investments	9 548,848	1,084,665	1,784,500
Purchase of investments	9 (2,576)	(373,376)	(8,302,196)
Net cash inflow/(outflow) from investing activities	546,272	711,289	(6,517,696)
Cash inflow/(outflow) before financing and liquid resource management	375,232	784,485	(6,523,674)
Dividends			
Equity dividends paid	7 (428,588)	(201,078)	(402,031)
Financing			
Share capital subscribed	1,598,150	-	-
Purchase of own shares	(219,447)	(90,331)	(156,439)
Management of liquid resources			
(Increase)/decrease in monies held in money market funds	(1,140,432)	(475,294)	7,137,292
Increase/(decrease) in cash	184,915	17,782	55,148
Reconciliation of net cash inflow/(outflow) to movement in net funds			
Increase/(decrease) in cash for the period	184,915	17,782	55,148
Net funds at the start of the period	70,404	15,256	15,256
Net funds at the end of the period	255,319	33,038	70,404

Reconciliation of profit on ordinary activities before taxation to net cash (outflow)/inflow from operating activities
for the six months ended 31 July 2010

	Six months ended 31 July 2010 (unaudited) £	Six months ended 31 July 2009 (unaudited) £	Year ended 31 January 2010 (audited) £
Profit on ordinary activities before taxation	1,345,015	280,920	713,131
Net unrealised gains on investments	(1,364,628)	(139,431)	(268,469)
Net gains on realisations of investments	(76,786)	(289,185)	(700,336)
(Increase)/decrease in debtors	(24,657)	159,187	100,314
(Decrease)/increase in creditors	(49,984)	61,705	149,382
Net cash (outflow)/inflow from operating activities	(171,040)	73,196	(5,978)

The notes on pages 16 - 19 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 2010 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 2010 and the 2009 Statement of Recommended Practice,

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

b) Presentation of the Income Statement

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

c) Investments

Investments are accounted for on a trade date basis

All investments held by the Company are classified as "fair value through profit and loss" 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, recognition and fair value is determined by reference to Stock Exchange market trading rules and quoted bid prices at the close of business on the balance sheet date.

Unquoted investments are valued by the Directors at 'fair value through profit and loss'. Accordingly, in the absence of a market price, the Directors have valued unquoted investments in accordance with International Private Equity Venture Capital Valuation (IPEVCV) guidelines as updated in September 2009, which have not materially changed the results reported last year.

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

(i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used.

(ii) In the absence of i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:-

a) an earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Manager compared to the sector including, inter alia, a lack of marketability).

or:-

b) where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate. Where the value of an investment has fallen permanently below cost, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Manager, will agree the values that represent the extent to which an investment loss has become realised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the

(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.

2. Income

	Six months ended 31 July 2010 (unaudited) £	Six months ended 31 July 2009 (unaudited) £	Year ended 31 January 2010 (audited) £
Income from investments			
Dividends	74,794	16,070	50,190
Money-market funds	17,108	62,041	96,060
Loan stock interest	229,721	128,360	327,454
Bank deposit interest	37	4,722	354
Interest received on VAT	-	6,544	6,544
Other Income	-	5,098	9,151
Total Income	321,660	222,835	489,753

3. Recoverable VAT

As at 31 January 2010, a total of £93,695 of VAT recoverable had been received. Of this amount, £8,236 was in excess of the amount recognised in the year to 31 January 2009 accounts with £4,206 being credited to the Income Statement and £4,030 being not recognised as it may be repayable to a previous investment manager or service provider as it relates to VAT charged during a period when an expense cap applied to their fees. During the period to 31 July 2010, £44,569 of recoverable VAT, not previously recognised, was received. This, again has not been recognised since this also relates to a period in which the investment manager was subject to an expense cap and hence may be repayable. Therefore, at 31 July 2010 other creditors includes £48,599 of VAT recovered.

4. 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 expenses to the capital account. This is in line with the Board's expectation of the long-term split of returns from the investment portfolio of the Company.

5. Taxation

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

6. Basic and diluted earnings per share

The basic 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 2010 (unaudited) £	Six months ended 31 July 2009 (unaudited) £	Year ended 31 January 2010 (audited) £
i) Total earnings after taxation	1,345,015	280,920	713,131
Basic and diluted earnings per Ordinary share (pence)	6.46p	1.40p	3.56p
ii) Revenue earnings/(loss) from ordinary activities after taxation	48,156	(14,420)	32,781
Basic and diluted revenue earnings/(loss) per Ordinary share (pence)	0.23p	(0.07)p	0.16p
Net unrealised capital gains	1,364,628	139,431	700,336
Net realised capital gains	76,786	289,185	268,469
Capital expenses net of taxation	(144,555)	(136,431)	(291,610)
Capital element of VAT recoverable	-	3,155	3,155
Dividends received treated as capital	-	-	-
iii) Capital return	1,296,859	295,340	680,350
Basic and diluted capital earnings per Ordinary share (pence)	6.23p	1.47p	3.40p
iv) Weighted average number of shares in issue in the period	20,831,585	20,075,742	20,032,743

7. Dividends paid

	Six months ended 31 July 2010 (unaudited) £	Six months ended 31 July 2009 (unaudited) £	Year ended 31 January 2010 (audited) £

Final dividend for the year ended 31 January 2010 of 2 pence per Ordinary share 9 June 2010	428,588		-
Final income dividend for the year ended 31 January 2009 of 1 pence per Ordinary Share of 1 pence paid 10 June 2009	-	201,078	201,078
Interim capital dividend for the year ended 31 January 2010 of 1.0 pence per Ordinary Share of 1 pence paid 7 November 2009	-	-	200,953
	-	201,078	402,031

8. Net asset value per Ordinary share

	As at 31 July 2010 (unaudited) £	As at 31 July 2009 (unaudited) £	As at 31 January 2010 (audited) £
Net assets	23,332,073	21,057,391	21,222,542
Number of shares in issue	21,027,687	20,038,300	20,107,800
Net asset value per share (pence)	110.96p	105.09p	105.54p

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

	Traded on AIM £	Unquoted equity shares £	Unquoted preference shares £	Loan Stock £	Total £
Valuation at 31 January 2010	64,323	5,969,444	7,572	9,250,627	15,291,966
Purchases at cost	-	27,899	1,667	125,759	155,325
Sales - proceeds	-	(30,561)	(1,667)	(705,066)	(737,294)
- realised (losses)/gains	-	(1,497)	-	113,980	112,483
Unrealised (losses)/gains	(64,323)	1,120,270	250	308,431	1,364,628
Valuation at 31 July 2010	-	7,085,555	7,822	9,093,731	16,187,108
Book cost at 31 July 2010	150,102	6,039,402	124,467	10,055,300	16,369,271
Unrealised gains/(losses) at 31 July 2010	-	1,096,153	(16,645)	(761,569)	317,939
Permanent impairment of investments	(150,102)	(50,000)	(100,000)	(200,000)	(500,102)
Valuation at 31 July 2010	-	7,085,555	7,822	9,093,731	16,187,108
Losses on investments	(150,102)	(177,332)	-	(18,030)	(345,464)
Less amounts recognised as unrealised losses in previous years	150,102	175,835	-	132,010	457,947
Realised (losses)/gains based on carrying value at 31 July 2010	-	(1,497)	-	113,980	112,483
Net movement in unrealised (depreciation)/appreciation in the period	(64,323)	1,120,270	250	308,431	1,364,628
(Losses)/gains on investments for the period ended 31 July 2010	(64,323)	1,118,773	250	422,411	1,477,111

Transaction costs of £35,697 were incurred in the period and are treated as realised losses on investments in the Income Statement. Deducting this from £112,483 realised gains above equals realised gains on Investments per the Income Statement of £76,786. These transaction costs also reconcile the difference between net additions and disposals per the cashflow statement of £546,272 and net additions and disposals per the investment note above of £581,969.

10. Current investments at fair value

These comprise investments in 6 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.

£7,105,841 (31 July 2009: £13,578,048, 31 January 2010: £5,965,431) of this sum is subject to same day access, whilst £10,410 (31 July 2009: £10,357, 31 January 2010: £10,388) is subject to 2 day access.

11. 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 2010	199,576	-	885,245	(1,473,847)	16,540,857	5,070,711	21,222,542
Shares bought back	(4,361)	-	4,361	-	(405,046)	-	(405,046)
Shares issued in the period	15,062	1,583,088	-	-	-	-	1,598,150
Profit/(loss) for the period	-	-	-	1,364,628	-	(19,613)	1,345,015
Realised losses transferred to special reserve	-	-	-	-	(348,391)	348,391	-
Realisation of previously unrealised appreciation	-	-	-	427,158	-	(427,158)	-
Dividend - final paid for year ended 31 January 2010	-	-	-	-	-	(428,588)	(428,588)
At 31 July 2010	210,277	1,583,088	889,606	317,939	15,787,420	4,543,743	23,332,073

On 31 March 2010 and 3 April 2010, the Company issued 1,483,901 new ordinary shares at 112.4p per share under the Offer for Subscription launched on 20 January 2010.

12. The information for the year ended 31 July 2010 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 2010 have been filed with the Registrar of Companies. The auditors have reported on these financial statements and that report was unqualified and did not contain a statement under section 498(2) of the Companies Act 2006.

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

Corporate Information

Directors (Non-executive)

Colin Hook (Chairman)
Christopher Moore
Helen Sinclair
Andrew Robson (appointed 1 August 2010)

Secretary

Matrix-Securities Limited
One Vine Street
London W1J 0AH

Company's Registered Office and Head Office

One Vine Street
London W1J 0AH

Company Registration Number

3707697

Investment Manager

Matrix Private Equity Partners LLP
One Vine Street
London W1J 0AH
www.matrixgroup.co.uk

Website: www.mig4vct.co.uk

Promoter and Administrator

Matrix-Securities Limited
One Vine Street
London W1J 0AH

Solicitors

Travers Smith
10 Snow Hill
London EC1A 2AL

Registrars

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0GA

Stockbroker

Matrix Corporate Capital LLP
One Vine Street
London W1J 0AH

Independent Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London EC1M 3AP

VCT Status Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Bankers and Custodians

National Westminster Bank plc
Financial Institutions Team
First Floor
Mayfair Commercial Banking Centre
Piccadilly
London W1A 2PP