

Mobeus Income & Growth VCT plc

A VENTURE CAPITAL TRUST

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

Investment Objective

Mobeus Income & Growth VCT plc (“the Company” or “MIG VCT”) is a Venture Capital Trust (“VCT”) listed on the London Stock Exchange. Its investment portfolio, which invests primarily in established and profitable unquoted companies, is managed by Mobeus Equity Partners LLP (“Mobeus” or “the Manager”).

The Company’s objective 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 2013

-  Net asset value (NAV) total return per share for the period was 9.00%.
-  A total of £5.12 million was invested in the period, including the MBO of Gro-Group and two acquisitions by two existing portfolio companies, ATG Media and Fullfield.
-  An interim dividend of 4.00 pence per share has been declared. This payment will bring total cumulative dividends paid to Shareholders since launch to 44.05 pence per share.
-  Strong liquidity has been enhanced by a successful fundraising in 2013 from which new funds of £8.28 million were raised by the Company.

Performance Summary

The net asset value per share of the Company at 30 June 2013 was 100.70 pence

The table below shows the recent past performance of the original funds raised in 2004/05. Performance data for all fundraising rounds and for former Matrix Income & Growth 3 VCT Shareholders is shown in a table on pages 22 – 23 of this Report.

	Net assets (£m)	NAV per share (p)	Share price (mid-market price) ¹ (p)	Cumulative dividends paid per share (p)	Cumulative total return per share to Shareholders since launch ²	
					(NAV basis) (p)	(Share price basis) (p)
As at 30 June 2013	54.00	100.70	86.00	40.05	140.75	126.05
As at 31 December 2012	43.29	94.22	80.50	38.05	132.27	118.55
As at 30 June 2012	42.08	91.08	80.50	33.05	124.13	113.55

¹ Source: London Stock Exchange.

² Total return per share comprises either the NAV per share (NAV basis) or the mid-market price per share (share price basis), plus cumulative dividends paid per share.

Interim dividend

An interim dividend of 4.00 pence per share, comprising 2.00 pence from income and 2.00 pence from capital, has been declared by the Directors and will be paid on 18 September 2013 to Shareholders on the Register on 23 August 2013. This payment will bring cumulative dividends paid to date to 44.05 pence per share.

Investment portfolio

The VCT's investment portfolio was valued at £37.33 million at 30 June 2013 having achieved a gain of £3.5 million since 31 December 2012. This portfolio value includes £3 million invested in acquisition vehicles at the period-end.

Liquidity

The Company holds approximately £16.56 million in cash, cash deposits and readily realisable assets that are available for further investments, dividends and share buybacks.

Chairman's Statement

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

Net asset value (NAV) and total return to Shareholders

The net asset value per share as at 30 June 2013 was 100.70 pence compared with the previously reported NAV per share of 94.22 pence as at 31 December 2012.

The Company's total return for the half-year (NAV basis) was 9.00% (2012: 1.82%), after allowing for the final dividend of 2.00 pence per share in respect of the year ended 31 December 2012 which was paid in this period. The cumulative NAV total return per share (being the closing net asset value plus total dividends paid to date since launch) rose during the six month period from 132.27 pence to 140.75 pence. This encouraging rise in NAV return over the period was largely due to unrealised gains across the portfolio, notably increases in the valuations of Tessella, Westway, Fullfield (trading as Motorclean) and ATG Media. In addition, the sale of Newquay Helicopters' (formerly British International) principal subsidiary to Patriot Aerospace in May resulted in a realised gain of £461k on repayment of loan stocks and previously unaccrued interest payments of £748k.

To assist Shareholders who originally invested in any of the individual fundraisings (including Matrix Income & Growth 3 VCT plc "MIG 3 VCT") to monitor the performance of their investment (including dividend payments) on a consistent basis, a table showing the returns to Shareholders from each allotment has been included at the back of this Report on pages 22 – 23.

Investment portfolio

Overall the investment portfolio recorded a gain of £3.50 million (10.03% of the opening value) during the first half of the year and was

valued at £37.33 million at the period-end.

A total of £5.12 million (including funds from the acquisition vehicles Almsworthy, Fosse and Peddars) was invested during the period. Firstly, in February 2013, the VCT invested a further £1.34 million (using the acquisition vehicle Almsworthy) to finance Motorclean's acquisition of Forward Valeting Services in a deal that created the UK's largest provider of car valeting services. Secondly, a new investment totalling £1.86 million (including £1 million from the Company's existing investment in the acquisition vehicle Fosse Management) was made in March 2013 to support the MBO of Gro-Group. Based in Devon, Gro-Group is the market leader for baby sleep time products in the UK and Australia. Finally, in April 2013, the VCT invested £1.64 million (via the acquisition vehicle Peddars Management) to enable ATG to acquire Bidspotter, a US company providing live bidding and auction software to industrial and commercial auctioneers.

Shortly after the period-end, in July 2013, the VCT completed a further new investment of £2.05 million (including the VCT's existing investment of £1 million in the acquisition vehicle, Madacombe Trading) to support the MBO of Veritek Global Limited, a Europe-wide provider of installation, maintenance and support services for blue-chip owners of printing equipment.

Net cash proceeds received during the period from portfolio realisations amounted to £3.14 million. This figure included the partial sale of Faversham House, and loan stock repayments received from Newquay Helicopters, Fullfield (Motorclean), DiGiCo, Tessella and Westway.

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

Revenue account and dividends

The net revenue return for the period rose sharply from £499k at this stage last year to £1,216k for this half-year. This was mainly because income increased by £949k, primarily due to an exceptional level of loan interest of £752k from Newquay Helicopters which repaid its two principal loan stocks, together with premiums, interest and arrears. It was the main contributor to a total rise in loan stock interest of £861k for the half year, which also reflected the impact of interest from new loan investments outweighing that foregone from loan repayments. Dividend income rose by £46k to £156k, principally due to dividends received from Machineworks and Focus Pharmaceuticals. Income from cash balances rose by a net amount of £42k, as more cash was retained in bank deposits which paid higher rates of interest than those available from money market funds.

Running costs rose slightly as fund management fees charged to revenue rose by £15k due to rising net assets. Other costs also rose by £10k, due to a rise in directors', professional and registrar's fees countered by a reduction in trail commission costs.

The rise in income has caused a consequent rise in the taxation charge attributable to the revenue return, from £86k to £293k. Income from loan stock is taxable and could mean the Company has a corporation tax liability at the year-end.

The Directors have declared an interim dividend of 4.00 pence per share (comprising 2.00 pence from income and 2.00 pence from capital) which will be paid on 18 September 2013 to Shareholders on the Register on 23 August 2013. This payment will bring cumulative dividends paid per share to 44.05 pence.

Chairman's Statement

Cancellation of the share premium account

Further to a special resolution passed on 22 February 2013, the Company applied to the High Court to cancel the amount standing to the credit of its share premium account on 25 January 2013 of £28.87 million. The cancellation of the share premium account was confirmed by an Order of the Court on 13 March 2013.

Linked VCT fundraising

The Company participated with Mobeus Income & Growth 4 VCT plc and The Income & Growth VCT plc in a successful linked fundraising that closed on 30 April 2013. A total of £24.85 million (in excess of the original target of £21 million) was subscribed for under the Offer across the three VCTs, of which £8.28 million (£8.09 million after costs) was raised by the Company. Periodic fundraisings by the Company enable it to maintain a consistent level of new cash to meet its running costs, fund dividend payments and support the Company's share buy-back policy which helps to provide liquidity in the Company's shares in what is normally an extremely illiquid market. The new funds also mean that the Company's fixed running costs are spread over a larger asset base.

Liquidity

The Company has diversified its portfolio of cash investments during the year as it is no longer adding to its investment in money market funds in response to a change in VCT regulations. It continues to hold £1.63 million in a selection of money market funds with AAA credit ratings at 30 June 2013. The balance of cash and current asset investments of £14.93 million is held in current and deposit accounts. Given that risks still remain within the banking sector, these accounts are spread across a number of well-known financial institutions and across a range of maturities. In addition, the £3 million invested in the Operating Partner

acquisition vehicles is also held in money market funds (reduced to £2 million following the use of Madacombe to support the MBO of Veritek Global after the period-end). The Company is currently well-positioned both to take advantage of favourable investment opportunities as they arise and, if required, to make investments to support the existing portfolio.

Investment in qualifying holdings

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

Enhanced buyback facility (EBF)

The VCT offered an EBF to Shareholders in January 2013 and this took place in April 2013. A total of 9.87 million shares were bought-back in respect of the two tax years 2012/13 and 2013/14 (representing 21.49% of the shares in issue at the date of launch of the EBF) and 9.57 million new shares were allotted by the VCT under the EBF. The costs of the EBF were solely borne by the Shareholders who participated in it.

Share buy-backs

During the six months ended 30 June 2013, the Company bought back a further 0.71 million of its own shares, representing 1.54% of the issued share capital at the beginning of the period, at an average price, including costs, of 83.36 pence per share.

All of the shares bought back in the period were subsequently cancelled by the Company.

Continuing Shareholders benefit from the difference between the NAV per share and the price per share at which the shares are bought back and cancelled.

Selling your shares

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

Shareholders are also advised to discuss their individual tax position with their financial advisor before deciding to sell their shares.

Auditor

With effect from 28 March 2013, the Company's auditor, PKF (UK) LLP merged with BDO LLP to become part of BDO LLP ("BDO"). The Board has subsequently appointed BDO as the Company's auditor to fill the vacancy arising as a result of the merger. The Company wrote to Shareholders on 20 June 2013 informing them of this change.

Industry developments

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

Communicating with Shareholders

The Company maintains a programme of regular communication with Shareholders through twice-yearly VCT newsletters produced by the Manager, its half-yearly and annual reports and the Manager's website: www.mobeusequity.co.uk

The website is regularly updated with information on your investments including case studies of portfolio companies and profiles of the investment team. The Company has its own dedicated section on the website which includes performance tables, details of dividends paid and copies of past reports to Shareholders.

The Company has adopted electronic communications, which enables Shareholders to choose between electing to receive communications by email or as hard copies through the post. Many Shareholders who have not specifically chosen either of these options receive a letter notifying them where to access the reports on the website. We believe that this provides a more efficient way of communicating with Shareholders as well as making savings to the Company on postage and printing costs.

If you have not already done so, you are encouraged to register with Computershare's Investor Centre: www-uk.computershare.com/Investor which provides the most efficient way of checking information on your accounts and making changes to your instructions. Once you have registered you can use the Centre to check your shareholding and dividend payments and amend your address or bank details. You can also use the site to manage your options for receiving communications from the Company including submitting proxy votes for general meetings.

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

Shareholder workshop – 21 January 2014

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

Industry awards for the Manager

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

Outlook

Recent data on the UK economy appears to indicate that a recovery from the financial crisis is underway, and business surveys reveal a cautious optimism in the corporate sector.

The Manager continues to report that it is being presented with and is evaluating a high level of good quality investment opportunities. The Manager will continue to adopt a cautious approach to selecting well-run profitable companies operating in niche markets and specifically structuring the terms of deals so as to minimise the downside risk to Shareholders. We believe that this strategy underpins the quality of the investment portfolio currently held within the VCT.

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

Keith Niven
Chairman

14 August 2013

Responsibility Statement of the Directors in respect of the Half-Yearly financial Report

Responsibility Statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Keith Niven (Chairman), Bridget Guérin (Chairman of the Nominations & Remuneration Committee) and Tom Sooke (Chairman of the Audit Committee), the Directors of the Company, confirm that to the best of their knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with the statement, "Half-Yearly Reports", issued by the Accounting Standards Board, gives a true and fair view of the assets, liabilities, financial position and profit of the Company, as required by DTR 4.2.4;
- (b) the Half-Yearly Management Report, included within the Chairman's Statement, Investment Policy, Manager's Review and 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 are no related party transactions that are required to be disclosed in accordance with DTR 4.2.8.

Principal Risks and Uncertainties

In accordance with DTR 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not changed materially since the publication of the Annual Report and Accounts for the year ended 31 December 2012. The Board acknowledges that there is regulatory risk and continues to manage the Company's affairs in such a manner as to comply with section 274 of the Income Tax Act 2007. The principal risks faced by the Company are:

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

A more detailed explanation of these risks can be found in the Directors' Report on pages 16 – 17 and in Note 19 on pages 45 – 52 of the Annual Report and Accounts for the year ended 31 December 2012, copies of which are available on the Manager's website, www.mobeusequity.co.uk or by going direct to: www.migvct.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 Half Yearly Management Report which is included within the Chairman's Statement, Investment Policy, Manager's Review and Investment Portfolio Summary. The Directors have satisfied themselves that the Company continues to maintain a significant cash position, the majority of companies in the portfolio continue to trade profitably and the portfolio taken as a whole remains resilient and well-diversified. The major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control. The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Note 19 on pages 45 – 52 of the Annual Report and Accounts for the year ended 31 December 2012. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the half-yearly report and annual financial statements.

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

Keith Niven
Chairman

14 August 2013

Investment Policy

The VCT's policy is to invest primarily in a diverse portfolio of UK unquoted companies. Investments are usually structured as part loan and part equity in order to receive regular income and to generate capital gains from realisations.

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 own. Investments are primarily made in companies that are established and profitable.

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 VCT 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 period in shares or securities comprised of VCT qualifying holdings, of which a minimum overall of 30% by value (70% for funds raised on or after 6 April 2011) must be in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules). The VCT can invest less than 30% by value (70% for funds raised on or after 6 April 2011) of an investment in a specific company in ordinary shares. It must, however, 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 VCT holds its liquid funds in a portfolio of readily realisable interest-bearing investments and deposits. The investment portfolio of qualifying investments has been built up over time 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 high exposure to equities, each qualifying investment is structured to maximise the amount which may be invested in loan stock.

Co-investment

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

Borrowing

The VCT's articles permit borrowings of amounts up to 10% of the adjusted capital and reserves (as defined therein). The VCT has never borrowed and the Board has no current plans to undertake any borrowing.

Management

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

Manager's Review

Overview

The six months to 30 June 2013 have been a period of strong performance for many of the companies in the portfolio. We believe that this is a result of focussing on selecting well-run, profitable companies operating in niche markets and structuring deals to minimise downside risk to Shareholders.

Portfolio review

At 30 June 2013 the portfolio comprised 29 investments with a cost of £32.39 million valued at £37.33 million. Overall, the portfolio has performed well, achieving a gain of £3.50 million over the last six months.

ATG, Fullfield, Tessella and Westway have contributed strongly to this increase in the overall value of the portfolio over the six month period. All these companies are trading well; in the cases of ATG and Fullfield, the valuations have benefitted from attractively-priced acquisitions made during the period and we are confident that these acquisitions will help in driving values still further. Westway has recovered well from a dip in trading in the prior year. Tessella, having made an encouraging start since the MBO in July 2012, has now been valued on an earnings basis for the first time which has resulted in a significant uplift from cost.

Blaze Signs has continued its impressive recovery having benefitted from some high profile contract gains, including work on the Olympics site in 2012. DiGiCo Global has continued to grow revenues, and has recently launched a new range of products. Focus has begun to benefit from the high level of new product development expenditure over the past year. The valuation of EMaC has increased further above cost, reflecting this company's pleasing performance since investment. Against these positive performances, CB Imports, while

trading satisfactorily, is performing slightly below expectations. The building and construction sector remains weak, causing Youngman and PXP to find it difficult to establish a solid path to recovery, although the valuation of Plastic Surgeon is beginning to reflect signs of a recovery. RDL's performance remains disappointing.

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

Investment activity

In March 2013, the Company completed a new investment of £1.86 million, to support the MBO of Gro-Group Holdings Limited. The amount invested included £1 million from the Company's existing investment in the acquisition vehicle Fosse Management. Devon based Gro-Group created the original, and now internationally renowned, Gro-bag which has become the number one baby sleep bag brand in the UK and Australia. Market penetration of the product has increased from zero to around 90% since the company was founded in 2000 and turnover has grown to £12 million.

Shortly after the period-end in July 2013, the VCT completed a further new investment of £2.05 million (including the VCT's existing investment of £1 million in the seed company, Madacombe Trading) to support the MBO of Veritek Global Limited, a Europe-wide provider of installation, maintenance and support services for blue-chip owners of printing equipment.

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

and offer good potential for further growth. In February 2013, the VCT provided an additional £1.34 million, via the acquisition vehicle Almsworthy Trading, to finance Fullfield's (trading as Motorclean) acquisition of Forward Valeting Services. The transaction created the UK's largest provider of car valeting services and brought the VCT's total investment in this company to £2.58 million. In April 2013, a further £1.64 million was invested into ATG Media, using the VCT's existing investment of £1 million in the acquisition vehicle Peddars Management, to enable it to acquire Bidspotter Inc., a US business engaged in providing live bidding and auction software to industrial and commercial liquidation auctioneers, bringing the VCT's total investment in this company to £3.12 million.

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

A further loan of £293k was advanced to support the working capital requirements of Newquay Helicopters (formerly British International). This was used to provide working capital pending the disposal of the company's major trading subsidiary, which has now occurred. The company has now repaid the principal and premium of the first two loan stocks, together with all interest arrears, for total cash proceeds of £3.01 million. The capital proceeds of £2.26 million compare with an investment cost of £1.8 million. This is a pleasing outcome and there is the prospect of further returns of capital as the company realises its remaining assets and activities.

In March 2013, the VCT sold part of its loan stock and its entire equity investment in Faversham House for net proceeds of £207k. Faversham's progress has fallen short of expectations and we took the opportunity to agree with management a phased realisation of our holding. The Company continues to hold a loan stock investment in this company, valued at 30 June 2013 at £157k. The total of these figures, £364k, shows a loss when compared with the total original cost of £527k. However, this partial disposal was in excess of the valuation of Faversham House at the beginning of the period and has contributed to the increase in the portfolio's value at the period-end.

The Company has continued to benefit from the profitability and strong cash position of a number of investee companies and has received partial loan stock repayments totalling £674k in the six months covered by this report, from DiGiCo Global, Tessella, Fullfield, and Westway in addition to the partial realisations of Newquay Helicopters and Faversham House mentioned above.

Outlook

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

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

Mobeus Equity Partners LLP

14 August 2013

Investment Portfolio Summary

as at 30 June 2013

	Market Sector	Date of investment	Total book cost* £'000	Valuation £'000	% value of net assets
Qualifying investments					
AiM quoted investments					
Omega Diagnostics Group plc In-vitro diagnostics for food intolerance, autoimmune diseases and infectious diseases	Health care, equipment and services	Dec-10	305	419	0.8%
Total AiM quoted qualifying investments			305	419	0.8%
Unquoted investments					
ATG Media Holdings Limited Publisher and on-line auction platform operator	Media	Oct-08	3,122	6,076	11.3%
Fullfield Limited (Motorclean) Provider of vehicle cleaning and valet services	Support services	Jul-11	2,577	3,229	6.0%
Ingleby (1879) Limited (EMaC) Service plans for the motor trade	Support services	Nov-11	1,762	2,452	4.5%
CB Imports Group Limited (Country Baskets) Importer and distributor of artificial flowers and floral sundries	General retailers	Dec-09	2,000	2,319	4.3%
Tessella Holdings Limited Technology consultancy	Support services	Jul-12	1,607	2,148	4.0%
Gro-Group Holdings Limited Baby sleep products	General retailers	Mar-13	1,858	1,858	3.4%
Blaze Signs Holdings Limited Manufacturer and installer of signs	Support services	Apr-06	727	1,774	3.3%
Focus Pharma Holdings Limited Licensor and distributor of generic pharmaceuticals	Pharmaceuticals	Oct-07	1,043	1,706	3.2%
Machineworks Software Limited Software for CAM and machine tool vendors	Software and computer services	Apr-06	223	1,304	2.4%
Westway Services Holdings (2010) Limited Installation, maintenance and servicing of air-conditioning systems	Support services	Jun-09	513	1,201	2.2%
EOTH Limited (Rab and Lowe Alpine) Branded outdoor equipment and outdoor clothing	General retailers	Oct-11	1,000	1,080	2.0%
Ackling Management Limited Company preparing to trade in the food manufacturing, distribution and brand management sectors	Acquisition vehicle	Apr-12	1,000	1,000	1.9%
Culbone Trading Limited Company preparing to trade in the outsourced sector	Acquisition vehicle	Mar-12	1,000	1,000	1.9%
Madacombe Trading Limited Acquisition vehicle used to complete the MBO of Veritek Global following the period-end	Acquisition vehicle	Mar-12	1,000	1,000	1.9%
RDL Corporation Limited Recruitment consultants for the pharmaceutical, business intelligence and IT industries	Support services	Oct-10	1,558	967	1.8%
ASL Technology Holdings Limited Supplier of printer and photocopier services	Support services	Dec-10	1,913	814	1.5%
Plastic Surgeon Holdings Limited, The Supplier of snagging and finishing services to the domestic and commercial property markets	Support services	Apr-08	478	709	1.3%
Youngman Group Limited Manufacturer of ladders and access towers	Support services	Oct-05	1,000	701	1.3%
Vectair Holdings Limited Designer and distributor of washroom products	Support services	Jan-06	139	481	0.9%
Newquay Helicopters (2013) Limited (formerly British International Holdings Limited) Supplier of helicopter services	Support services	Jun-06	226	396	0.7%

	Market Sector	Date of investment	Total book cost* £'000	Valuation £'000	% value of net assets
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	Personal goods	Dec-06	1,213	384	0.7%
Lightworks Software Limited Software for CAD vendors	Software and computer services	Apr-06	223	255	0.5%
Faversham House Holdings Limited Publisher, exhibition organiser and operator of websites	Media	Dec-10	157	157	0.3%
Monsal Holdings Limited Supplier of engineering services to the water and waste sectors	Support services	Dec-07	1,299	117	0.2%
PXP Holdings Limited (Pinewood Structures) Designer, manufacturer, supplier and installer of timber-frames for buildings	Construction and building materials	Dec-06	1,278	114	0.2%
Legion Group plc - in administration Provider of manned guarding, mobile patrolling, and alarm response services	Support services	Aug-05	150	–	0.0%
Watchgate Limited Holding company	Holding company	Nov-11	1	–	0.0%
Total unquoted qualifying investments			29,067	33,242	61.7%
Total qualifying investments			29,372	33,661	62.5%
Non-qualifying investments					
DiGiCo Global Limited Designer and manufacturer of audio mixing desks	Technology, hardware and equipment	Dec-11	2,429	3,082	5.7%
EOTH Limited	General retailers	Oct-11	298	298	0.6%
Newquay Helicopters (2013) Limited	Support services	Mar-13	293	293	0.5%
Total portfolio investments			32,392	37,334	69.3%
Cash at Natwest Bank plc			6,928	6,928	12.8%
Lloyds TSB Bank plc			2,000	2,000	3.7%
Nationwide Building Society			2,000	2,000	3.7%
HSBC Bank plc			2,000	2,000	3.7%
The Co-operative Bank			2,000	2,000	3.7%
GS Funds plc (Goldman Sachs)			429	429	0.7%
Global Treasury Funds plc (Royal Bank of Scotland)			387	387	0.7%
Insight Liquidity Funds plc (HBOS)			271	271	0.5%
Institutional Cash Series plc (BlackRock)			256	256	0.5%
SWIP Global Liquidity Fund plc (Scottish Widows)			176	176	0.3%
Fidelity Institutional Cash Fund plc			114	114	0.2%
Other assets			500	500	0.9%
Current liabilities			(390)	(390)	(0.7)%
Net assets			49,063	54,005	100.0%

* Book cost includes the fair value of the qualifying investments acquired from Matrix Income & Growth 3 VCT plc on 20 May 2010, still held at 30 June 2013, of £3,999,453.

Unaudited Income Statement

for the six months ended 30 June 2013

	Notes	Six months ended 30 June 2013 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains on investments	9	–	2,890,482	2,890,482
Net realised gains on investments	9	–	605,461	605,461
Income	3	1,816,882	–	1,816,882
Investment management fees	4	(136,480)	(409,440)	(545,920)
Other expenses		(170,922)	–	(170,922)
Profit on ordinary activities before taxation		1,509,480	3,086,503	4,595,983
Tax on profit on ordinary activities	5	(293,043)	131,406	(161,637)
Profit attributable to equity Shareholders		1,216,437	3,217,909	4,434,346
Basic and diluted earnings per share	6	2.40p	6.35p	8.75p

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 – 20 form part of these half-yearly financial statements.

Six months ended 30 June 2012 (unaudited)			Year ended 31 December 2012 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
–	130,229	130,229	–	3,488,447	3,488,447
–	294,571	294,571	–	286,530	286,530
867,906	–	867,906	1,797,530	–	1,797,530
(121,744)	(365,233)	(486,977)	(243,545)	(730,634)	(974,179)
(160,731)	–	(160,731)	(263,893)	–	(263,893)
585,431	59,567	644,998	1,290,092	3,044,343	4,334,435
(86,084)	86,084	–	(192,913)	192,913	–
499,347	145,651	644,998	1,097,179	3,237,256	4,334,435
1.12p	0.33p	1.45p	2.42p	7.13p	9.55p

Unaudited Balance Sheet

as at 30 June 2013

	Notes	As at 30 June 2013 (unaudited) £	As at 30 June 2012 (unaudited) £	As at 31 December 2012 (audited) £
Non-current assets				
Investments at fair value	1c, 9	37,334,097	32,073,317	34,857,675
Current assets				
Debtors and prepayments		500,094	227,075	215,525
Current investments	10	9,632,916	5,134,243	3,632,668
Cash at bank		6,927,943	4,913,694	4,713,008
		17,060,953	10,275,012	8,561,201
Creditors: amounts falling due within one year				
		(389,830)	(271,087)	(130,353)
Net current assets				
		16,671,123	10,003,925	8,430,848
Net assets				
		54,005,220	42,077,242	43,288,523
Capital and reserves				
	11			
Called up share capital		536,273	461,992	459,465
Capital redemption reserve		181,372	69,067	75,583
Share premium account		15,361,612	26,661,822	27,018,629
Revaluation reserve		7,903,451	1,876,753	4,886,524
Special distributable reserve		27,383,210	9,761,751	8,989,989
Profit and loss account		2,639,302	3,245,857	1,858,333
Equity Shareholders' funds				
		54,005,220	42,077,242	43,288,523
Net asset value per ordinary share				
	8	100.70p	91.08p	94.22p

The notes on pages 16 – 20 form part of these half-yearly financial statements.

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2013

	Notes	Six months ended 30 June 2013 (unaudited) £	Six months ended 30 June 2012 (unaudited) £	Year ended 31 December 2012 (audited) £
Opening Shareholders' funds		43,288,523	40,726,175	40,726,175
Purchase of own shares		(10,032,939)	(1,075,757)	(1,588,947)
Shares issued		17,393,269	4,676,532	5,037,328
Profit for the period		4,434,346	644,998	4,334,435
Dividends paid in period	7	(1,077,979)	(2,894,706)	(5,220,468)
Closing Shareholders' funds		54,005,220	42,077,242	43,288,523

The notes on pages 16 – 20 form part of these half-yearly financial statements.

Unaudited Summarised Cash Flow Statement

for the six months ended 30 June 2013

	Six months ended 30 June 2013 (unaudited) £	Six months ended 30 June 2012 (unaudited) £	Year ended 31 December 2012 (audited) £
Operating activities			
Investment income received	1,700,362	969,894	1,880,902
Other income	–	–	11,759
Investment management fees paid	(545,920)	(486,977)	(974,179)
Other cash payments	(131,504)	(127,265)	(336,669)
Net cash inflow from operating activities	1,022,938	355,652	581,813
Investing activities			
Acquisitions of investments	(2,123,350)	(7,114,286)	(7,793,526)
Disposals of investments	3,142,871	2,884,559	4,129,618
Net cash inflow/(outflow) from investing activities	1,019,521	(4,229,727)	(3,663,908)
Dividends			
Equity dividends paid	(1,077,979)	(2,894,706)	(5,220,468)
Cash inflow/(outflow) before financing and liquid resource management	964,480	(6,768,781)	(8,302,563)
Management of liquid resources			
(Increase)/decrease in current investments	(6,000,248)	5,989,438	7,491,013
Financing			
Shares issued as part of joint fundraising offer for subscription	7,922,677	4,676,532	5,037,328
Shares issued as part of the enhanced buyback facility	9,300,734	–	–
Shares bought back as part of enhanced buyback facility (including expenses)	(9,412,459)	–	–
Share capital bought back	(560,249)	(1,068,577)	(1,597,852)
Net inflow from financing activities	7,250,703	3,607,955	3,439,476
Increase in cash for the period	2,214,935	2,828,612	2,627,926

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

	Six months ended 30 June 2013 (unaudited) £	Six months ended 30 June 2012 (unaudited) £	Year ended 31 December 2012 (audited) £
Profit on ordinary activities before taxation	4,595,983	644,998	4,334,435
Net unrealised gains on investments	(2,890,482)	(130,229)	(286,530)
Net gains on realisations of investments	(605,461)	(294,571)	(3,488,447)
(Increase)/decrease in debtors	(114,710)	102,584	114,134
Increase/(decrease) in creditors	37,608	32,870	(91,779)
Net cash inflow from operating activities	1,022,938	355,652	581,813

The notes on pages 16 – 20 form part of these half-yearly financial statements.

Notes to the Unaudited Financial Statements

1. Principal accounting policies

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

a) Basis of accounting

The unaudited results cover the six months to 30 June 2013 and have been prepared under UK Generally Accepted Accounting Practice (UK GAAP), consistent with the accounting policies set out in the statutory accounts for the year ended 31 December 2012 and the 2009 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the SORP) issued by the Association of Investment Companies. The financial statements are prepared under the historical cost convention except for the measurement of certain investments at fair value.

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

b) Presentation of the Income Statement

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

c) Investments

Investments are accounted for on a trade date basis.

All investments held by the Company are classified as "fair value through profit and loss", in accordance with the International Private Equity and Venture Capital Valuation ("IPEVVCV") guidelines, as updated in September 2009. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

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

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

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

2. 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.

3. Income

	Six months ended 30 June 2013 (unaudited) £	Six months ended 30 June 2012 (unaudited) £	Year ended 31 December 2012 (audited) £
Dividends	156,094	110,061	206,304
Money-market funds	2,999	24,841	32,373
Loan stock interest	1,575,288	714,478	1,482,914
Bank deposits	82,501	18,526	64,180
Other income	–	–	11,759
Total income	1,816,882	867,906	1,797,530

4. Investment management expense

In accordance with the policy statement published under “Management and Administration” in the Company’s prospectus dated 9 July 2004, the Directors have charged 75% of the investment management expense to the capital reserve.

5. Taxation

There is a tax charge for the period as the Company has taxable income in excess of deductible expenses, and has now utilised all available tax losses brought forward that had previously reduced taxable profit.

	Six months ended 30 June 2013 (unaudited)			Six months ended 30 June 2012 (unaudited)			Year ended 31 December 2012 (audited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
a) Analysis of tax charge:									
UK Corporation tax on profits/(losses) for the period	293,043	(131,406)	161,637	(86,084)	86,084	–	(192,913)	192,913	–
Total current tax charge/(credit)	293,043	(131,406)	161,637	(86,084)	86,084	–	(192,913)	192,913	–
Corporation tax is based on a rate of 20% (2012: 20%)									
b) Profit on ordinary activities before tax	1,509,480	3,086,503	4,595,983	499,347	145,651	644,998	1,290,092	3,044,343	4,334,435
Profit on ordinary activities multiplied by small company rate of corporation tax in the UK of 20% (2012: 20%)	301,896	617,300	919,196	99,869	29,130	128,999	258,018	608,869	866,887
Effect of:									
UK dividends	(31,219)	–	(31,219)	(22,012)	–	(22,012)	(41,261)	–	(41,261)
Unrealised gains not allowable	–	(578,096)	(578,096)	–	(26,046)	(26,046)	–	(697,689)	(697,689)
Realised gains not taxable	–	(121,092)	(121,092)	–	(58,914)	(58,914)	–	(57,306)	(57,306)
Losses brought forward	(27,152)	–	(27,152)	(22,027)	–	(22,027)	(70,631)	–	(70,631)
Marginal rate	49,518	(49,518)	–	30,254	(30,254)	–	46,787	(46,787)	–
Actual current tax charge	293,043	(131,406)	161,637	86,084	(86,084)	–	192,913	(192,913)	–

6. Basic and diluted earnings and return per share

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

	Six months ended 30 June 2013 (unaudited) £	Six months ended 30 June 2012 (unaudited) £	Year ended 31 December 2012 (audited) £
i) Total earnings after taxation	4,434,346	644,998	4,334,435
Basic and diluted earnings per ordinary share	8.75p	1.45p	9.55p
ii) Net revenue from ordinary activities after taxation	1,216,437	499,347	1,097,179
Basic and diluted earnings per ordinary share	2.40p	1.12p	2.42p
iii) Net unrealised gains	2,890,482	130,229	3,488,447
Net realised capital gains	605,461	294,571	286,530
Capital expenses (net of taxation)	(278,034)	(279,149)	(537,721)
Total capital return	3,217,909	145,651	3,237,256
Basic and diluted capital earnings per ordinary share	6.35p	0.33p	7.13p
iv) Weighted average number of shares in issue in the period	50,681,548	44,470,760	45,383,141

7. Dividends paid

	Six months ended 30 June 2013 (unaudited) £	Six months ended 30 June 2012 (unaudited) £	Year ended 31 December 2012 (audited) £
Final income dividend paid for year ended 31 December 2011 of 1.25p per share	–	578,942	578,942
Final capital dividend paid for year ended 31 December 2011 of 5p per share	–	2,315,764	2,315,765
Interim income dividend paid for year ended 31 December 2012 of 0.5p per share	–	–	232,576
Interim capital dividend paid for year ended 31 December 2012 of 4.5p per share	–	–	2,093,185
Final income dividend paid for year ended 31 December 2012 of 1.5p per share	808,484	–	–
Final capital dividend paid for year ended 31 December 2012 of 0.5p per share	269,495	–	–
	1,077,979	2,894,706	5,220,468

8. Basic and diluted net asset value per ordinary share

	As at 30 June 2013 (unaudited) £	As at 30 June 2012 (unaudited) £	As at 31 December 2012 (audited) £
Net assets	54,005,220	42,077,242	43,288,523
Number of shares in issue	53,627,282	46,199,153	45,946,513
Basic and diluted net asset value per share (pence)	100.70p	91.08p	94.22p

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

	Traded on AiM £	Unquoted equity shares £	Unquoted preference shares £	Loan stock £	Total £
Valuation at 1 January 2013	406,664	12,038,383	32,755	22,379,873	34,857,675
Purchases at cost	–	1,909	–	2,121,441	2,123,350
Sales - proceeds	–	(21,862)	–	(3,131,067)	(3,152,929)
- realised gains	–	21,862	–	593,657	615,519
Reclassification at valuation	–	(932,522)	837	931,685	–
Unrealised gains	12,708	2,397,616	750	479,408	2,890,482
Valuation at 30 June 2013	419,372	13,505,386	34,342	23,374,997	37,334,097
Book cost at 30 June 2013	305,000	8,715,891	46,140	23,324,644	32,391,675
Permanent impairment in value of investments	–	(438,104)	(1,829)	(96,464)	(536,397)
Unrealised gains/(losses) at 30 June 2013	114,372	5,227,599	(9,969)	146,817	5,478,819
Valuation at 30 June 2013	419,372	13,505,386	34,342	23,374,997	37,334,097
Gains on investments					
Net realised (losses)/gains based on historical cost	–	(178,174)	–	667,248	489,074
Less amounts recognised as unrealised losses in previous years	–	(200,036)	–	73,591	(126,445)
Net realised gains based on carrying value at 31 December 2012	–	21,862	–	593,657	615,519
Net movement in unrealised gains in the period	12,708	2,397,616	750	479,408	2,890,482
Gains on investments for the six months ended 30 June 2013	12,708	2,419,478	750	1,073,065	3,506,001

Reconciliation to Cash Flow Statement

Sales proceeds above of £3,152,929 differs to that shown in the Cash Flow Statement of £3,142,871 by transaction costs of £10,058. These transaction costs also account for the difference between realised gains above of £615,519 and that shown in the Income Statement of £605,461.

Unrealised gains/(losses) at 30 June 2013 of £5,478,819 differ to that shown in the Revaluation Reserve of £7,903,451. The difference of £2,424,632 is loan stock received (net of a £163,390 repayment made during the period) as part of the disposal of DiGiCo Europe Limited in December 2011 which was not recognised as a realised gain in that year.

10. Current Investments at fair value

These comprise investments of £1,632,916 in six OEIC money market funds (five Dublin based and one London based) subject to immediate access, and £8,000,000 in four bank deposit accounts or overnight money market funds, repayable within one year.

11. Capital and reserves

	Called up Share capital £	Capital redemption reserve £	Share Premium reserve £	Revaluation reserve £	Special distributable reserve £	Profit and loss account £	Total £
At 1 January 2013	459,465	75,583	27,018,629	4,886,524	8,989,989	1,858,333	43,288,523
Shares issued under Linked Offer for Subscription	86,914	–	8,005,621	–	–	–	8,092,535
Shares bought back	(7,056)	7,056	–	–	(588,141)	–	(588,141)
Shares issued under Enhanced Buyback Facility (note a)	95,683	–	9,205,051	–	–	–	9,300,734
Shares bought back under Enhanced Buyback Facility (note a)	(98,733)	98,733	–	–	(9,444,798)	–	(9,444,798)
Cancellation of share premium account (note b)	–	–	(28,867,689)	–	28,867,689	–	–
Written off to special reserve	–	–	–	–	(441,529)	441,529	–
Realisation of previously unrealised depreciation	–	–	–	126,445	–	(126,445)	–
Dividend paid	–	–	–	–	–	(1,077,979)	(1,077,979)
Profit for the period	–	–	–	2,890,482	–	1,543,864	4,434,346
At 30 June 2013	536,273	181,372	15,361,612	7,903,451	27,383,210	2,639,302	54,005,220

Note a: Within this figure are the expenses of the Enhanced Buyback Facility (“EBF”) of £144,094. These costs are borne by those Shareholders who participated in the EBF. No fees were charged by the Manager. The EBF transaction was completed in two tranches, on 4 April 2013 and 8 April 2013. Across both dates, a total of 9,873,393 ordinary shares were bought back at a price of 94.2 pence per share, and immediately following this, 9,568,305 ordinary shares were allotted at a price of 97.2 pence per share.

Note b: The cancellation of £28,867,689 from the share premium account (as approved at the General Meeting held on 22 February 2013 and by order of the Court dated 13 March 2013) has increased the Company’s special distribution reserve. The purpose of this reserve is to fund market purchases of the Company’s own shares, and to write off existing and future losses.

As part of the 2013 Linked Offer for Subscription, a total of 8,691,440 ordinary shares were allotted at prices ranging from 94.6 pence to 99.8 pence per share, raising net funds of £8,092,535.

12. Post balance sheet events

On 26 July 2013, the Company made an investment of £2.05 million to support the management buyout of Veritek Global Limited, using the Company’s existing investment of £1 million in the acquisition vehicle Madacombe Trading Limited and an additional £1.05 million from its cash resources.

13. Statutory information

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

14. Half-Yearly Report

This Half-Yearly Report will shortly be made available on our website: www.migvct.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

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

Shareholder enquires

Shareholders are encouraged to take advantage of the online investor services offered by Computershare, the registrars to the Company, by going to their Investor Centre at: www-uk.computershare.com/Investor

This provides the most efficient way of checking information on your account and making changes to your instructions. Once you have registered you can use the website to check your shareholding and dividend payments and amend your address or bank details. You can also use the site to manage your options for receiving communications from the Company, including submitting proxy votes for general meetings.

Alternatively, you may prefer to contact the registrars by phone or post:

Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, tel: 0870 707 1155.

Dividends

Shareholders, who wish to have future 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 from Computershare.

Shareholder communications

Shareholders receive a regular newsletter published by the Manager for all its VCT Shareholders. The newsletter includes information on the latest investments made by the Company and portfolio news as well as performance data.

The Manager holds an annual shareholder workshop and the next event will be held on Tuesday, 21 January 2014 in central London. This will include a presentation on the Mobeus VCTs' investment activity and performance.

The next AGM of the Company will be held in May 2014. The AGM will include a presentation by the Manager and there will be the opportunity for Shareholders to discuss the progress of the portfolio with the Board and the Manager.

Annual Report

The Board intends to announce the Company's Annual Financial Results in respect of the year ended 31 December 2013 in March 2014 and the Annual Report will be circulated to Shareholders in April 2014.

Net asset value per share

The Company's NAV per share as at 30 June 2013 was 100.70 pence per share. The Company announces its unaudited NAV on a quarterly basis.

Selling your shares

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker.

However, to ensure that you obtain the best price, Shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2716/7 before agreeing a price with their stockbroker. Shareholders are also advised to discuss their individual tax position with their financial advisor before deciding to sell their shares.

Performance Data at 30 June 2013

The following table shows, for all investors in Mobeus Income & Growth VCT plc and the former Matrix Income & Growth 3 VCT plc, how their investment has performed since they were originally allotted shares in each fundraising.

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

MIG VCT Fundraisings

Share price as at 30 June 2013 **86.00 pence¹**
 NAV per share as at 30 June 2013 **100.70 pence**

Allotment date(s)	Allotment price	Net allotment price ²	Cumulative dividends paid per share ³	Total return per share to Shareholders since allotment	
				(Share price basis)	(NAV basis)
	(p)	(p)	(p)	(p)	(p)
Funds raised 2004/05					
Between 5 October 2004 and 29 June 2005	100.00	60.00	40.05	126.05	140.75
Funds raised 2010/11					
21 January 2011	98.00	68.60	18.75	104.75	119.45
28 February 2011	102.30	71.61	18.75	104.75	119.45
22 March 2011	102.30	71.61	18.75	104.75	119.45
1 April 2011	102.30	71.61	18.75	104.75	119.45
5 April 2011	102.30	71.61	18.75	104.75	119.45
10 May 2011	100.60	70.42	18.75	104.75	119.45
6 July 2011	95.30	66.71	13.75	99.75	114.45
Funds raised 2011/12					
8 March 2012	101.20	70.84	13.25	99.25	113.95
4 April 2012	101.20	70.84	13.25	99.25	113.95
5 April 2012	101.20	70.84	13.25	99.25	113.95
10 May 2012	101.20	70.84	13.25	99.25	113.95
10 July 2012	95.50	66.85	7.00	93.00	107.70
Funds raised 2013					
14 January 2013	94.60	66.22	2.00	88.00	102.70
28 March 2013	97.40	68.18	2.00	88.00	102.70
4 April 2013	97.40	68.18	2.00	88.00	102.70
5 April 2013	97.40	68.18	2.00	88.00	102.70
10 April 2013 pre RDR ⁴	99.80	69.86	2.00	88.00	102.70
10 April 2013 post RDR ⁴	97.40	68.18	2.00	88.00	102.70
7 May 2013	95.40	66.78	–	86.00	100.70

¹ - Source: London Stock Exchange (mid price).

² - Net allotment price is the allotment price less applicable income tax relief. Income tax relief was 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

³ - For derivation, see table on page 23.

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

MIG 3 VCT Fundraising

Share price as at 30 June 2013 **91.63 pence¹**
 NAV per share as at 30 June 2013 **107.30 pence**

Shareholders in the former Matrix Income & Growth received approximately 1.0655 shares in the Company for each MIG 3 VCT share that they held on 20 May 2010, when the two VCTs merged. Both the share price and the NAV per share shown above have been adjusted using this merger ratio.

Allotment date(s)	Allotment price (p)	Net allotment price ² (p)	Cumulative dividends paid per share ³ (p)	Total return per share to Shareholders since allotment	
				(Share price basis) (p)	(NAV basis) (p)
Funds raised 2006					
(formerly Matrix Income & Growth 3 VCT plc)³					
Between 24 January 2006 and 5 April 2006	100.00	60.00	29.53	121.16	136.83

¹ - Source: London Stock Exchange (mid price).

² - Net allotment price is the allotment price less applicable income tax relief. Income tax relief was 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

³ - For derivation, see table below.

Cumulative dividends paid

	Funds raised 2004/05 (p)	Funds raised 2006 MIG 3 (p)	Funds raised 2010/11 (p)	Funds raised 2011/12 (p)	Funds raised 2013 (p)
27 September 2005	0.30				
16 May 2006	0.70				
14 September 2006	0.80				
18 May 2007	1.40	1.25			
20 September 2007	1.00	1.00			
21 May 2008	7.80	1.50			
11 September 2008	3.30	1.00			
15 May 2009	1.00	0.80			
21 April 2010	5.00	4.00			
20 May 2010 Merger of MIG VCT and MIG 3 VCT					
27 May 2011	5.00	5.33 ¹	5.00		
15 September 2011	0.50	0.53 ¹	0.50		
22 May 2012	6.25	6.66 ¹	6.25	6.25	
20 September 2012	5.00	5.33 ¹	5.00	5.00	
15 May 2013	2.00	2.13 ¹	2.00	2.00	2.00
Total dividends paid²	40.05	29.53	18.75	13.25	2.00

¹ - Following the merger, the dividends paid on MIG VCT shareholdings arising from former MIG3 shareholdings, have been restated for the merger conversion ratio.

² - The above data relates to an investor in the first allotment of each fundraising. The precise amount of dividends paid to Shareholders by date of allotment is shown on page 22.

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Bridget Guérin
Tom Sooke (Senior Independent Director)

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