

MATRIX INCOME & GROWTH VCT PLC **4**

A VENTURE CAPITAL TRUST

HALF-YEARLY REPORT



Unaudited Half-Yearly Report
for the six months ended 31 July 2008

MATRIX

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 2008

- Net Asset Value per Ordinary Share was 112.43p – a decrease of 3.2% over the six month period if the 1.25p dividend paid in the period is excluded
- An interim income dividend of 1p per Ordinary Share has been declared for the year ended 31 January 2009
- Since 1 August 2006, the date of appointment of Matrix Private Equity Partners as sole Investment Manager:
 - Share Price Total Return has increased by 25.3%
 - Net Asset Value Total Return has increased by 2.1%

Performance Summary – Ordinary Shares of 1 penny

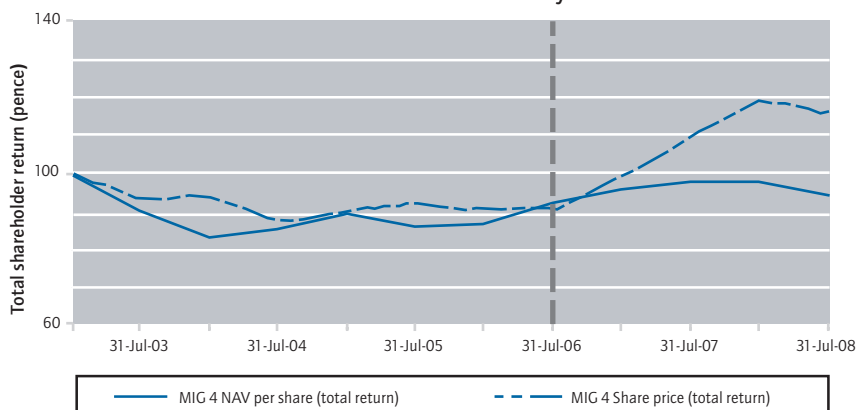
	Net assets (£000s)	Net assets value (NAV) per share (p)	NAV total return to Shareholders since launch (p) ²	Share price (p) ¹	Share price total return to Shareholders since launch per share (p) ²
Six months ended 31 July 2008	22,843	112.4	125.1	105.0	117.7
Year ended 31 January 2008	24,067	117.4	128.9	109.0	120.4
31 January 2007	9,772	116.3	125.2	91.0	101.7
31 January 2006	9,287	106.6	115.0	85.0	93.9
31 January 2005	10,108	110.3	118.5	85.0	93.4
31 January 2004	9,868	103.8	111.5	89.0	97.2

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.

Net asset value and total return (based on mid-market prices) rebased to 100 as at 31 January 2003



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

Source: Landsbanki Securities (UK) Limited

Chairman's Statement and Management Report

I am pleased to present the Company's Half-Yearly Report for the six months ended 31 July 2008.

Performance

At 31 July 2008 the Company's NAV per Ordinary Share was 112.4 pence (31 January 2008: 117.4 pence), a decrease of 3.2 per cent over the six month period if the 1.25p dividend paid in the period is excluded. This compares with a decline of 10.3% in the SmallCap Index, and a decline of 14.5% in the AIM Index during the same period.

Cumulative dividends paid to date amount to 12.7 pence per Ordinary Share.

Portfolio

All UK investment portfolios are being affected by the much harsher economic conditions which now exist. Financial and property markets are volatile, the UK is moving into recession, and the Government has already created a public sector spending boom which cannot continue indefinitely. If the mining and commodities sectors, including oil, are excluded, UK sector price earnings multiples have changed significantly during the period, and this does and will continue to impact on our portfolio valuation.

Within the portfolio, a partial loan stock repayment was made by VSI Holdings Limited in April 2008. No exits were realised during the period. A new investment of £458,837 was made in April 2008 in The Plastic Surgeon Holdings Limited to support the Management Buy Out ("MBO") of Plastic Surgeon Fine Finishers, which is engaged in the snagging and finishing of domestic and commercial properties.

Cash and liquidity fund balances as at 31 July 2008 amounted to £14,612,926.

Revenue account

At 31 July 2008, revenue reserves available for distribution to Ordinary Shareholders as income dividends were £274,721 (31 July 2007: £240,367).

The Board has declared an interim income dividend of 1 penny per share for the year ended 31 January 2009, payable on 7 November 2008 to Shareholders on the register on 10 October 2008. As in previous years, the Board expects to be able to propose a final dividend for the year ended 31 January 2009.

Now that the Company has revoked investment company status, the Board will in the future also give consideration to the payment of capital dividends arising from gains realised upon the sale of investments.

Contingent asset

As you will be aware HM Revenue & Customs (HMRC) recently confirmed that with effect from 1 October 2008 management fees for VCTs will be exempt from VAT. HMRC has also announced it will accept applications to reclaim at least part of the VAT charged in recent years. The Board is currently in discussions with the Investment Manager to quantify any potential repayment that might be due. However the amounts to be refunded and the time scale for receipt are uncertain and hence the Company has made no provision in these financial statements for any such repayment.

Share buy-backs

During the six months ended 31 July 2008, the Company bought back 181,274 Ordinary Shares (representing 0.9 per cent of the Ordinary Shares in issue at the beginning of the period) at a total cost of £189,736 (net of expenses). These shares were subsequently cancelled by the Company.

Outlook

It is possible that the much tougher economic conditions now being experienced could last for some time. Smaller companies are inevitably tested in such an environment. However many portfolio companies are continuing to trade positively and the Company has significant liquid resources available for investment. This is important at a time when commercial banks have taken losses and are pursuing much more cautious lending policies. Furthermore, it places the Company in an excellent position to take advantage of what are expected to be increasingly attractive purchase opportunities which should become available as this recession continues. Therefore while short term valuations may be subject to continuing pressures, your Board looks to the mid-term future with confidence.

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.

Colin Hook

Chairman

22 September 2008

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with applicable accounting standards in the United Kingdom and with the ASB's Statement on Half Yearly Financial Reports, give a true and fair view of the assets, liabilities, financial position and loss of the Company, as required by D.T.R 4.2.4; and

- (b) the Chairman's Statement and Management Report includes a fair review of the information required by D.T.R 4.2.7 and in accordance with D.T.R 4.2.10
- (c) there were no relevant Related Party Transactions to be reported as required by D.T.R 4.2.8

Principal risks and uncertainties

In accordance with D.T.R 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 2008. 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. Other risks relate to credit risk, market price risk, interest rate risk and currency risk. A more detailed explanation of these can be found in Note 19 on pages 50 to 54 of the 2008 Annual Report and Accounts – copies of which are available on the VCT's website, www.mig4vct.co.uk.

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 announcement should be construed as a profit forecast.

On behalf of the Board

Colin Hook

Chairman

22 September 2008

Investment Manager's Review

The climate for new investment has continued to be difficult over the past six months. We have maintained our selective approach towards potential investments in the face of continued deterioration in the UK economic background and we remain of the view that the market has not yet re-established the equilibrium necessary for high quality businesses to be sold at prices acceptable to private equity-backed management teams.

We now expect new investment activity to remain at its current low level for the next few months but that market conditions may then enter a cycle providing excellent investment opportunities at more realistic prices which will provide the potential for significant returns in due course. Private equity returns tend to be substantially greater when investments are made at low points in the economic cycle.

During the period one new investment was completed: in April 2008, £458,837 was invested in The Plastic Surgeon Holdings Limited to support the MBO of Plastic Surgeon Fine Finishers, an Exeter-based business which provides snagging and cosmetic repair services to the residential and commercial housing market.

At 31 July 2008, the MPEP-invested portfolio comprised investments in twenty three companies at an aggregate cost of £8.1 million and is valued at that date, in accordance with International Private Equity & Venture Capital Valuation ("IPEVCV") guidelines, at £8.2 million, an uplift of 2 per cent. This is a reduction from the 14 per cent uplift prevailing at 31 January 2008, and reflects both the tightening trading conditions being experienced by portfolio companies and, more significantly, material reductions in FTSE Sector PE ratios, by reference to which your Company's portfolio investments are valued.

We believe that, with a few exceptions, the companies in the portfolio are trading reasonably given the sharp adjustment in economic conditions seen generally across the UK economy.

Amongst the portfolio highlights include continued strong trading performances from Blaze Signs Holdings Limited, PastaKing Holdings Limited, Tottel Publishing Limited and Vectair Holdings Limited, all of whom have produced record profits in the period. VSI Limited, too, is benefiting from increased customer acceptance of its software. DiGiCo Europe Limited is also trading well, having successfully launched a new product during the period, and its increased valuation reflects this.

Elsewhere, British International Holdings Limited has disposed of its non-core operations in Cardiff and continues to show robust earnings. Despite the well-publicised problems in the construction sector, PXP Holdings Limited is trading better than anticipated; however Youngman Group Limited has been hit by low demand from key customers and the valuations of both companies show significant downward movements. Focus Pharma Holdings Limited has met its investment expectations to date and whilst Monsal Holdings Limited's trading has disappointed so far, it is well positioned to generate significant revenue from a number of forthcoming major contracts in both its existing and new markets in water and waste management.

Stortext FM Limited has recently won a major new contract which is already having a significant effect on profitability; Higher Nature Limited's profits declined as it invested in additional capacity and its valuation also reflects more difficult trading conditions. Racoon International Holdings Limited continues to suffer from disappointing sales revenue although new product development initiatives are promising.

Disappointingly, Inca Interiors Limited, having struggled against poor demand for some time, was placed in administration in June 2008. Campden Media Limited's expansion into the US market is taking longer to implement than had been hoped and this has had a major effect on profitability. BG Consulting Group Limited, after a strong 2007, is consolidating despite weakening demand from its financial services clients.

The depth and longevity of the economic slowdown and stock market turmoil will inevitably be reflected in the value of the VCT's investments. However, we continue to believe that the long-term prospects for the portfolio are excellent. Your Company has the liquidity to take full advantage of the attractive buying opportunities which will emerge, which should enhance longer term performance.

Investment Portfolio Summary

as at 31 July 2008

	Total cost at 31 July 2008 £	Total valuation at 31 January 2008 £	Additional investments in the period £	Total valuation at 31 July 2008 £	% of equity held	% of portfolio by value
Matrix Private Equity Partners LLP						
DiGiCo Europe Limited Design and manufacture of audio mixing desks	1,000,000	1,000,000	–	1,277,992	6.52%	15.34%
Higher Nature plc Supplier of mineral, vitamin and food supplements	500,127	1,243,246	–	1,009,331	10.69%	12.11%
Youngman Group Limited Manufacturer of ladders and access towers	500,026	1,439,740	–	873,901	4.29%	10.49%
Blaze Signs Holdings Limited Manufacturer and installer of signs	610,016	776,914	–	776,914	5.70%	9.33%
Focus Pharma Holdings Limited Licensor and distributor of generic pharmaceuticals	772,451	772,451	–	772,451	3.10%	9.27%
Monsal Holdings Limited Supplier of engineering services to water and waste sectors	634,296	634,296	–	634,296	8.75%	7.61%
The Plastic Surgeon Holdings Limited Snagging and finishing of domestic and commercial properties	458,837	–	458,837	458,837	6.88%	5.51%
Tottel Publishing Limited Publisher of specialist legal and taxation titles	235,200	382,173	–	396,355	6.27%	4.76%
PastaKing Holdings Limited Manufacturer and supplier of fresh pasta meals	133,055	351,877	–	379,847	2.10%	4.56%
Stortext FM Limited Software based solutions for document management	561,820	375,968	–	375,968	4.60%	4.51%
PXP Holdings Limited (Pinewood Structures) Designer, manufacturer and supplier of timber frames for buildings	584,088	485,818	–	328,424	4.98%	3.94%
VSI Limited Provider of software for CAD and CAM vendors	111,928	346,034	–	321,762	4.56%	3.86%
British International Holdings Limited Operator of helicopter services	250,000	251,075	–	248,170	2.50%	2.98%

	Total cost at 31 July 2008 £	Total valuation at 31 January 2008 £	Additional investments in the period £	Total valuation at 31 July 2008 £	% of equity held	% of portfolio by value
Vectair Holdings Limited Designer and distributor of washroom products	100,000	140,749	–	157,310	2.14%	1.89%
BG Consulting Group Limited/ Duncary 4 Limited Provider of financial training services	230,796	101,162	–	85,179	See note 3 below	1.02%
SectorGuard plc ¹ Manned guarding, patrolling and alarm response services	150,102	75,044	–	64,323	1.08%	0.77%
Campden Media Limited Magazine publisher and conference organiser	152,620	113,785	–	33,036	1.69%	0.40%
Munro Global Limited Marketing services group	–	–	–	28,702	0.00%	0.34%
Racoon International (Holdings) Limited Supplier of hair extensions, hair care products and training	406,805	203,403	–	19,523	5.70%	0.23%
Inca Interiors Limited Designer, supplier and installer of contract kitchens	350,000	50,000	–	–	14.75%	0.00%
Other investments in the portfolio ²	333,804	–	–	–	–	0.00%
Total	8,075,971	8,743,735	458,837	8,242,321	–	98.92%
Former Elderstreet Private Equity Limited Portfolio						
Cashfac Limited Provider of virtual banking application software	260,101	86,372	–	73,581	3.42%	0.88%
Expansys plc Online retailer of digital devices	31,001	46,923	4,872	16,423	0.58%	0.20%
Other investments in the portfolio ²	1,148,061	–	–	–	–	0.00%
Total	1,439,163	133,295	4,872	90,004	–	1.08%
Investment Managers' totals	9,515,134	8,877,030	463,709	8,332,325	–	100.00%

¹ Quoted on AIM

² 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 FH Ingredients Limited (of which the principal operating subsidiary, FHL Realisations Limited is in liquidation) and Letraset Limited in the MPEP portfolio and ComponentSource Holding Corporation, Sapphire International Limited (in liquidation), Sift Group Limited, Sparesfinder and Shopcreator Limited (in administration) in the former Elderstreet portfolio.

³ The % of equity held in BG Consulting Group Limited is 2.6% and in Duncary 4 Limited is 6.64%.

Unaudited Profit and Loss Account

for the six months ended 31 July 2008

	Notes	Six months ended 31 July 2008 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised (losses)/gains on investments held at fair value		–	(881,725)	(881,725)
Realised (losses)/gains on investments held at fair value		–	(50,000)	(50,000)
Income	5	574,389	20,610	594,999
Investment management fees	3	(65,290)	(195,870)	(261,160)
Other expenses		(180,317)	–	(180,317)
Profit/(loss) on ordinary activities before taxation		328,782	(1,106,985)	(778,203)
Taxation on ordinary activities	7	(66,801)	66,801	–
Profit/(loss) attributable to equity shareholders		261,981	(1,040,184)	(778,203)
Basic and diluted earnings per share	6	1.24p	(4.93)p	(3.69)p

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

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

No operations were acquired or discontinued in the period. There were no other gains or losses in the period.

Unaudited Note of Historical Cost Profits and Losses

for the six months ended 31 July 2008

	Six months ended 31 July 2008 (unaudited) Total £
(Loss)/profit on ordinary activities before taxation	(778,203)
Add/(Less): unrealised (losses)/gains on investments	881,725
Realisation of revaluation (losses)/gains of previous years	(293,471)
Historical cost (loss)/profit on ordinary activities before taxation	(189,949)
Historical cost (loss)/profit on ordinary activities after taxation and dividends	(444,798)

The notes on pages 12 to 19 form part of these half-yearly financial statements.

Six months ended 31 July 2007 (unaudited)			Year ended 31 January 2008 (audited)		
Revenue	Capital	Total	Revenue	Capital	Total
£	£	£	£	£	£
–	686,833	686,833	–	(36,523)	(36,523)
–	(53,625)	(53,625)	–	463,591	463,591
477,065	–	477,065	1,039,725	–	1,039,725
(59,109)	(177,327)	(236,436)	(132,146)	(396,439)	(528,585)
(161,902)	–	(161,902)	(356,711)	–	(356,711)
256,054	455,881	711,935	550,868	30,629	581,497
(15,687)	15,687	–	(128,247)	128,247	–
240,367	471,568	711,935	422,621	158,876	581,497
1.37p	2.69p	4.06p	2.21p	0.83p	3.04p

Six months ended 31 July 2007 (unaudited)	Year ended 31 January 2008 (audited)
Total	Total
£	£
711,935	581,497
(686,833)	36,523
307,206	327,627
332,308	945,647
178,320	636,627

Unaudited Balance Sheet

as at 31 July 2008

	Notes	31 July 2008 (unaudited) £	31 July 2007 (unaudited and restated) £	31 January 2008 (audited and restated) £
Non-current assets				
Investments at fair value	10	8,332,325	8,224,849	8,877,030
Current assets				
Debtors and prepayments		123,885	115,754	221,203
Investments at fair value	11	14,595,298	16,349,280	15,124,308
Cash at bank		17,628	–	23,865
		14,736,811	16,465,034	15,369,376
Creditors: amounts falling due within one year		(225,948)	(156,273)	(179,089)
Net current assets		14,510,863	16,308,761	15,190,287
Net assets		22,843,188	24,533,610	24,067,317
Capital and reserves	13			
Called up share capital		203,179	206,710	204,992
Capital redemption reserve		881,642	878,111	879,829
Share premium reserve		–	14,739,562	–
Revaluation reserve		154,845	530,010	743,099
Special distributable reserve		17,090,348	15,582,836	30,141,575
Profit and loss account		4,513,174	(7,403,619)	(7,902,178)
Equity shareholders' funds		22,843,188	24,533,610	24,067,317
Net asset value per share	9	112.43p	118.69p	117.41p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 July 2008

	Notes	Six months ended 31 July 2008 (unaudited) £	Six months ended 31 July 2007 (unaudited) £	Year ended 31 January 2008 (audited) £
Opening shareholders' funds		24,067,317	9,772,148	9,772,148
Net share capital subscribed		–	14,869,624	14,869,624
Net share capital bought back		(191,077)	(666,109)	(846,932)
(Loss)/profit for the period		(778,203)	711,935	581,497
Dividends paid in year	8	(254,849)	–	(155,032)
Dividends ratified in year	8	–	(153,988)	(153,988)
Closing shareholders' funds		22,843,188	24,533,610	24,067,317

The notes on pages 12 to 19 form part of these half-yearly financial statements.

Unaudited Statement of Cash Flows

for the six months ended 31 July 2008

	Notes	Six months ended 31 July 2008 (unaudited) £	Six months ended 31 July 2007 (unaudited) £	Year ended 31 January 2008 (audited) £
Interest income received		151,551	321,858	265,744
Dividend income		444,692	32,314	722,262
Investment management fees paid		(279,281)	(216,993)	(509,142)
Cash payments for other expenses		(144,499)	(131,575)	(276,845)
Net cash inflow from operating activities	12	172,463	5,604	202,019
Investing activities				
Sale of investments		198,912	428,655	1,225,594
Purchase of investments	10	(458,837)	(1,005,252)	(2,857,505)
Net cash outflow from investing activities		(259,925)	(576,597)	(1,631,911)
Cash outflow before financing and liquid resource management		(87,462)	(570,993)	(1,429,892)
Dividends				
Equity dividends paid	8	(254,849)	–	(155,032)
Management of liquid resources				
Decrease/(increase) in monies held in money-market funds		529,010	(15,654,754)	(14,429,782)
Financing				
Share capital subscribed		–	14,869,624	14,869,624
Purchase of own shares		(192,936)	(694,948)	(871,495)
Cash (outflow)/inflow from financing		(192,936)	14,174,676	13,998,129
Decrease in cash for the period		(6,237)	(2,051,071)	(2,016,577)
Reconciliation of net cash flow to movement in net funds				
Decrease in cash for the period		(6,237)	(2,051,071)	(2,016,577)
Net funds at the start of the period		23,865	2,040,442	2,040,442
Net funds at the end of the period		17,628	(10,629)	23,865

The notes on pages 12 to 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 2008 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 2008 and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies', issued by the Association of Investment Trust Companies in January 2003 and reviewed in 2005 ("the SORP").

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.

As a result of the Directors' decision to distribute capital profits by way of a dividend, the Company revoked its investment company status as defined under section 266 (3) of the Companies Act 1985, on 28 July 2008.

Consequently, the financial statements have been drawn up to include a statutory profit and loss account in accordance with Schedule 4 of the Companies Act 1985 and Financial Reporting Standard 3 "Reporting Financial Performance" and the comparatives have been re-stated on a consistent basis. This has no effect on total returns or net assets per share.

These statements, however, differ from the Income Statement previously presented in that unrealised gains on investments are now reported within the revaluation reserve in the balance sheet, rather than included in a separate unrealised capital reserve and realised gains are included within the profit and loss reserve rather than a separate realised capital reserve.

b) Presentation of the profit and loss account

In order to better reflect the activities of a VCT and in accordance with the SORP, supplementary information which analyses the Profit and Loss Account between items of a revenue and capital nature has been presented alongside the Profit and Loss Account. 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 recognised 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 Venture Capital Valuation (IPEVCV) guidelines published in 2005. 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.

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

- (i) Investments which have been made in the last twelve months are at fair value which, unless another methodology gives a better indication of fair value, will be at cost;
 - (ii) Investments in companies at an early stage of their development are valued at fair value which, unless another methodology gives a better indication of fair value, will be at cost;
 - (iii) Where investments have been held for more than twelve months or have gone beyond the stage in their development in (i) or (ii) above, the shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast earnings (the ratio used being based on a comparable listed company or sector but the resulting value being discounted to reflect points of difference by the Investment Manager compared to the sector as well as lack of marketability). Where overriding factors apply, alternative methods of valuation will be used. These will include the application of a material arms-length transaction by an independent third party, cost less provision for impairment, discounted cash flow, or a net asset basis;
 - (iv) Where a value is indicated by a material arms-length transaction by a third party in the shares of a company, this value will be used.
 - (v) Unquoted investments will not normally be re-valued upwards for a period of at least twelve months from the date of acquisition. 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 become permanently impaired 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 has become permanently impaired. 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.
 - (vi) Premium on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.
2. Although the Company holds more than 20% of the equity of certain companies, it is considered that the investments are held as part of an investment portfolio. Accordingly, and as permitted by FRS 9 'Associate and Joint Ventures', their value to the Company lies in their marketable value as part of that portfolio. It is not considered that any of our holdings represents investments in associated companies.
 3. In accordance with the policy statement published under "Management and Administration" in the Company's prospectus dated 8 February 1999, the Directors have charged 75% of the investment 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.
 4. Earnings for the six months to 31 July 2008 should not be taken as a guide to the results for the full year.

5. Income

	Six months ended 31 July 2008 (unaudited) £	Six months ended 31 July 2007 (unaudited) £	Year ended 31 January 2008 (audited) £
Income from investments			
Dividends	36,176	31,527	49,861
Money-market funds	408,448	256,752	716,677
Loan stock interest	148,383	177,862	260,576
Bank deposit interest	1,992	10,924	12,611
Total Income	594,999	477,065	1,039,725

6. Earnings and return 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 2008 (unaudited) £	Six months ended 31 July 2007 (unaudited) £	Year ended 31 January 2008 (audited) £
i) Total earnings after taxation	(778,203)	711,935	581,497
Basic earnings per share (pence)	(3.69)p	4.06p	3.04p
ii) Net revenue from ordinary activities after taxation	261,981	240,367	422,621
Revenue return per share (pence)	1.24p	1.37p	2.21p
Net unrealised capital (losses)/gains	(881,725)	686,833	(36,523)
Net realised capital (losses)/gains	(50,000)	(53,625)	463,591
Capital expenses net of taxation	(129,069)	(161,640)	(268,192)
Capital dividend	20,610	-	-
iii) Capital (loss)/gain	(1,040,184)	471,568	158,876
Capital (loss)/gain per share (pence)	(4.93)p	2.69p	0.83p
iv) Weighted average number of shares in issue in the period	21,103,034	17,548,791	19,094,986

7. Taxation

There is no tax charge for the period, as there are taxable losses brought forward from previous years utilised to offset taxable profits in the periods.

8. Dividends paid

	Six months ended 31 July 2008 (unaudited) £	Six months ended 31 July 2007 (unaudited) £	Year ended 31 January 2008 (audited) £
Final dividend for the year ended 31 January 2008 of 1.25 pence per Ordinary Share	254,849	–	–
Interim dividend for the year ended 31 January 2008 of 0.75 pence per Ordinary Share	–	–	155,032
Interim dividend ratified in year for the year ended 31 January 2007 of 1.8 (restated) pence per Ordinary Share	–	153,988	153,988
	254,849	153,988	309,020

9. Net asset value per share

	As at 31 July 2008 (unaudited) £	As at 31 July 2007 (unaudited) £	As at 31 January 2008 (audited) £
Net assets	22,843,188	24,533,610	24,067,317
Number of shares in issue	20,317,925	20,670,941	20,499,199
Net asset value per share (pence)	112.43p	118.69p	117.41p

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

	Traded on AIM £	Ordinary shares £	Preference shares £	Qualifying loans £	Total £
Valuation at 31 January 2008	121,967	4,349,595	23,926	4,381,542	8,877,030
Purchases at cost	–	45,884	228	412,725	458,837
Sales – proceeds	–	–	–	(71,817)	(71,817)
– realised losses	–	–	–	(50,000)	(50,000)
Unrealised losses	(41,221)	(517,130)	(1,068)	(322,306)	(881,725)
Valuation at 31 July 2008	80,746	3,878,349	23,086	4,350,144	8,332,325
Book cost at 31 July 2008	181,102	4,036,580	125,597	5,171,855	9,515,134
Unrealised (losses)/gains at 31 July 2008	(100,356)	703,028	(1,649)	(446,177)	154,846
Permanent impairment of investments	–	(861,259)	(100,862)	(375,534)	(1,337,655)
Valuation at 31 July 2008	80,746	3,878,349	23,086	4,350,144	8,332,325
Losses on investments	–	(50,000)	(100,000)	(193,471)	(343,471)
Less amounts recognised as unrealised losses in previous years	–	50,000	100,000	143,471	293,471
Realised losses based on carrying value at 31 January 2008	–	–	–	(50,000)	(50,000)
Net movement in unrealised depreciation in the period	(41,221)	(517,130)	(1,068)	(322,306)	(881,725)
Losses on investments for the period ended 31 July 2008	(41,221)	(517,130)	(1,068)	(372,306)	(931,725)

11. Current investments at fair value

These comprise investments in six Dublin based OEIC money-market funds managed by Royal Bank of Scotland, Blackrock Investment Management (UK) Ltd, Goldman Sachs, Barclays Global Investors, Scottish Widows Investment Management and Fidelity Investment Management.

£14,585,294 (31 July 2007: £16,214,958, 31 January 2008: £15,114,381) of this sum is subject to same day access, whilst £10,004 (31 July 2007: £134,322, 31 January 2008: £9,927) is subject to two-day access.

12. Reconciliation of (loss)/profit on ordinary activities before taxation to net cash inflow from operating activities

	Six months ended 31 July 2008 (unaudited) £	Six months ended 31 July 2007 (unaudited) £	Year ended 31 January 2008 (audited) £
(Loss)/profit on activities before taxation	(778,203)	711,935	581,497
Unrealised losses/(gains) on investments held at fair value	881,725	(686,833)	36,523
Realised losses/(gains) on investments held at fair value	50,000	53,625	(463,591)
Increase in debtors	(29,775)	(46,670)	(24,995)
Increase in creditors	48,716	43,520	72,689
Transaction costs charged to capital	–	(74)	(104)
Other non cash movements	–	(69,899)	–
Net cash inflow from operating activities	172,463	5,604	202,019

13. Capital and reserves for the six months ended 31 July 2008

	Called up share capital £	Capital redemption reserve £
At 1 February 2008	204,992	879,829
Shares bought back	(1,813)	1,813
(Loss)/profit for the period	–	–
Realised losses transferred to special reserve	–	–
Realisation of previously unrealised depreciation	–	–
Dividend – final paid for the year ended 31 January 2008	–	–
At 31 July 2008	203,179	881,642

14. Contingent asset

The Board is aware of the recent announcement from HMRC that at least part of the VAT charged on fund management fees incurred by VCTs in recent years can be reclaimed. The Board is currently in discussions with the Investment Manager to quantify any potential repayment that might be due. However, the amounts to be refunded and the timing of such receipts are uncertain. Hence there is no recognition in these financial statements for any such amounts that may be refunded.

15. The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The information for the year ended 31 January 2008 has been extracted from the latest published audited financial statements, which 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) or (3) of the Companies Act 2006.

16. Copies of this statement are being sent to all Shareholders. Further copies are available free of charge from the Company's registered office, One Vine Street, London W1J OAH or can be downloaded via the Company's website at www.mig4vct.co.uk.

Revaluation reserve	Special distributable reserve	Profit and loss reserve	Total
£	£	£	£
743,099	30,141,575	(7,902,178)	24,067,317
–	(191,077)	–	(191,077)
(881,725)	–	103,522	(778,203)
–	(12,860,150)	12,860,150	–
293,471	–	(293,471)	–
–	–	(254,849)	(254,849)
154,845	17,090,348	4,513,174	22,843,188

Corporate Information

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Colin Hook (Chairman)
Christopher Moore
Helen Sinclair

Secretary

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