Mobeus Income & Growth 4 VCT plc

A VENTURE CAPITAL TRUST

Annual Report & Accounts
for the year ended 31 December 2014

mobeus
EQUITY PARTNERS

Mobeus Income & Growth 4 VCT plc, ("MIG4", the "Company" or the "Fund") is a Venture Capital Trust ("VCT") managed by Mobeus Equity Partners LLP ("Mobeus"), investing primarily in established, profitable, unquoted companies.

The Objective of the Company is to provide investors with a regular income stream by way of tax-free dividends and to generate capital growth through portfolio realisations which can be distributed by way of additional tax-free dividends.

Dividend Policy

The Company seeks to pay dividends at least annually out of income and capital as appropriate, and subject to fulfilling certain regulatory requirements.

Contents

Financial Highlights

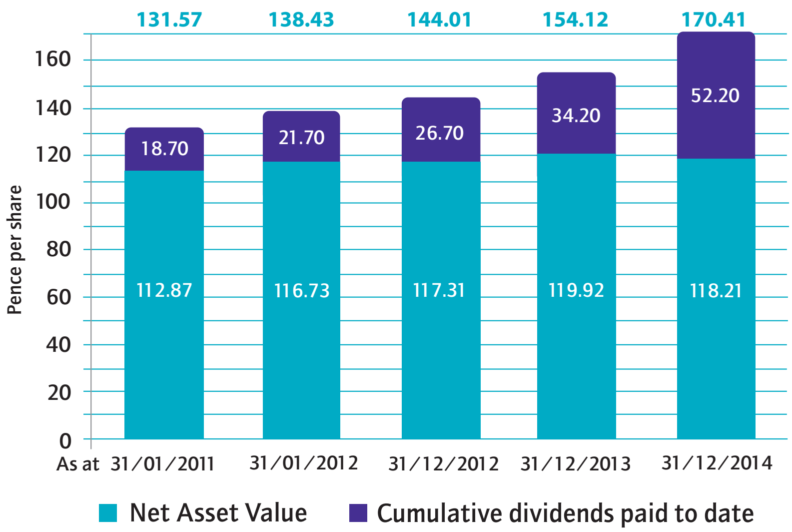
Annual results for the year ended 31 December 2014

- Net Asset Value ("NAV") Total Return per share of 13.6% for the year.
- Share Price Total Return per share of 15.0% for the year.
- An interim dividend in respect of 2014 of 14.00 pence per share has been paid. A second interim dividend of 8.00 pence per share has been declared, to be paid on 6 May 2015. This will bring dividends paid in respect of 2014 to 22.00 pence per share.
- Strong liquidity has been further enhanced by two successful fundraisings, in which the Company has raised a further £14.06 million (net of costs).
- This has been an exceptional year for disposals. A total of £11.87 million was received as net cash proceeds from seven major realisations, compared with an original cost of £2.80 million.
- Nine new investments totalling £8.95 million made during the year, plus a further £2.67 million invested after the year-end.

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

Cumulative total shareholder return per share (NAV basis)*

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



Cumulative total shareholder return per share (NAV basis)*

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

The net asset value (NAV) per share as at 31 December 2014 was 118.21 pence.

The chart above shows the recent past performance of the original funds raised in 1999. The original subscription price in 1999 was equivalent to 200p per share before the benefit of income tax relief. Subsequent subscription prices from subsequent fundraisings and historic performance data from 2008 for this fundraising are shown on pages 73 to 75 of this Annual Report and Accounts (the "Annual Report").

Performance data for all fundraising rounds are shown in charts on pages 73 to 75 of this Annual Report.

Chairman's Statement

I am pleased to present the annual results of Mobeus Income & Growth 4 VCT plc for the year ended 31 December 2014.

Overview

It is gratifying to report on a very positive year for the VCT. This is principally due to the sale of seven investments at substantial gains over cost. A total of nine new investments have also been completed. Prospects for future performance remain encouraging with one sizeable new investment already made in 2015.

Based on 2014 realisations, the Company paid a substantial interim dividend of 14.00 pence per share on 12 September 2014. A second interim dividend of 8.00 pence per share has now been declared. 2014 has been a very active and profitable year for the Company. Shareholders should not expect that this level of distributions will be maintained in 2015 or be repeated unless an equally successful sequence of realisations occurs.

Performance

The NAV total return per share was 13.6% for the year to 31 December 2014 (2013: 8.6%). The share price total return was 15.0% (2013: 9.6%). For details of these calculations, please refer to page 5 of the Strategic Report on performance. There were two contributing factors: firstly, seven profitable realisations, namely: ATG Media (a partial sale), MachineWorks, Monsal, DiGiCo Global, EMaC, Focus Pharma, and Youngman, and secondly, net unrealised valuation gains within the portfolio, notably ASL Technology and Entanet.

The recent performance of your Company has improved markedly. An investor who invested £100 five years ago on 1 January 2010 has earned a NAV Total Return of £147.62 by the year-end. For an explanation of performance since inception, please see page 5 of the Strategic Report.

Looking to the future, each of the Mobeus companies have independent Boards who may make different decisions including, possibly, investing different amounts into new opportunities or maintaining different liquidity levels. However, it would still be reasonable to expect that the four Mobeus companies will tend to have more similar performances in the future because of a preponderance of the same investee companies in each of the four investment company portfolios.

For more details on the performance of your investment in the Company please consult the Investor Performance Appendix on pages 73 to 75 of this Annual Report.

Dividends

Your Directors are pleased to declare a second interim dividend in respect of 2014 of 8.00 pence (2013: final 4.00 pence) per share comprising 7.00 pence (2013: final 2.75 pence) per share from capital and 1.00 pence (2013: final 1.25 pence) per share from income. This dividend will be paid on 6 May 2015 to shareholders on the Register on 10 April 2015. This will bring dividends paid in respect of the year ended 31 December 2014 to 22.00 pence (2013: 6.00 pence) per share and cumulative dividends paid since inception to 60.20 pence (2013: 38.20 pence) per share. The 2014 dividends are comprised of 3.00 pence of income dividends and 19.00 pence of capital dividends.

A chart showing the dividends paid in each of the last five years and cumulative dividends paid is included on page 6 of the Strategic Report.

Shareholders are reminded that there is a Dividend Investment Scheme available for those shareholders wishing to re-invest their dividends in new shares of the Company. These shares have generally been issued at a discount of approximately 10% to the latest NAV. The amount so invested attracts income tax relief.

Investment Portfolio

The VCT has maintained a steady rate of new investment, investing a total of £8.95 million (including £1.00 million which was previously held in an acquisition vehicle) during the year under review in nine companies.

During the year the value of the opening portfolio increased by £4.91 million in realised gains net of transaction costs and £1.12 million in unrealised gains. This represents a total increase of 25.8% in the valuation of the portfolio over the year on a like for like basis. Realised gains over the original cost of the investment were £9.34 million. The portfolio under management at the year-end was valued at £25.00 million representing 99.8% of cost.

Full details of all of these transactions and of a substantial new investment following the year-end are included in the Investment Review on pages 8 to 19.

Cash proceeds totalling £13.55 million were received from 15 companies, which were either sold or repaid loans. Of this total, £11.87 million was received as cash proceeds from the seven disposals referred to above.

Fundraising and Liquidity

The Company participated with the other three Mobeus advised VCTs in a successful 2013/14 joint fundraising which closed on 30 May 2014. Your Company raised £8.43 million gross of issue costs (£8.19 million after costs).

The four Mobeus advised VCTs launched new offers for subscription for the 2014/15 tax year on 10 December 2014 ("the Offers"). For the first time, each of the VCTs made separate Offers to investors. This enabled investors to choose which Mobeus VCT(s) they would invest in, and how much to place in each, subject to the Offer(s) of their choice remaining open.

Your Company successfully raised the full £6.00 million it sought under its Offer and the Offer closed on 18 February 2015. Annual fundraisings by the Company have grown the fund to an economic size and have provided it with a comfortable level of liquidity that enabled it to maintain prudent levels of funds raised before 5 April 2012 to pursue MBO opportunities. Funds raised since 5 April 2012 are used to fund other investment opportunities as well as to meet the Company's running costs, fund dividend payments and support its share buyback policy.

The Board continues to investigate alternative investment options to secure greater returns on the Company's liquid assets, although the risk of a loss of capital remains a paramount consideration. Although the liquid assets are held in a range of credit worthy financial institutions it is recognised that the return on such assets is currently lower than wished due to the current government's low interest rate policies.

Share buybacks

During the year ended 31 December 2014, the Company bought back 1.5% of the issued share capital of the Company at the beginning of the year, as calculated by reference to the issued share capital on 1 January 2014.

Further details of the purchases are included in the Directors' Report on page 24 of this Annual Report.

Industry award for the Adviser

Your Board is pleased to report that the Adviser has been named VCT House of the Year 2014 for the third consecutive year at the ***unquote" British Private Equity Awards 2014***. The award recognised the high level of consistency achieved by the Adviser during the year in maintaining high standards in all areas of its activity including deals, exits, portfolio management and fundraising.

Strategic Report

The Strategic Report is becoming a more familiar section of the Annual Report and Accounts. The aim of this report is to provide readers with a useful overview of the Company's performance during the year and an assessment of how the Board have worked towards achieving the Company's Objective. I would again welcome your views on this section of the Annual Report and Accounts in particular.

Annual General Meeting

The Annual General Meeting of the Company will be held at 11.00 am on Thursday, 14 May 2015 at 33 St James's Square, London SW1Y 4JS. Both the Board and the Adviser look forward to welcoming shareholders to the meeting which will include a presentation from the Adviser on the investment portfolio and the opportunity to ask questions of the Board and the Adviser. The Notice of the meeting is included on pages 69 and 70 and an explanation of the resolutions to be proposed can be found in the Directors' Report on page 26 of this Annual Report.

Shareholder Communications

The annual shareholder event was held on Tuesday 27 January 2015 at the Royal Institute of British Architects in central London. This annual event included presentations on the Mobeus advised VCTs' investment activity and performance. There were separate day-time and evening sessions, and feedback from those who attended found it informative and worthwhile.

Future prospects

The challenge for both the Adviser and the Company is maintaining performance, including investment and realisation levels, over the longer term.

The UK economy is now growing. Confidence and market activity have returned. However there is a UK election in May 2015, uncertainties persist over the performance of the Eurozone, and quantitative easing and artificially low interest rates cannot continue for ever. Government debt is still far too high and still increasing.

We aim to invest in well-run, profitable companies, operating mainly in niche markets, which we believe have the potential to grow under a range of economic conditions. Currently, the rate of dealflow continues to be encouraging and a significant new investment has already been completed in January 2015. The rate of growth of some investee companies within the portfolio may provide opportunities for further investment within the portfolio. The Board believes that continued application of its relatively low risk investment strategy should produce further good returns for shareholders over the medium term.

Finally, I would like to express my thanks to all shareholders for their continuing support of the Company.

Christopher Moore
Chairman

26 March 2015

Strategic Report

Introduction

The Directors are pleased to present the Strategic Report of the Company for the year ended 31 December 2014. The purpose of this Report is to inform shareholders and to help them assess how the Directors have performed their duty to promote the success of the Company.

The Report has been prepared by the Directors in accordance with section 414A of the Companies Act 2006 (the "Act").

Objective of the Company

The Objective of the Company is to provide investors with a regular income stream by way of tax-free dividends and to generate capital growth through portfolio realisations which can be distributed by way of additional tax-free dividends.

Summary of investment policy

The VCT's policy is to invest primarily in a diverse portfolio of UK unquoted companies in order to generate regular income from existing investments and capital gains from realisations.

Investments are usually structured as part loan and part equity to reduce the risk of investing in smaller companies.

Risk is further spread by investing in a number of different businesses across different industry sectors. Investments are made selectively, primarily in management buyout transactions (MBOs) in companies that are established and profitable. The VCT aims to invest in larger, more mature, unquoted companies through investing alongside three other VCTs advised by Mobeus with similar investment policies.

The Company aims to maintain around 80% of net funds raised in qualifying investments. Uninvested funds are held in a portfolio of readily realisable interest-bearing investments and deposits.

The full text of the Company's Investment Policy is available on page 20 of this Annual Report.

Business Model

The Company is a Venture Capital Trust (VCT). Its objective and its full Investment Policy are designed to ensure that the VCT continues to qualify and is approved as a VCT by HM Revenue & Customs ("HMRC") whilst maximising returns to shareholders from both income and capital returns. One of the rules to remain a VCT is that it must remain a fully listed company on the London Stock Exchange, and thus must also comply with the listing rules governing such companies.

The Company is an externally advised fund with a Board comprising non-executive Directors. 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 Adviser and are then subject to review and approval by the Directors. Investment management and operational support are outsourced to external service providers (including registrars and brokers) with the key strategic and operational framework and key policies set and monitored by the Board.

Private individuals invest in the Company to benefit from both income and capital returns on good investment performance. By investing in a VCT they also receive immediate income tax relief (currently 30% of the amount subscribed by an investor), as well as tax-free dividends received from the Company and no capital gains tax upon the eventual sale of the shares.

The Company's investee companies are primarily unquoted businesses and operate in the UK. These businesses fulfil the criteria and characteristics as set out in the Investment Policy.

Industry Developments

The Finance Act 2014 ("the Finance Act") introduced two measures that affect VCTs which apply to shares issued after 6 April 2014. Firstly, shareholders who sell their existing shares within six months before or after the date of subscribing for such shares in the same VCT will not retain income tax relief on their new investment, to the extent of the sale proceeds realised on the shares sold.

Secondly, VCTs are now prevented, in respect of these shares, from returning capital to investors within three years of the end of the accounting period in which the VCT issued the shares. Distributions made from realised profits are not affected by this change. Your Board does not expect these return of capital measures to affect the Company's dividend policy or practice.

The Company and the Adviser have contributed to the consultation by HMRC on the impact of the VCT Scheme and the appropriateness of its rules as part of the European Union's review of the rules on State Aid. The process of the EU review and re-approval of the VCT scheme is scheduled to be completed shortly. The UK Budget announcement on 18 March 2015 contained proposals relating to investment levels, for example, but also stated that these proposals remain subject to EU State Aid approval. The Board is awaiting clarification of this position.

Performance

The Board has identified six key performance indicators that are used in its own assessment of the Company's progress. It is intended that these will provide shareholders with sufficient information to assess how the Company has performed against its Objective in the year to 31 December 2014, and over the longer term, through the application of its investment and other principal policies:

1. Annual and cumulative returns per share for the year

Total shareholder returns per share for the year

The Net Asset Value (NAV) and share price total returns per share for the year ended 31 December 2014 were 13.6% and 15.0% respectively, as shown below:

Total return (p)

	NAV basis (p)
Closing NAV per share	118.21
Plus: dividends paid in year	18.00
Total for year	**136.21**
Less: Opening NAV per share at 1 January 2014	(119.92)
Return for year per share	**16.29**
Return for year	**+13.6%**

	Share price basis (p)
Closing share price	102.50
Plus: dividends paid in year	18.00
Total for year	**120.50**
Less: share price at 1 January 2014	(104.75)
Return for year per share	**15.75**
Return for year	**+15.0%**

Cumulative returns per share

Cumulative total return (p)

	NAV basis (p)
Closing NAV per share	118.21
Plus: cumulative dividends paid to date	52.20
Closing cumulative total return	170.41
Less: opening cumulative total return	(154.12)
Increase in cumulative return for year	**16.29**
Return for year	**+10.6%**

	Share price basis (p)
Closing share price	102.50
Plus: cumulative dividends paid to date	52.20
Closing cumulative total return	154.70
Less: opening cumulative total return	(138.95)
Increase in cumulative return for year	**15.75**
Return for year	**+11.3%**

Taking into account initial income tax relief, founder shareholders who invested in 1999 have now seen, as at 31 December 2014, an overall gain over net investment cost of 6.5% (2013: loss 3.7%) since the launch of the Company. This is on a NAV return basis and assumes a net investment cost of 160 pence per share after initial income tax relief of 40 pence per share (both figures restated for the 2 for 1 share consolidation in 2006). Original shareholders who also took advantage of the enhanced buyback offer made in 2013 have now seen an overall gain over net investment cost on this basis of 37.8%.

Although the initial performance of the Company was disappointing, recent performance has been much better. There are two main reasons for the earlier results. The Fund started with three managers. Unfortunately two of those managers performed very poorly. Neither of the two portfolios produced any significant dividends or capital returns. To remedy this, your Board terminated their management contracts and appointed Mobeus Equity Partners LLP as the sole adviser during 2006. The second factor was that, as a result, the Fund became sub-scale. To address this, the Board decided to expand the size of the Fund so that it could participate in an active investment programme, achieve a reasonable spread of risks within the portfolio, and operate with economic cost ratios. This has now been achieved, but the very low interest rates over the last few years have had an adverse impact on returns during the scaling up process. The Fund has now achieved reasonable scale, and shareholders will have noted that as a result the Company sought to raise only £6 million in the 2014/15 fundraising, which was achieved by mid-February 2015.

The figures quoted in the chart shown on page 1 and above are for the shares subscribed in the original offer for subscription in 1999/2000. Both NAV and share price returns for the year are considered to be satisfactory by the Board, while the cumulative returns are now on an improving trend. The Chairman has already commented in his Statement on more recent performance, so it is not further elaborated upon here.

For performance data for each allotment in each fundraising since the inception of the Company, please see the Investor Performance Appendix on pages 73 to 75 of this Annual Report.

Strategic Report

2. The VCT's performance compared with its peer group (Benchmarking)

The Board places emphasis on the Company's performance against a peer group of VCTs. Using the benchmark of NAV total return on an investment of £100, the VCT is ranked 26 out of 56 over three years, and 20 out of 47 over five years amongst generalist VCTs by the Association of Investment Companies (AIC) (based on statistics prepared by Morningstar) as at 28 February 2015. The Board considers this performance to be satisfactory after taking account of the adverse short term consequences of increasing funds and liquidity.

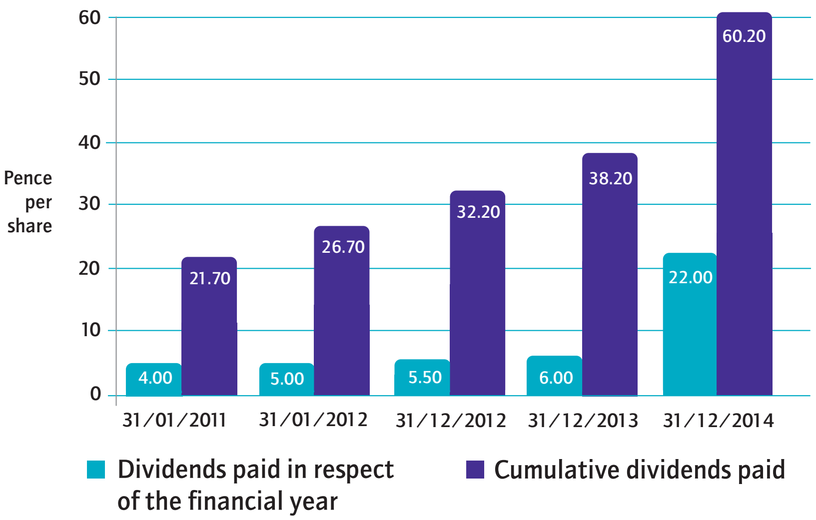
In addition to its investment policy, the Board also monitors the Company's performance in relation to its dividend policy, compliance with the VCT qualifying investment tests, its share buyback policy and its management of costs.

3. Dividend policy

The Company has an annual target dividend of paying not less than 4.00 pence per share in respect of each financial year. It has met or exceeded this target in respect of its last five financial years.

During the year the Company paid an interim dividend of 14.00 pence per share, comprising an interim exceptional capital dividend of 12.00 pence per share and an interim income dividend of 2.00 pence per share. Following the payment of this interim dividend, cumulative dividends paid to shareholders since launch total 52.20 pence per share.

The ability of the Company to pay dividends in the future cannot be guaranteed and will be subject to performance and available cash and reserves.



Cumulative dividends paid to date are 52.20 pence per share. The payment of the second interim dividend of 8.00 pence per share on 6 May 2015 will increase cumulative dividends to 60.20 pence per share

The second interim dividend declared of 8.00 pence per share, to be paid on 6 May 2015, will bring the total dividends paid in respect of the year to 22.00 pence per share as also shown in the chart above.

4. Compliance with VCT legislation

In order to comply with VCT tax legislation, the Company must meet a number of tests set by HMRC as detailed on page 20 under VCT Regulation within the Investment Policy. For the year ended 31 December 2014, the Company continued to meet these tests.

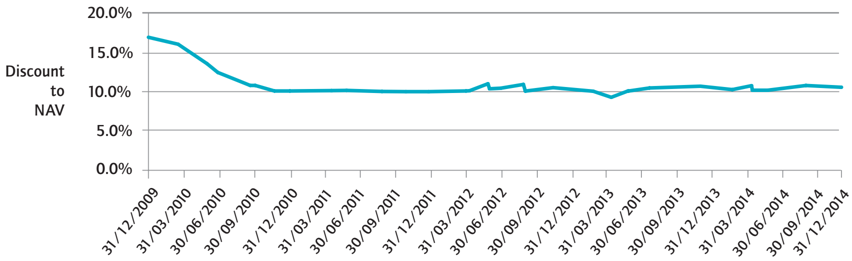
5. Share buybacks and discount policy

Subject to the Company having sufficient available funds and distributable reserves, it is the Board's current intention to pursue a buyback policy with the objective of maintaining the discount to the latest published NAV per share at which the shares trade at approximately 10% or less. It has succeeded in carrying out this objective in the year.

The Board considers that a 10% discount represents a fair balance between assisting investors who wish to sell shares and the majority of investors who wish to continue to invest in a portfolio of investments in unquoted shares.

Any future repurchases will be subject to the Company having appropriate authorities from shareholders and sufficient funds available for this purpose. Share buybacks will also be subject to the Listing Rules and any applicable law at the relevant time. Shares bought back in the market are always cancelled.

Discount to NAV per share at which the Company's shares have been bought back throughout the last five years



The table shows how the discount of the share price to NAV per share has moved over the last five years. The discount of approximately 10% has been maintained for the last four years, since the Board stated its intent to pursue this policy.

During the year ended 31 December 2014, shareholders holding 514,303 shares expressed their desire to sell their investments. The Company instructed its brokers, Panmure Gordon, to purchase these shares at prices representing discounts of approximately 10% to the previously announced NAV per share.

The Company subsequently purchased these shares at prices of between 100.25 and 108.25 pence per share and cancelled them.

In total, the Company bought back 1.5% of the issued share capital of the Company at the beginning of the year, as calculated by reference to the issued share capital on 1 January 2014.

Continuing shareholders benefit from the difference between the net asset value and the price at which the shares are bought back and cancelled.

6. Costs

The Board monitors costs using the Ongoing Charges Ratio*, which is as follows:

	2014	2013
Ongoing charges	2.8%	2.9%
Performance fee	0.0%	0.0%
Ongoing charges plus accrued performance fee	2.8%	2.9%

*The Ongoing Charges Ratio has been calculated, using the AIC recommended methodology. This figure shows shareholders the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded. Although the Ongoing Charges figure is based upon historic information, it provides shareholders with an indication of the likely level of costs that will be incurred in managing the fund in the future.

The Ongoing Charges Ratio replaces the Total Expense Ratio reported previously for several years. The Total Expense Ratio still forms the basis of any expense cap that may be borne by the Adviser. For the purpose of calculating this ratio, actual running costs are capped at 3.4% of closing net assets but exclude any irrecoverable VAT and exceptional costs. There was no breach of the expense cap for the year ended 31 December 2014 (31 December 2013: £nil).

Investment Adviser fees and other expenses

In line with the rise in net assets, Investment Adviser fees have increased from £0.92 million to £1.10 million. Other expenses have risen slightly from £0.37 million to £0.38 million, due partially to rises in printing costs resulting from a higher number of shareholders and professional fees involved with AIFM compliance. These were offset by lower trail commissions as a cap was reached in the year.

Further details of these are contained in the financial statements on pages 48 and 49 of this Annual Report.

Strategic Report

Investment Review

This has been an excellent year for the portfolio in which the number and value of divestments have been exceptional.

Dealflow has remained healthy, resulting in a high level of quality new investment activity. Nine new investments were completed in 2014 and we expect this level of activity to be maintained in the current year. The Adviser believes the healthy level of dealflow reflects both improved business confidence and the continued perception that the UK banking industry remains unable to meet the funding needs of smaller businesses.

The portfolio as a whole has continued to perform strongly in the year. The valuation of the portfolio has increased by 25.8% during the year on a like-for-like basis as a result of the good trading performance at several companies, and the profitable disposals referred to in Realisations on pages 10 and 11.

New investment

During the year, nine new investments had been completed for a total of £8.95 million. Three of these transactions were in support of the MBOs of Entanet International, Creative Graphics International and Tharstern. A fourth and fifth investment were made in Leap New Co Limited and Aussie Man & Van, in support of a corporate restructuring of the Ward Thomas Group. The sixth new investment provided development capital to Bourn Bioscience. In addition, two new acquisition vehicles also received investment, being South West Services Investment (utilised following the year-end to invest in MBI, as explained on the next page), and Manufacturing Services Investment.

A further investment was made in ASL Technology in support of its buy and build strategy and to eliminate bank borrowings.

Following the partial disposal of ATG Media earlier in the year, the Company retained a £1.53 million loan and 3.8% equity investment in Turner Topco, the acquirer.

Investments remain diversified across a number of sectors, primarily in support services, general retailers, media and fixed line telecommunications. Valuations of the investments still held increased slightly, principally reflecting solid progress by a number of companies.

Principal new investments in the year

Company	Business	Date of investment	Amount of new investment (£m)
Bourn Bioscience	In vitro fertilisation clinics	January 2014	1.13

Bourn Bioscience owns and manages the Bourn Hall infertility clinics in the East of England. The investment will support the geographic expansion of this internationally renowned IVF clinic. The initial investment is supplemented by a commitment to invest significant follow-on finance as part of a buy and build strategy. The Company's latest audited accounts for the year ended 31 December 2013 show annual sales of £10.56 million and profit before interest, tax and goodwill of £0.51 million.

Company	Business	Date of investment	Amount of new investment (£m)
Entanet	Wholesale provider of internet connectivity solutions	February 2014	1.37*

Entanet is one of the UK's leading independent wholesale voice and data communications providers. Headquartered in Telford and with over 80 staff, the company provides a diverse portfolio of business class data and voice services via a network of over 2,000 wholesale and reseller channel partners in the UK. The Company's latest audited accounts for the year ended 31 December 2013 show annual sales of £29.42 million and profit before interest, tax and goodwill of £2.78 million.

Company	Business	Date of investment	Amount of new investment (£m)
Creative Graphics International	Producer of adhesive decorative graphics for vehicles	June 2014	1.06

CGI Creative Graphics International is a leading specialist provider of adhesive decorative graphics to the automotive, recreational vehicle and airline markets. It operates from two centres, in Bedford and South Africa. The Company's latest audited accounts for the year ended 30 November 2012 show annual sales of £12.64 million and profit before interest, tax and goodwill of £2.49 million.

Company	Business	Date of investment	Amount of new investment (£m)
Tharstern	Software based management information systems	July 2014	1.16

Tharstern is a leading UK supplier of software-based management information systems to the print sector. The Company's latest audited accounts for the year ended 31 January 2014 show annual sales of £3.87 million and profit before interest, tax and goodwill of £0.80 million.

* The investment into Entanet utilised £1 million from Ackling Management, one of the Company's acquisition vehicles, which is included in the above figures. For further details please see the Investment Portfolio Summary on pages 16 to 19.

	Company	Business	Date of investment	Amount of new investment (£m)
	Ward Thomas	Specialist logistics, storage and removals business	December 2014	1.69

Ward Thomas is a brand-led specialist logistics, storage and removals business. The group comprises three distinct businesses operating under a common management structure with common shareholders. Separate investments were made into Leap New Co Limited, which owns the Anthony Ward Thomas and Bishopsgate businesses, of £1.17 million and into Aussie Man & Van Limited of £0.52 million. The latest audited accounts for Ward Thomas Removals Limited for the year ended 30 September 2013 show annual sales of £12.17 million and profit before interest, tax and goodwill of £1.96 million.

The VCT also invested a further £1.82 million into two new acquisition vehicle investments in the year, namely South West Services Investment ("SWSI") and Manufacturing Services Investment.

Further investment into existing portfolio companies in the year

	Company	Business	Date of investment	Amount of new investment (£m)
	ASL Technology	Printer and photocopier services	December 2014	0.68

ASL Technology is a printer and photocopier services business based in Cambridge and focused on SME customers, primarily based in East Anglia and the northern Home Counties. The VCT completed a further investment into the company of £0.68 million in December 2014, to provide capital to refinance the bank and support the company's buy and build strategy. ASL has a £13.27 million turnover and has generated NPBIT&A in the year ended 30 September 2014 of £1.18 million.

The Company also invested a further £0.04 million in the form of a loan to Gro-Group Holdings Limited.

New investments after the year-end

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

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

*A further £1.14 million was invested into SWSI adding to the Company's earlier investment of £0.91 million. This enabled SWSI to acquire Media Business Insight Limited ("MBIL"). The Company has also advanced a non-qualifying loan of £0.67 million to MBIL. SWSI changed its name after the year-end to Media Business Insight Holdings Limited.

The Company also made a modest additional investment of £0.06 million in Racoon International Holdings Limited, a hair products business, in January 2015. It is hoped this further investment will add value to a previously unsuccessful investment. The Company wished to back a successful sales-orientated Mobeus operating partner who has joined the management team of the business.

In February 2015, the Company also made a follow on loan investment of £0.80 million into Entanet Holdings Limited.

Strategic Report

Realisations

The year has been marked by a number of sizeable, profitable realisations which have all generated attractive returns for the Company. The Company completed the partial sale of ATG Media and the full sales of each of MachineWorks, Monsal, and DiGiCo Global in the first half of the year, followed by Focus Pharma, Youngman and EMaC in the second half, for total net cash proceeds of £11.87 million compared to their original cost of £2.80 million. As part of the ATG Media transaction, the Company also received a non-cash consideration of £1.53 million by way of loan stock and equity investments in Turner Topco Limited, the acquirer. As a result, the Company retains a 3.8% shareholding in the business.

Other realisations were £0.06 million including a post-sale receipt relating to Iglu.Com Holidays. With the loan repayments of £1.62 million, as set out on the next page, total net proceeds amounted to £15.08 million.

Principal disposals in the year

<table>
<tr><th>Company</th><th>Business</th><th>Period of investment</th><th>Total cash proceeds over the life of the investment/ Multiple over cost</th></tr>
<tr><td>MachineWorks</td><td>Software for CAM and Machine tool vendors</td><td>April 2006 – April 2014</td><td>£0.56 million
4.16 times cost</td></tr>
<tr><td colspan="4">MachineWorks' core software products are used by manufacturers of machine tool controllers to simulate real life manufacturing situations. It was de-merged from the Company's original investment in VSI in March 2011 and was sold to Westec Holding Company Limited for £0.33 million. The original investment of £0.14 million has returned £0.56 million in cash over its life.</td></tr>
<tr><td>ATG Media</td><td>Publisher and online auction platform operator</td><td>October 2008 – present</td><td>£3.75 million
1.87 times cost to date</td></tr>
<tr><td colspan="4">A partial sale of ATG Media via a secondary MBO to a mid-market private equity house, ECI Partners, has realised net proceeds of £4.63 million, being cash of £3.10 million, with the balance being a new loan stock investment and a minority 3.8% equity stake, together valued at £1.56 million. The original investment cost was £2.00 million.</td></tr>
<tr><td>Monsal</td><td>Supplier of engineering services to the water and waste sectors</td><td>December 2007 – June 2014</td><td>£1.44 million
1.87 times cost</td></tr>
<tr><td colspan="4">The sale of Monsal, a renewable energy consultancy, to the US conglomerate General Electric, realised £1.01 million. The 1.87x return on total original cost of £0.77 million represents a return on an investment originally made in 2007 which required support from further funding rounds in 2009 and 2011.</td></tr>
<tr><td>DiGiCo</td><td>Audio mixing desks</td><td>July 2007 – July 2014</td><td>£5.50 million
5.50 times cost</td></tr>
<tr><td colspan="4">The VCT realised its remaining investment through a sale to a new professional audio group backed by Electra Partners. The business has demonstrated strong and consistent growth since investment. Turnover has grown threefold from £8 million to £24 million over the period of the VCT's investment. This final sale realised £1.73 million. It followed a partial realisation in December 2011, through a secondary buyout by Living Bridge (formerly ISIS Equity Partners). The Company's original investment was £1.00 million.</td></tr>
<tr><td>Focus Pharma</td><td>Generic pharmaceutical products</td><td>October 2007 – October 2014</td><td>£2.93 million
3.79 times cost</td></tr>
<tr><td colspan="4">The VCT realised its investment in Focus Pharma through a trade sale to Cinven-backed Amdipharm Mercury Group for £1.57 million. Focus is engaged in the distribution of generic pharmaceuticals both for third parties, and on its own account, where it develops and licenses the drug for its own benefit. The business has demonstrated strong growth throughout the investment period with turnover increasing three-fold to just under £40 million per annum. The original investment of £0.77 million has returned cash of £2.93 million to date.</td></tr>
</table>

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
YOUNGMAN	Youngman	Access towers and ladders	October 2006 – October 2014	£1.23 million 2.46 times cost

The VCT realised this investment through a sale to Werner Co (US) for £0.83 million. Based in Essex, Youngman, was established in the 1920s and today produces access equipment including specialist step and loft ladders, access and work platforms, and extension and combination ladders. The investment of £0.50 million has returned £1.23 million in cash over its life.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
EMaC	EMaC	Service plans for the motor trade	October 2011 – December 2014	£3.89 million 3.08 times cost

The VCT sold its investment in EMaC to Innovation Group plc for £3.30 million. EMaC is one of the UK's leading providers and administrators of outsourced service plans to car manufacturers and franchised dealers in the motor trade. During the period of this investment, EMaC consistently outperformed expectations and increased turnover by 60% post investment. The original investment of £1.26 million has returned £3.89 million in cash to date.

Loan stock repayments

Loan stock repayments totalled £4.47 million for the year, including £2.85 million as part of the proceeds from the companies realised above. Positive cashflow at seven other companies contributed to the balance of £1.62 million. These proceeds are summarised below:-

Company	Business	Month	Amount (£000's)
Country Baskets	Artificial flowers, floral sundries and home décor products	June/December	1,000
Motorclean	Vehicle cleaning and valeting services	June/October	256
Westway	Air conditioning services	January/August	133
Tessella	Consultancy services	Various	100
Virgin Wines	Online wine retailer	July	69
Newquay Helicopters	Helicopter services	April	42
Monsal	Engineering service to the water and waste sectors	May (before sale in June)	24
Total			**1,624**

Adviser's investment outlook

This has been a significant year for the portfolio, both in terms of the number of new investments made and the returns earned from seven major realisations.

We are pursuing a number of opportunities which we hope will materialise over the coming months. Dealflow remains healthy, reflecting our perception that the level of merger and acquisition activity in the UK small company sector continues to be solid. Our intention is to maximise the opportunities presented by these current favourable market conditions to steer new investment deals through to completion, to meet our aims of sustaining current investment levels and securing continued good returns to shareholders.

Ten largest investments in the portfolio by valuation

Entanet Holdings Limited

www.enta.net

Cost	£1,369,000
Valuation	£2,335,000

Basis of valuation:
Earnings multiple

Equity % held
9.6%

Income receivable in year
£131,029

Business
Wholesale communications provider

Location
Telford, Shropshire

Original transaction
Management buyout

Audited financial information

Period ended	31 December 2013[1]
Turnover	£29,415,000
Operating profit	£2,782,000
Net assets	£2,332,000
Year ended	30 November 2012[1]
Turnover	£25,853,000
Operating profit	£2,431,000
Net assets	£5,691,000

[1] The financial information quoted above is for Entanet International Limited prior to the MBO which completed in February 2014.

Movements during the year

MBO investment made in February 2014.

ASL Technology Holdings Limited

www.aslh.co.uk

Cost	£1,934,000
Valuation	£2,192,000

Basis of valuation:
Earnings multiple

Equity % held
9.5%

Income receivable in year
£9,642

Business
Printer and photocopier services

Location
Cambridge

Original transaction
Management buyout

Audited financial information

Year ended	30 September 2014
Turnover	£13,266,000
Operating profit	£1,176,000
Net liabilities	£(3,123,000)
Year ended	30 September 2013
Turnover	£14,484,000
Operating profit	£1,296,000
Net liabilities	£(1,214,000)

Movements during the year

Further investment of £0.68 million.

Virgin Wines Holding Company Limited

www.virginwines.co.uk

Cost	£1,931,000
Valuation	£2,032,000

Basis of valuation:
Earnings multiple

Equity % held
9.7%

Income receivable in year
£187,259

Business
Online wine retailer

Location
Norwich

Original transaction
Management buyout

Audited financial information

Period ended	27 June 2014[1]
Turnover	£35,695,000
Operating profit	£1,580,000
Net assets	£6,175,000
Period ended	28 June 2013[1]
Turnover	£34,475,000
Operating profit	£2,010,000
Net assets	£4,952,000

[1] The financial information quoted above relates to the operating subsidiary, Virgin Wine Online Limited and includes figures relating to the performance of this company prior to the MBO which completed in November 2013.

Movements during the year

A loan repayment of £0.07 million has been received.

Further details of the investments in the portfolio may be found on the Mobeus website: www.mobeusequity.co.uk.

Operating profit is stated before charging amortisation of goodwill where appropriate for all investee companies.

Fullfield Limited

www.motorclean.net

Cost	£1,537,000
Valuation	£1,630,000

Basis of valuation:
Earnings multiple

Equity % held
9.8%

Income receivable in year
£161,324

Business
Provider of vehicle cleaning and valet services

Location
Laindon, Essex

Original transaction
Management buyout

Audited financial information

Year ended	31 March 2014
Turnover	£38,155,000
Operating profit	£2,554,000
Net assets	£2,567,000
Year ended	31 March 2013
Turnover	£24,537,000
Operating profit	£1,234,000
Net assets	£2,576,000

Movements during the year

Fullfield made loan repayments totalling £0.26 million during the year.

Veritek Global Holdings Limited

www.veritekglobal.com

Cost	£1,620,000
Valuation	£1,629,000

Basis of valuation:
Earnings multiple

Equity % held
10.3%

Income receivable in year
£181,170

Business
Maintenance of imaging equipment

Location
Eastbourne, East Sussex

Original transaction
Management buyout

Audited financial information

Year ended	31 March 2014[1]
Turnover	£14,443,000
Operating profit	£249,000
Net liabilities	£(804,000)
Year ended	31 March 2013[2]
Turnover	£24,684,000
Operating profit	£1,506,000
Net assets	£6,245,000

[1] The financial information quoted above is for eight months only, after the acquisition of Veritek Global Limited in July 2013.

[2] The financial information quoted above for 2013 is for Veritek Global Limited prior to the MBO which completed in July 2013.

Movements during the year

None.

Turner TopCo Limited

www.antiquestradegazette.com

Cost	£1,529,000
Valuation	£1,540,000

Basis of valuation:
Earnings multiple

Equity % held
3.8%

Income receivable in year
£91,910

Business
Publisher and on-line auction platform operator

Location
London

Original transaction
Secondary buyout

Audited financial information

Period ended	30 September 2014
Turnover	£4,126,000
Operating loss	£(539,000)
Net liabilities	£(834,000)
Year ended	30 September 2013[1]
Turnover	£13,783,000
Operating profit	£3,161,000
Net assets	£5,764,000

[1] The financial information quoted above for 2013 is for ATG Media Holdings Limited prior to the secondary MBO which completed in June 2014.

Movements during the year

The partial disposal of the Company's investment in ATG Media to Turner TopCo resulted in the above investment in the acquirer, in June 2014.

Ten largest investments in the portfolio by valuation

Tessella Holdings Limited

www.tessella.com

Cost £1,078,000

Valuation £1,433,000

Basis of valuation:
Earnings multiple

Equity % held
5.4%

Income receivable in year
£116,934

Business
Provider of science powered technology and consulting services

Location
Abingdon, Oxfordshire

Original transaction
Management buyout

Audited financial information

Year ended	31 March 2014
Turnover	£23,146,000
Operating profit	£3,652,000
Net assets	£4,213,000

Year ended	31 March 2013
Turnover	£14,443,000
Operating profit	£2,064,000
Net assets	£4,306,000

Movements during the year

Tessella made quarterly loan stock repayments totalling £0.10 million.

Gro-Group

www.gro.co.uk

Cost £1,578,000

Valuation £1,429,000

Basis of valuation:
Earnings multiple

Equity % held
8.4%

Income receivable in year
£121,067

Business
Manufacturer and distributor of baby sleep products

Location
Ashburton, Devon

Original transaction
Management buyout

Audited financial information

Year ended	30 June 2013[1]
Turnover	£11,444,000
Operating profit	£775,000
Net assets	£1,178,000

Year ended	30 June 2012[1]
Turnover	£10,945,000
Operating profit	£663,000
Net assets	£1,080,000

[1] The financial information quoted above is for Gro-Group Holdings Limited's only active subsidiary and includes figures prior to the MBO which completed in March 2013.

Movements during the year

A further loan of £0.04 million was made in October.

Leap New Co Limited (trading as Ward Thomas Removals)

www.ward-thomas.co.uk

Cost £1,175,000

Valuation £1,175,000

Basis of valuation:
Cost

Equity % held
6.2%

Income receivable in year
£4,113

Business
Logistics, removal and storage

Location
London

Original transaction
Corporate restructuring

Audited financial information

Year ended	30 September 2013
Turnover	£12,169,000
Operating profit	£1,995,000
Net assets	£7,597,000

Year ended	30 September 2012
Turnover	£10,983,000
Operating profit	£1,559,000
Net assets	£6,807,000

Movements during the year

New investment made in December 2014.

Further details of the investments in the portfolio may be found on the Mobeus website: www.mobeusequity.co.uk.

Operating profit is stated before charging amortisation of goodwill where appropriate for all investee companies.

Tharstern Group Limited

www.tharstern.com

Cost	£1,150,000
Valuation	£1,150,000

Basis of valuation:
Cost

Equity % held
12.2%

Income receivable in year
£43,719

Business
Software-based Management Information Systems to the print sector

Location
Colne, Lancashire

Original transaction
Management buyout

Audited financial information

Year ended	31 January 2014
Turnover	£3,871,000
Operating profit	£799,000
Net assets	£885,000
Year ended	31 January 2013
Turnover	£3,358,000
Operating profit	£690,000
Net assets	£770,000

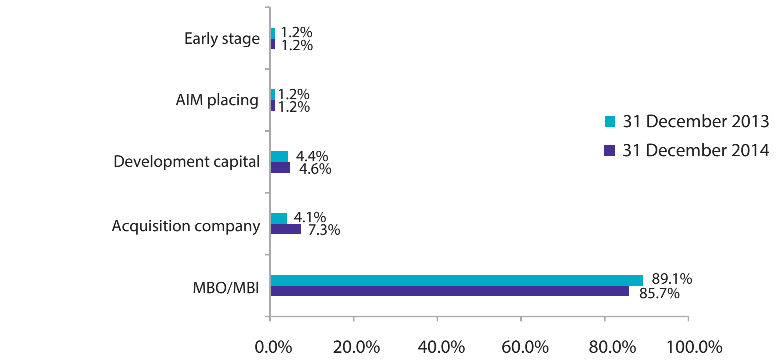
Movements during the year

Investment made in July 2014.

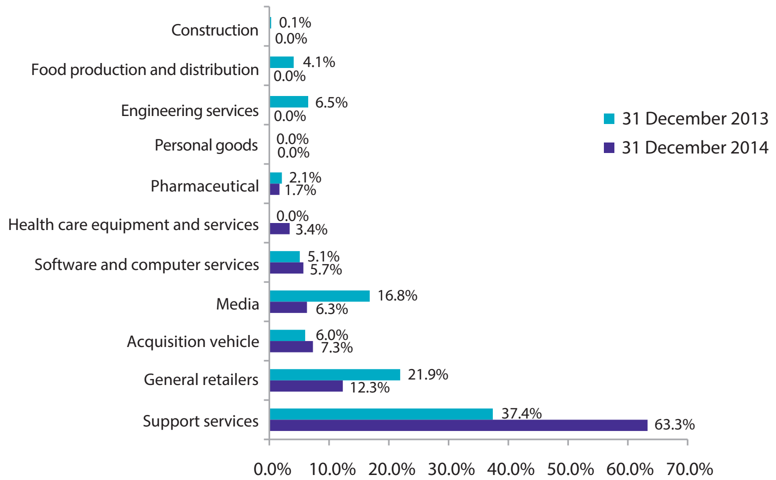
The remaining 24 investments in the portfolio have a current cost of £10.15 million and were valued at 31 December 2014 at £8.45 million.

Investments at valuation at 31 December 2014

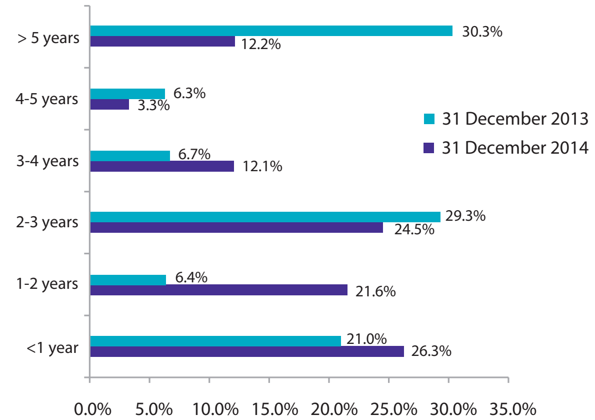
– By stage of development



– By market sector



– By number of years held



Investment Portfolio Summary
as at 31 December 2014

	Ordinary Shares Cost at 31-Dec-14 £	Ordinary Shares Valuation at 31-Dec-14 £	Other Investments (loan stock/preference shares) Cost at 31-Dec-14 £	Other Investments (loan stock/preference shares) Valuation at 31-Dec-14 £
Mobeus Equity Partners Portfolio				
Entanet Holdings Limited[1] (formerly Ackling Management Limited) Wholesale communications provider	410,715	752,679	958,335	1,582,820
ASL Technology Holdings Limited Printer and photocopier services	343,992	253,113	1,589,599	1,938,986
Virgin Wines Holding Company Limited (formerly Culbone Trading Limited) Online wine retailer	45,915	146,897	1,884,898	1,884,898
Fullfield Limited (trading as Motorclean Limited) Vehicle cleaning and valet services	462,184	96,966	1,074,871	1,533,333
Veritek Global Holdings Limited (formerly Madacombe Trading Limited) Engineering services	43,527	52,088	1,576,559	1,576,559
Turner Topco Limited (trading as ATG Media)[2] Publisher and online auction platform operator	4,472	15,227	1,524,603	1,524,603
Tessella Holdings Limited Consultancy	212,045	394,310	865,490	1,038,570
Gro- Group Limited Baby sleep products	148,765	–	1,429,212	1,428,543
Leap New Co Limited (trading as Ward Thomas Removals and Bishopsgate) A specialist logistics, storage and removals business	358,793	358,793	816,207	816,207
Tharstern Group Limited MIS & Commercial print software solutions	338,861	338,861	810,950	810,950
CGI Creative Graphics International Limited Vinyl graphics to global automotive, recreation vehicle and aerospace markets	476,612	476,612	583,657	583,657
EOTH Limited (trading as Equip Outdoor Technologies) Distributor of branded outdoor equipment and clothing	95,147	102,205	856,324	932,228
Manufacturing Services Investment Limited Manufacturing and manufacturing services	456,400	456,400	456,400	456,400
Media Business Insight Holdings Limited (formerly South West Services Investment Limited) Engineering and engineering services	363,200	363,200	544,800	544,800
Bourn Bioscience Limited The world's first IVF clinic	323,577	47,976	808,944	808,944
Westway Services Holdings (2014) Limited Installation, service and maintenance of air conditioning systems	2,818	216,446	35,960	620,495
The Plastic Surgeon Holdings Limited Snagging and finishing of domestic and commercial properties	45,884	75,385	412,953	495,270
RDL Corporation Limited Recruitment consultants for the pharmaceutical, business intelligence and IT industries	173,932	–	826,068	536,525
Aussie Man & Van Limited A specialist logistics, storage and removals business	157,972	157,972	359,028	359,028
Omega Diagnostics Group plc[3] In-vitro diagnostics for food intolerance, auto-immune diseases and infectious diseases	200,028	300,015	–	–
Blaze Signs Holdings Limited Manufacturer and installer of signs	183,005	261,218	7,626	7,626

[1] - £1,000,000 of this investment into Entanet Holdings Limited was provided by Ackling Management Limited, one of the Company's acquisition vehicles.

[2] - Shares and loan stock in Turner Topco Limited arose as non-cash proceeds from the part realisation of ATG Media Holdings Limited.

[3] - Quoted on AIM.

Cost at 31-Dec-14 £	Total Valuation at 31-Dec-13 £	Additional investments £	Valuation at 31-Dec-14 £	Unrealised gains/ (losses) in the year £	Realised gains/ (losses) in the year £	Proceeds in the year £	% of equity held	% of portfolio by value
1,369,050	1,000,000	369,050	2,335,499	966,449	–	–	9.6%	9.3%
1,933,591	891,775	676,458	2,192,099	623,866	–	–	9.5%	8.8%
1,930,813	1,999,771	–	2,031,795	100,982	–	68,958	9.7%	8.1%
1,537,055	2,062,805	–	1,630,299	(176,330)	–	256,176	9.8%	6.5%
1,620,086	1,620,086	–	1,628,647	8,561	–	–	10.3%	6.5%
1,529,075	4,093,629	1,529,075	1,539,830	10,755	626,769	4,720,398	3.8%	6.2%
1,077,535	1,577,809	–	1,432,880	(44,887)	–	100,042	5.4%	5.7%
1,577,977	1,540,061	37,916	1,428,543	(149,434)	–	–	8.4%	5.7%
1,175,000	–	1,175,000	1,175,000	–	–	–	6.2%	4.7%
1,149,811	–	1,158,500	1,149,811	–	–	8,689	12.2%	4.6%
1,060,269	–	1,060,269	1,060,269	–	–	–	6.3%	4.2%
951,471	956,917	–	1,034,433	77,516	–	–	1.7%	4.1%
912,800	–	912,800	912,800	–	–	–	11.4%	3.7%
908,000	–	908,000	908,000	–	–	–	11.4%	3.6%
1,132,521	–	1,132,521	856,920	(275,601)	–	–	7.7%	3.4%
38,778	676,723	–	836,941	293,335	–	133,117	3.8%	3.3%
458,837	398,625	–	570,655	172,030	–	–	6.9%	2.3%
1,000,000	461,401	–	536,525	75,124	–	–	9.1%	2.1%
517,000	–	517,000	517,000	–	–	–	6.2%	2.1%
200,028	291,664	30	300,015	8,321	–	–	1.5%	1.2%
190,631	719,777	–	268,844	(450,933)	–	–	5.7%	1.1%

Investment Portfolio Summary
as at 31 December 2014

	Ordinary Shares		Other Investments (loan stock/preference shares)	
	Cost at 31-Dec-14 £	Valuation at 31-Dec-14 £	Cost at 31-Dec-14 £	Valuation at 31-Dec-14 £
Higher Nature Limited Mail order distributor of vitamins and natural medicines	500,127	124,799	–	–
BG Training Limited (formerly Duncary 8 Limited) City-based provider of specialist technical training	25,328	11,004	76,667	76,667
Vectair Holdings Limited Designer and distributor of washroom products	24,643	75,628	89	89
Newquay Helicopters (2013) Limited Helicopter service operator	56,250	56,250	250	250
Lightworks Software Limited Provider of software for CAD and CAM vendors	9,329	13,530	–	–
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	122,043	–	284,762	1,000
PXP Holdings Limited Designer, manufacturer and supplier of timber frames for buildings	712,925	–	–	–
CB Imports Group Limited Importer and distributor of artificial flowers, floral sundries and home décor products	175,000	–	–	–
Legion Group plc (in administration) Provider of manned guarding, patrolling and alarm response services	150,102	–	–	–
Watchgate Limited Holding company	1,000	–	–	–
Disposals in year				
EMaC Holdings Limited (formerly Ingleby (1879) Limited) Provider of service plans for the motor trade	–	–	–	–
DiGiCo Global Limited Manufacturer of audio mixing desks	–	–	–	–
Focus Pharma Holdings Limited Licensor and distributor of generic pharmaceuticals	–	–	–	–
Youngman Group Limited Manufacturer of ladders and access towers	–	–	–	–
Machineworks Software Limited Provider of software for CAD and CAM vendors	–	–	–	–
Monsal Holdings Limited Supplier of engineering services to the water and waste sectors	–	–	–	–
IGLU.com Holidays Limited Online ski and cruise travel agent	–	–	–	–
Total	**6,624,591**	**5,147,574**	**17,784,252**	**19,558,448**
Former Elderstreet Private Equity Portfolio				
Cashfac Limited Provider of virtual banking application software solutions to corporate customers	260,101	145,933	–	–
Sparesfinder Limited Supplier of industrial spare parts online	250,854	120,821	–	–
Sift Group Limited Developer of business-to-business internet communities	135,391	26,514	–	–
Total	**646,346**	**293,268**	**–**	**–**
Investment Adviser's Total	**7,270,937**	**5,440,842**	**17,784,252**	**19,558,448**

Total								
Cost at 31-Dec-14 £	Valuation at 31-Dec-13 £	Additional investments £	Valuation at 31-Dec-14 £	Unrealised gains/ (losses) in the year £	Realised gains/ (losses) in the year £	Proceeds in the year £	% of equity held	% of portfolio by value
500,127	133,013	–	124,799	(8,214)	–	–	10.3%	0.5%
101,995	103,607	–	87,671	(15,936)	–	–	5.1%	0.4%
24,732	114,615	–	75,717	(38,898)	–	–	2.1%	0.3%
56,500	98,412	–	56,500	–	–	41,912	2.5%	0.2%
9,329	41,820	–	13,530	(28,290)	–	–	4.2%	0.1%
406,805	1,000	–	1,000	–	–	–	5.7%	0.0%
712,925	15,687	–	–	(15,687)	–	–	4.4%	0.0%
175,000	872,988	–	–	–	127,012	1,000,000	5.8%	0.0%
150,102	–	–	–	–	–	–	N/A	0.0%
1,000	–	–	–	–	–	–	33.3%	0.0%
–	1,701,086	–	–	–	1,669,803	3,370,889	–	0.0%
–	1,470,071	–	–	–	270,775	1,740,846	–	0.0%
–	840,258	–	–	–	750,671	1,590,929	–	0.0%
–	349,983	–	–	–	500,617	850,600	–	0.0%
–	191,474	–	–	–	152,545	344,019	–	0.0%
–	42,287	–	–	–	1,063,055	1,105,342	–	0.0%
–	–	–	–	–	52,110	52,110	–	0.0%
24,408,843	**24,267,344**	**9,476,619**	**24,706,022**	**1,132,729**	**5,213,357**	**15,384,027**	**–**	**98.7%**
260,101	189,692	–	145,933	(43,759)	–	–	2.9%	0.6%
250,854	80,718	–	120,821	40,103	–	–	2.0%	0.6%
135,391	32,015	–	26,514	(5,501)	–	–	1.3%	0.1%
646,346	**302,425**	**–**	**293,268**	**(9,157)**	**–**	**–**	**–**	**1.3%**
25,055,189	**24,569,769**	**9,476,619**	**24,999,290**	**1,123,572**	**5,213,357**	**15,384,027**	**–**	**100.0%**

Key policies

The Board has put in place the following policies to be applied to meet the Company's overall Objective and to cover specific areas of the Company's business.

Investment policy

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

Investments are made selectively across a number of sectors, primarily in management buyout transactions (MBOs) i.e. to support incumbent management teams in acquiring the business they manage but do not yet own. Investments are primarily made in companies that are established and profitable.

The Company has a small legacy portfolio of investments in companies from the period prior to 1 August 2006, when it was a multi-manager VCT. This includes investments in early stage and technology companies.

Uninvested funds are held in cash and lower risk money market funds.

VCT regulation

The investment policy is designed to ensure that the VCT continues to qualify and is approved as a VCT by HM Revenue & Customs ("HMRC").

Amongst other conditions, the Company may not invest more than 15% of its investments in a single company or group of companies and must have at least 70% by value of its investments throughout the year in shares or securities comprised in VCT qualifying holdings, of which a minimum overall of 30% by value (70% for funds raised from 6 April 2011) must be in Ordinary Shares which carry no preferential rights (save as may be permitted under VCT rules). In addition, although the Company can invest less than 30% (70% for funds raised from 6 April 2011) of an investment in a specific company in ordinary shares it must have at least 10% by value of its total investments in each VCT qualifying company in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules).

UK Companies

The companies in which investments are made must have no more than £15 million of gross assets at the time of investment and £16 million immediately following the investment to be classed as a VCT qualifying holding.

Asset Mix

The Company initially holds its funds in a portfolio of readily realisable interest-bearing investments and deposits. The investment portfolio of qualifying investments is built up over a three year period with the aim of investing and maintaining around 80% of net funds raised in qualifying investments.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses across different industry sectors. To reduce the risk of high exposure to equities, each qualifying investment is structured to maximise the amount which may be invested in loan stock.

Co-investment

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

Borrowing

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

Cash available for investment and liquidity

The Company's cash and liquid resources are held in a range of instruments of varying maturities including liquid, low risk Money Market Funds and bank deposits, subject to the overriding criterion that the risk of loss of capital be minimised. The Company has participated in the Mobeus VCTs' annual linked fundraising since 2010 in order to maintain a sufficient level of funds that can be deployed in meeting the day-to-day expenses of the Company and dividend distributions and purchases of the Company's own shares. This enables money raised prior to 6 April 2012 to be allocated for future MBO investment.

Diversity policy

The Directors have considered diversity in relation to the composition of the Board and have concluded that its membership is diverse in relation to gender and breadth of experience. The Board comprises two men and one woman. The Company does not have any senior managers or employees. The Board has made a commitment to consider diversity in making future appointments.

Further policies

In addition to the Investment policy and Diversity policy above and the policies on payment of dividends and share buybacks which were discussed earlier in this section, the Company has adopted a number of further policies relating to:

- Human rights
- Anti-bribery
- Environmental and social responsibility
- Global greenhouse gas emissions
- Whistleblowing

These are set out in the Directors' Report on page 25 of this Annual Report.

Principal risks, management and regulatory environment

The Directors acknowledge the Board's responsibilities for the Company's internal control systems and have instigated systems and procedures for identifying, evaluating and managing the significant risks faced by the Company. This includes a key risk management review which takes place at each quarterly Board meeting. Further details of these are contained in the corporate governance section of the Directors' Reports on pages 30 to 36. The principal risks identified by the Board are set out below:

Risk	Possible consequence	How the Board manages risk
Economic	Events such as an economic recession and movement in interest rates could affect trading conditions for smaller companies and consequently the value of the Company's qualifying investments.	• *The Board monitors the portfolio as a whole to (1) ensure that the Company invests in a diversified portfolio of companies and (2) ensure that developments in the macro-economic environment such as movements in interest rates are monitored.*
Loss of approval as a Venture Capital Trust	The Company must comply with section 274 of the Income Tax Act 2007 ("ITA") which allows it to be exempted from capital gains tax on investment gains. Any breach of these rules may lead to the Company losing its approval as a Venture Capital Trust (VCT), qualifying shareholders who have not held their shares for the designated holding period having to repay the income tax relief they obtained and future dividends paid by the Company becoming subject to tax. The Company would also lose its exemption from corporation tax on capital gains.	• *The Company's VCT qualifying status is continually reviewed by the Investment Adviser.* • *The Board receives regular reports from Robertson Hare LLP who have been retained to undertake an independent VCT status monitoring role.*
Investment	Investment in unquoted small companies involves a higher degree of risk than investment in fully listed companies. Smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals.	• *The Board regularly reviews the Company's investment strategy.* • *Careful selection and review of the investment portfolio on a regular basis.*
Regulatory	The Company is required to comply with the Companies Act, the listing rules of the UK Listing Authority and United Kingdom Accounting Standards. Changes to and breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report.	• *Regulatory and legislative developments are kept under review by the Board.*
Financial and operating	Failure of the systems at any of the third party service providers that the Company has contracted with could lead to inaccurate reporting or monitoring. Inadequate controls could lead to the misappropriation or insecurity of assets.	• *The Board carries out an annual review of the Internal controls in place and reviews the risks facing the Company at each quarterly Board meeting.* • *It reviews the performance of the service providers annually.*
Market	Movements in the valuations of the VCT's investments will, inter alia, be connected to movements in UK Stock Market indices.	• *The Board receives quarterly valuation reports from the Adviser.* • *The Adviser alerts the Board about any adverse movements.*

Risk	Possible consequence	How the Board manages risk
Asset liquidity	The Company's investments may be difficult to realise.	• *The Board receives reports from the Adviser and reviews the portfolio at each quarterly Board meeting. It carefully monitors investments where a particular risk has been identified.*
Market liquidity	Shareholders may find it difficult to sell their shares at a price which is close to the net asset value.	• *The Board has a share buyback policy which seeks to mitigate market liquidity risk. This policy is reviewed at each quarterly Board meeting.*
Counterparty	A counterparty may fail to discharge an obligation or commitment that it has entered into with the Company.	• *The Board regularly reviews and agrees policies for managing these risks. Further details can be found under 'credit risk' in Note 19 to the accounts on pages 60 and 61.*

Future Prospects

For a discussion of the Company's future prospects, please see the Chairman's Statement on pages 2 to 3.

Christopher Moore
Chairman

26 March 2015

Board of Directors

Christopher Moore

Status:
Independent, Non-Executive Director and Chairman
Age: 70

Date of appointment: 1 April 2002

Experience: Christopher has considerable experience of the venture capital industry. After completing a law degree and qualifying as a chartered accountant with Price Waterhouse, he worked for Robert Fleming Inc., Lazards, Jardine Fleming and then Robert Fleming, latterly as a main board director from 1986 to 1995. During this period he was involved in various unquoted and venture capital investments and remained chairman of Fleming Ventures Limited, an international venture capital fund, until the fund's final distribution in 2003. His roles have included acting as senior adviser to the chairman of Lloyds and chairing the successful turnaround of a public industrial group. Until May 2010, he was a director of Matrix Income & Growth VCT ("MIG") and until September 2010 he was a director of The Income & Growth VCT ("I&G"). He was also a director of Matrix Income & Growth 3 VCT until it merged with MIG in 2010.

Last re-elected to the Board:
May 2014, standing for re-election annually;

Committee memberships:
Audit Committee, Investment Committee, Nominations and Remuneration Committee

Number of Board and Committee meetings attended 2014: 7/7

Remuneration 2014: £33,500

Relevant relationships with the Investment Adviser or other service providers:
None.

Shareholding in the Company:
41,359 Ordinary Shares as at the date of this Report.

Andrew Robson

Status:
Independent Non-Executive Director

Age: 56

Date of appointment: 1 August 2010

Experience: Andrew qualified as a Chartered Accountant in 1984. From 1984 to 1997, he worked in corporate finance at Robert Fleming & Co Limited, becoming a director. Following a four year term in charge of the finances of the National Gallery, he joined Société Générale as a director in the London M&A department. He subsequently became finance director of the eFinancial group, a group specialising in financial publishing and online recruitment. He now works as a business adviser to small companies. Andrew has over 14 years' experience as a non-executive director, including with investment companies. He is currently a non-executive director of First Integrity Limited (from December 2006), Brambletye School Trust Limited, British Empire Securities and General Trust plc (from August 2008), Peckwater Limited (from August 2008), Shires Income PLC (from May 2008), JP Morgan Smaller Companies Investment Trust plc (from 2007) and Witan Pacific Investment Trust plc (from 15 July 2014). Andrew was a non-executive director of Edinburgh UK Smaller Companies Tracker Trust PLC from 1998 to 2006, a non-executive director of Gate Gourmet Group Holding LLC from 2006 to 2007 and a non-executive director of M&G Equity Investment Trust plc from 2007 until 2011.

Last re-elected to the Board:
May 2014, standing for re-election annually;

Committee memberships:
Audit Committee (Chairman), Investment Committee, Nominations and Remuneration Committee

Number of Board and Committee meetings attended 2014: 7/7

Remuneration 2014: £28,500

Relevant relationships with the Investment Adviser or other service providers:
None.

Shareholding in the Company:
14,820 Ordinary Shares as at the date of this Report.

Helen Sinclair

Status:
Non-Executive Director

Age: 49

Date of appointment: 1 February 2003

Experience: Helen has extensive experience of investing in a wide range of small and medium sized businesses. She graduated in economics from Cambridge University and began her career in banking. After an MBA at INSEAD business school, Helen worked from 1991 to 1998 at 3i plc, based in their London office. She was a founding director of Matrix Private Equity Limited when it was established in early 2000 and helped raise Mobeus Income & Growth 2 VCT plc (formerly Matrix e-Ventures VCT plc). She is a non-executive director of Downing ONE VCT plc, Spark Ventures plc, OFT 2 Limited and is chairman of British Smaller Companies VCT plc. Helen also chairs the investment committees of the Third Sector Loan Fund and the Community Investment Fund which are part of Social and Sustainable Capital LLP. Helen is a director of both I&G and MIG 4 and, as both are advised by Mobeus, is deemed not to be an independent director under the Listing Rules.

Last re-elected to the Board:
May 2014, standing for re-election annually;

Committee memberships:
Investment Committee (Chairman), Audit Committee, Nominations and Remuneration Committee

Number of Board and Committee meetings attended 2014: 7/7

Remuneration 2014: £28,500

Relevant relationships with the Investment Adviser or other service providers:
Director of The Income & Growth VCT plc which is also advised by Mobeus Equity Partners LLP.

Shareholding in the Company:
14,862 Ordinary Shares as at the date of this Report.

Directors' Report

The Directors present the Annual Report and Audited Accounts of the Company for the year ended 31 December 2014.

The Company is registered in England and Wales as a Public Limited Company (registration number 3707697).

The Company has satisfied the requirements for full approval as a Venture Capital Trust under section 274 of the Income Tax Act 2007 (the "ITA"). It is the Directors' intention to continue to manage the Company's affairs in such a manner so as to comply with section 274 of the ITA.

To enable capital profit to be distributed by way of dividends, the Company revoked its status as an investment company as defined by section 833 of the Companies Act 2006 ("the Companies Act") on 28 July 2008. The Company does not intend to re-apply for such status.

Share capital

The Company's Ordinary Shares of 1 penny each are listed on the London Stock Exchange ("LSE").

Issue of shares

During the year under review, the Company issued a total of 7,930,445 (2013: 7,285,622) shares (excluding the enhanced buyback facility). Of this total, 6,907,184 (2013: 6,951,240) shares were issued under the Mobeus VCTs' Linked Offer for Subscription launched on 28 November 2013; 1,023,261 (2013: 334,382) shares were issued under the Company's Dividend Investment Scheme.

Buyback of shares

At the Annual General Meeting held on 9 May 2014 shareholders granted the Company authority, pursuant to section 701 of the Companies Act 2006, to buyback up to 5,265,569 of its own shares representing 14.99% of the issued share capital of the Company on 21 March 2014. This authority has been in place throughout the year under review. For further details please see Notes 14 and 15 to the accounts on pages 56 and 57 of this Annual Report. A resolution to renew this authority will be proposed to Shareholders at the Annual General Meeting to be held on 14 May 2015.

During the year under review, the Company bought back 514,303 (2013: 567,165) of its own shares at a total cost of £538,384 (2013: £586,300) including expenses. These shares represented 1.5% of the issued share capital of the Company at the beginning of the year.

All shares bought back by the Company during the year were subsequently cancelled.

Issued share capital

The issued share capital of the Company as at 31 December 2014 was £425,434 (2013: £351,272) and the number of shares in issue at this date was 42,543,360 (2013: 35,127,218).

Following the year-end 5,167,929 shares have been issued under the Offer launched on 10 December 2014, which closed on 18 February 2015, fully subscribed.

Share premium account

The cancellation of the amount standing to the credit of the Company's share premium account and capital redemption reserve was confirmed by a Court Order dated 12 March 2014. The purpose of the cancellation was to provide a special distributable reserve capable of being used for the purpose, inter alia, of funding future purchases of the Company's own shares. The capital redemption reserve was also cancelled.

Dividends

A final dividend in respect of the year ended 31 December 2013 of 4.00 pence per share, comprising 2.75p per share from capital and 1.25p per share from income was paid on 16 May 2014. An interim dividend of 14.00 pence per share comprising 2.00 pence from income and 12.00 pence from capital was paid on 12 September 2014 in respect of the year under review.

Your Board has declared a second interim dividend of 8.00 pence per share comprising 1.00 pence from income and 7.00 pence from capital in respect of the year under review, payable on 6 May 2015 to shareholders on the Register of Members on 7 April 2015. This will bring total cumulative dividends paid to 60.20 pence per share.

For further details of the dividend policy please refer to page 6 of the Strategic Report.

Dividend Investment Scheme

At the Annual General Meeting held on 20 June 2012, shareholders approved the introduction of a Dividend Investment Scheme (the "Scheme"). The Annual General Meeting on 9 May 2014 authorised the Directors to allot new Ordinary Shares to participating shareholders.

The dividend payments made in the year were eligible for the Scheme and the following shares were allotted under the Scheme:

Dividend payment date	Dividend amount (p)	No. of new Ordinary Shares issued	Allotment date	Issue price (p)
16 May 2014	4.00	205,270	16 May 2014	107.05
12 September 2014	14.00	817,991	12 September 2014	101.50
Total	**18.00**	**1,023,261**		

The Scheme will be available for the second interim dividend of 8.00 pence per Share. Shareholders that have not already elected to participate in the Scheme should notify the Scheme Administrator, Capita Asset Services, by 20 April 2015 that they wish to participate in the Scheme. A Mandate form for this purpose can be obtained by contacting Capita on 0871 664 0324 (calls cost 10p per minute plus network extras. Lines are open 9.00 am – 5.30 pm Mon – Fri. If calling from overseas please ring +44 203 170 0187).

A copy of the Scheme rules and mandate form can be obtained from the Company's website, www.mig4vct.co.uk.

Directors

The names of and brief biographical details on each of the Directors are given on page 23 of this Annual Report.

Copies of the Directors' appointment letters will be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting.

Details of each Director's interest in the Company's shares are set out on page 28 of the Directors' Remuneration Report.

The powers of the Directors have been granted by company law, the Company's articles and resolutions passed by the Company's members in general meeting. Resolutions are proposed annually at each annual general meeting of the Company to authorise the Directors to allot shares, disapply the pre-emption rights of members and buyback the Company's own shares on behalf of the Company. These authorities are currently in place and resolutions to renew them will be proposed at the Annual General Meeting of the Company to be held on 14 May 2015.

Disclosure of Information to the Auditor

So far as each of the Directors in office at 31 December 2014 are aware, there is no relevant audit information of which the auditor is unaware. They have individually taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' and officers' liability insurance

The Company maintains a Directors' and Officers' liability insurance policy. The policy does not provide cover for fraudulent or dishonest actions by the Directors.

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 Strategic Report. The Directors have satisfied themselves that the Company continues to maintain a significant cash position and is currently raising additional funds. The majority of companies in the portfolio continue to trade profitably and the portfolio taken as a whole remains resilient and well diversified. The major cash outflows of the Company (namely investments, buybacks and dividends) are within the Company's control. The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Note 19 on pages 59 to 65 of this Annual Report. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Furthermore, the Directors have considered whether there are any material uncertainties that the Company may face during the twelve months to 31 December 2015 that may impact on its ability to operate as a going concern. No such material uncertainties have been identified by the Board.

The Board has identified a number of principal risks which are faced by the Company in the normal course of its business and these are set out in the Strategic Report on pages 21 to 22.

Social and environmental policies

Human rights policy

The Board seeks to conduct the Company's affairs responsibly and gives full consideration to the human rights implications of its decisions, particularly with regard to investment decisions.

Anti-bribery policy

The VCT has adopted a zero tolerance approach to bribery. The following is a summary of its policy:

- It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company is committed to acting professionally, fairly and with integrity in all its business dealings and relationships where it operates.
- Directors and service providers must not promise, offer, give, request, agree to receive or accept a financial or other advantage in return for favourable treatment, to influence a business outcome or to gain any other business advantage on behalf of themselves or of the Company or encourage others to do so.
- The Company has communicated its anti-bribery policy to each of its service providers. It expects and requires each of its service providers to have policies in place which reflect the key principles of this policy and procedures, and which demonstrate that they have adopted procedures of an equivalent standard to those instituted by the Company.

Environmental and social responsibility

The Board seeks to conduct the Company's affairs responsibly and considers relevant social and environmental matters when appropriate, particularly with regard to investment decisions. The Company uses mixed sources paper from well-managed forests and recycled wood and fibre as endorsed by the Forest Stewardship Council for the printing of its Annual and Half-Yearly Reports.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, (including those within the Company's underlying investment portfolio).

Whistleblowing

The Board has considered the recommendation made in the UK Corporate Governance Code with regard to a policy on whistleblowing and has reviewed the arrangements at the Advisers under which staff may, in confidence, raise concerns. It has concluded that adequate arrangements are in place at the Adviser for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken by the Adviser.

Additional disclosures

The following additional disclosures are made in accordance with Part 6 of Schedule 7 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended 2013).

Articles of Association

The Company may amend its articles of association ("the Articles") by special resolution in accordance with section 21 of the Companies Act 2006.

Substantial interests

As at the date of this report the Company had not been notified of any beneficial interest exceeding 3% of the issued share capital.

Voting rights of shareholders

Each shareholder has one vote on a show of hands, and on a poll one vote per share held, at general meetings of the Company. No member shall be entitled to vote or exercise any rights at a general meeting unless all their shares have been paid up in full. Any instrument of proxy must be deposited at the place specified by the Directors no later than 48 hours before the time for holding the meeting.

Restrictions on voting rights

There are no restrictions on voting rights and no agreements between holders of securities that may prevent or restrict the transfer of securities or voting rights.

Directors' Report

Annual general meeting

The Notice of the Annual General Meeting (AGM), which will be held at 11.00 am on 14 May 2015, is set out on pages 69 to 72 of this Annual Report. Proxy Forms for the AGM are enclosed with shareholder's copies of this Annual Report. Proxy votes may also be submitted electronically via the Capita Shareholder Portal www.capitashareportal.com and those shareholders who have elected to receive information from the Company by email will have received a link to this site. Please see page 67 for further information.

Resolutions 1 to 8 are being proposed as ordinary resolutions requiring more than 50% of the votes cast at the meeting to be in favour and resolutions 9 and 10 will be proposed as special resolutions requiring the approval of at least 75% of the votes cast at the meeting. The following is an explanation of Resolutions 8, 9 and 10.

Authorities for the Directors to allot shares (Resolution 8) and disapply pre-emption rights (Resolution 9) under sections 551 and 570(1) of the Companies Act 2006 ("the Act").

These two resolutions grant the Directors the authority to allot shares for cash to a limited and defined extent otherwise than pro rata to existing shareholders.

Resolution 8 will authorise the Directors to allot Shares up to an aggregate nominal value of £395,422, representing approximately 82.22% of the Company's existing issued share capital at the date of the notice convening the AGM.

Under section 561(1) of the Act, if the Directors wish to allot new shares or sell treasury shares for cash they must first offer such shares to existing shareholders in proportion to their current holdings. It is proposed by resolution 9 to sanction the disapplication of such pre-emption rights in respect of the allotment of equity securities:

(i) with an aggregate nominal value of up to £300,000 in connection with offer(s) for subscription;

(ii) with a nominal value of up to 10% of the issued share capital of the Company from time to time in respect of the Company's Dividend Investment Scheme at a subscription price per share which is less than the net asset value per share; and

(iii) otherwise than pursuant to (i) and (ii) above, with a nominal value of up to 10% of the issued share capital of the Company from time to time

in each case where the proceeds may be used in whole or in part to purchase the Company's shares.

Both of these authorities, unless renewed, varied or revoked, will expire on the date falling fifteen months after the passing of the resolution or, if earlier, on the conclusion of the Annual General Meeting of the Company to be held in 2016. The Directors may allot securities after the expiry dates specified above in pursuance of offers or agreements made prior to the expiration of these authorities.

The Directors have authority to allot Ordinary Shares under the Dividend Investment Scheme at either 70% of the then latest published net asset value or the mid-market share price averaged over the last 5 business days of an existing Ordinary Share, whichever is greater. Such authority will be used to allot shares under the Dividend Investment Scheme in respect of the second interim dividend to be paid to shareholders on 15 May 2015.

It is the Directors' intention that new Ordinary Shares may be issued pursuant to future fundraising Offers under these authorities although no decision has been taken at this juncture. The Directors have no further immediate intention of exercising the above powers.

Both resolutions renew previous authorities approved by shareholders on 9 May 2014.

Authority to purchase the Company's own shares (Resolution 10)

This resolution authorises the Company to purchase its own Shares pursuant to section 701 of the Companies Act 2006. The authority is limited to the purchase of an aggregate of 7,151,922 Shares representing approximately 14.99% of the issued Share capital of the Company as at the date this Annual Report or, if lower, such number of Shares (rounded down to the nearest whole share) as shall equal 14.99% of the issued Share capital at the date the resolution is passed. The maximum price that may be paid for a Share will be the higher of (i) an amount that is not more than 5% above the average of the middle market quotations of the shares as derived from the daily Official List of the UK Listing Authority for the five business days preceding the date such Shares are contracted to be purchased and (ii) the price stipulated by Article 5(1) of the Buy-back Stabilisation Regulation. The minimum price that may be paid for a share is 1 penny, being the normal value thereof.

Market liquidity in VCTs is normally very restricted. The passing of this resolution will enable the Company to purchase its own Shares thereby providing a mechanism by which the Company may enhance the liquidity of its Shares and seek to manage the level and volatility of the discount to NAV at which its shares may trade.

It is the Directors' intention to cancel any Shares bought back under this authority. Shareholders should note that the Directors do not intend to exercise this authority, unless they believe to do so would result in an increase in net assets per share which would be in the interests of shareholders generally. This resolution will expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the Company's Annual General Meeting to be held in 2016 except that the Company may purchase its own Shares after this date in pursuance of a contract or contracts made prior to the expiration of this authority.

The financial risk management and future developments are referred to in the Strategic Report on pages 21 and 22.

By order of the Board

Mobeus Equity Partners LLP

Company Secretary

26 March 2015

Directors' Remuneration Report

Introduction

This Report has been prepared by the Directors in accordance with the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Companies Act 2006 and the Listing Rules of the UK Listing Authority ("the Listing Rules").

The Company's independent Auditor is required to give its opinion on the information provided on Directors' emoluments on page 28 of this Annual Report and this is explained further in the Auditor's Report to shareholders on pages 38 to 40.

The resolution to approve the directors' Remuneration Policy as set out in the Annual Report for the year ended 31 December 2013 was approved by shareholders at the annual general meeting of the Company held on 9 May 2014. The Remuneration Policy will next be put to shareholders again at the Annual General Meeting of the Company to be held in 2017.

The resolution to approve the directors' Annual Remuneration Report as set out in the Annual Report for the year ended 31 December 2013 was approved by shareholders at the Annual General Meeting of the Company held on 9 May 2014. An ordinary resolution will be proposed at the forthcoming Annual General Meeting of the Company to be held on 14 May 2015 for the approval of the directors' Annual Remuneration Report as set out below.

Remuneration statement by the Chairman of the Nomination & Remuneration Committee

This report sets out the Company's forward looking Directors' Remuneration Policy and the Annual Remuneration Report which describes how this policy has been applied during the year.

The Committee has reviewed the fees paid in the year ended 31 December 2014 and decided not to make any changes to the level of fees paid at the current time. As part of this review. It considered information on the fees paid to directors of a peer group of VCTs of a similar size operating in its sector.

Directors' Remuneration Policy

The remuneration policy is set by the Board on the recommendation of the Nomination & Remuneration Committee. In determining the Company's remuneration policy, the Committee seeks to determine a level of fees appropriate to attract and retain individuals of sufficient calibre to lead the Company in achieving its strategy. When considering the level of Directors' fees, it takes account of the required workload and responsibilities of each role and the value and amount of time that a Director is required to commit to the Company. It further considers remuneration levels elsewhere in the Venture Capital Trust industry for companies of a similar size and structure, together with other relevant information.

The level of fees paid to each of the Directors is reviewed annually by the Nomination and Remuneration Committee which makes recommendations to the Board.

The Committee has access to independent advice where and when it considers appropriate. However, it was not considered necessary to take any such advice during the year under review.

In addition to the £20,000 paid to Directors (£25,000 paid to Christopher Moore as Chairman) supplements are paid to the Directors in respect of their membership of the Investment (£6,000) and Audit (£2,500) Committees. The Directors may at their discretion pay additional sums in respect of specific tasks carried out by individual Directors on behalf of the Company.

Since all the Directors are non-executive, the Company is not required to comply with the executive director's provisions of the Listing Rules, the UK Corporate Governance Code and the AIC Code of Corporate Governance in respect of Directors' remuneration, except in so far as they relate specifically to non-executive directors.

Performance related remuneration

Whilst it is a key element of this policy to recruit Directors of the calibre required to lead the Company in achieving its short and long-term objectives no component of the fees paid is directly related to performance.

Recruitment remuneration

Remuneration of any new Director, who may subsequently be appointed to the Board, will be in line with the Remuneration Policy set out in this Report and the levels of remuneration stated therein, as modified from time to time.

Additional benefits

The Company does not have any schemes in place to pay bonuses or benefits to the Directors. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office. None of the Directors receive pension benefits from the Company and the Company has not granted any Director any options over the share capital of the Company.

Shareholders' views on remuneration

The Board prioritises the views of shareholders and encourages an open discussion at general meetings of the Company. It takes shareholders' views into account, where appropriate, when formulating policy.

This policy applied throughout the year ended 31 December 2014 and will continue to apply to the current year ending 31 December 2015.

Directors' terms of appointment

The Articles of Association of the Company ("the Articles") state that, subject to the provisions of the Companies Act, one-third of the Directors shall retire from office by rotation at each annual general meeting, or if their number is not a multiple of three, the number nearest to but not greater than one-third. Christopher Moore and Helen Sinclair have agreed to offer themselves for re-election annually as both of these Directors have served on the Board for more than nine years and Helen Sinclair is considered to be a non-independent Director as explained further on page 33. Andrew Robson has also agreed to offer himself for re-election annually.

All of the Directors are non-executive and none of the Directors has a service contract with the Company. All Directors receive a formal letter of appointment setting out the terms of their appointment, the powers and duties of Directors and the remuneration pertaining to the appointment.

Directors' Remuneration Report

Appointment letters for new Directors will in future contain an assessment of the anticipated time commitment of the appointment. New Directors will be asked to undertake that they will have sufficient time to meet the commitments which are expected of them and to disclose their other significant time commitments to the Board before appointment. Copies of the letters appointing the Directors are made available for inspection at each general meeting of the Company and on application to the Company Secretary. A Director's appointment may be terminated on three months' notice being given by the Company and in certain other circumstances. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office.

Directors' shareholdings and share interests

The Company does not require the Directors to hold Shares in the Company. The Directors, however, believe that it is in the best interests of the Company and its shareholders for each Director to maintain an interest in the Company.

The Directors who held office throughout the year under review and their interests as at 31 December 2014 and to date were:

Director	Holdings at 31 December 2013	Holdings at 31 December 2014	Shares issued since the year-end	Holdings at the date of this report
Christopher Moore	34,826	36,075	5,284	41,359
Andrew Robson	8,249	9,536	5,284	14,820
Helen Sinclair	12,425	12,425	2,437	14,862

Annual Remuneration Report

The Directors' Remuneration Policy as set out on page 27 of this Annual Report will continue to be implemented throughout the year ending 31 December 2015 as described below.

Nomination and Remuneration Committee

The remuneration of individual Directors is determined by the Nomination and Remuneration Committee within the framework set by the Board. The Committee is comprised of all three Directors, Andrew Robson (Chairman) Christopher Moore, and Helen Sinclair. The Committee meets at least once a year and is responsible for setting the remuneration policy for the Board and reviewing its ongoing appropriateness and relevance. It carries out an annual review of the remuneration of the Directors and makes recommendations to the Board on remuneration policy. The Committee may, at its discretion, recommend to the Board that individual Directors should be awarded additional payments in respect of extra-curricular work carried out on behalf of the Company. It is responsible for the appointment of remuneration consultants, if this should be considered necessary, including establishing the selection criteria and terms of reference for such an appointment. The Nomination and Remuneration Committee met once during the year under review with full attendance from its members.

Relative importance of spend on Directors' fees

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Total directors' fees	90,500	90,500
Dividends paid and payable in respect of the year	9,678,977	2,351,877

Directors' emoluments *(audited information)*

The total emoluments in respect of qualifying services of each person who served as a Director during the year are as set out in the chart below. The Company does not have any schemes in place to pay any of the Directors bonuses or benefits in addition to the Directors' fees.

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Christopher Moore	33,500	33,500
Andrew Robson	28,500	28,500
Helen Sinclair	28,500	28,500
Total emoluments	**90,500**	**90,500**

Aggregate emoluments in respect of qualifying services amounted to £90,500 (31 December 2013: £90,500).

£28,500 (2013: £28,500) of Christopher Moore's annual fee was paid to his consultancy business, The Moore Corporation.

The table below displays the maximum payment receivable per annum by each Director for the current year together with a summary of the Company's strategy and how this is supported by the current remuneration policy.

Company Objective

To provide investors with an attractive return, by maximising the stream of dividend distributions from the income and capital gains generated by a diverse and carefully selected portfolio of investments.

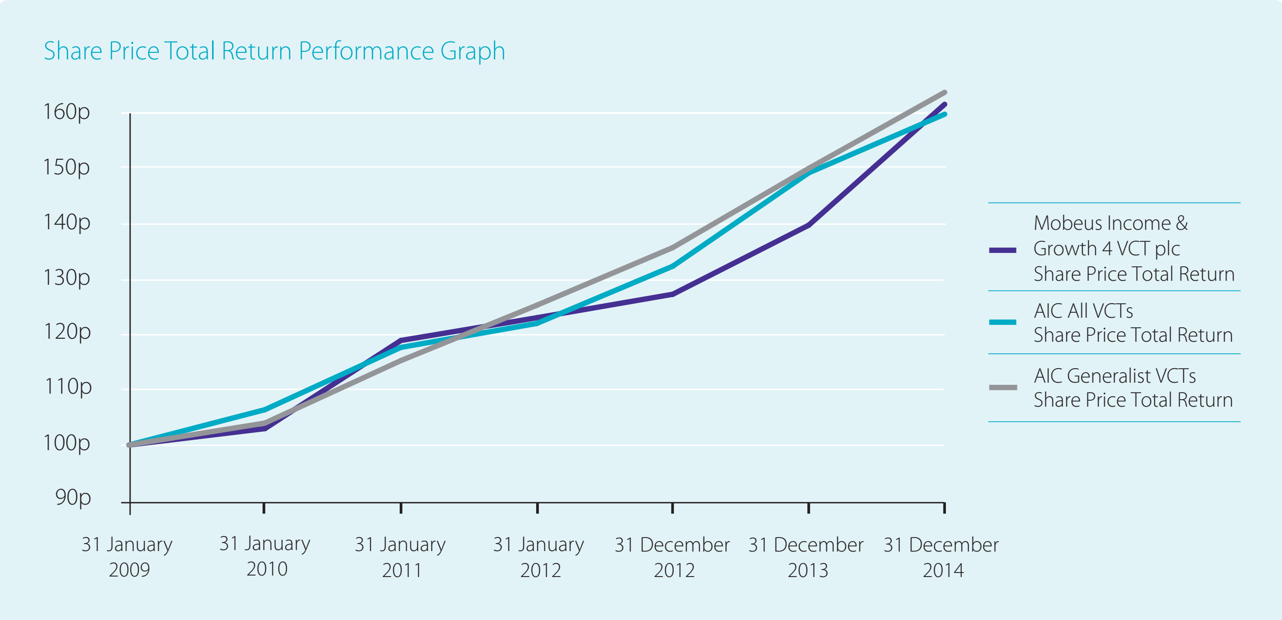
Remuneration Policy

To ensure that the levels of remuneration paid are sufficient to attract, retain and motivate directors of the quality required to manage the Company in order to achieve the Company's Objective

Director	Role	Components of Pay Package	Maximum payment per annum	Performance conditions
Christopher Moore	**Chairman**	Director's fee	£25,000	**None**
		Supplements: For Investment and Audit Committee membership	£6,000 £2,500	
		Total	**£33,500**	
Andrew Robson	**Chairman, Audit and Nomination & Remuneration Committees**	Director's fee	£20,000	**None**
		Supplements: For Investment and Audit Committee membership	£6,000 £2,500	
		Total	**£28,500**	
Helen Sinclair	**Chairman, Investment Committee**	Director's fee	£20,000	**None**
		Supplements: For Investment and Audit Committee membership	£6,000 £2,500	
		Total	**£28,500**	
			£90,500	

Total shareholder return

The following graph charts the total shareholder return of the Company (assuming all dividends are re-invested) over the past six years compared with the total returns of the AIC Generalist VCT and AIC All VCT indices provided by the Association of Investment Companies (AIC). The Board considers these benchmarks to be the most appropriate against which investors can measure the relative performance of the Company performance over the medium to long term. The total returns have each been re-based to 100 pence.



An explanation of the recent performance of the Company is given in the Chairman's Statement on page 2.

By order of the Board

Mobeus Equity Partners LLP

Company Secretary

26 March 2015

Corporate Governance Statement

The Directors have adopted the Association of Investment Companies (AIC) Code of Corporate Governance 2012 ("the AIC Code") for the financial year ended 31 December 2014. The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for investment companies ("AIC Guide"). The AIC Code as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide the most appropriate information to shareholders.

The AIC Code was endorsed by the Financial Reporting Council (FRC) on 22 January 2013. The FRC has confirmed that in complying with the AIC Code, the Company will meet its obligations in relation to the UK Code and paragraph 9.8.6 of the Listing Rules.

Statement of compliance

This statement has been compiled in accordance with the FSA's Disclosure and Transparency Rule (DTR) 7.2 on Corporate Governance Statements.

The Board considers that the Company has complied with the AIC Code and the relevant provisions of the UK Code, except as explained below.

Firstly, the provisions of the code relating to the role of the chief executive and executive directors' remuneration are not relevant to the Company. As an externally advised investment company and since all the Directors of the Company are non-executive, the Company does not employ a chief executive nor any executive directors. Secondly, given the systems and procedures of the Investment Adviser, the provision of VCT monitoring services by Robertson Hare LLP (formerly by PriceWaterhouseCoopers LLP), and the size of the Company's operations, the Board has full confidence that an internal audit function is not necessary.

The table below provides an explanation of how the Company has complied with the AIC Code during the year. Explanations are also provided where the Company had not complied with the AIC Code.

AIC Code	Principle	Compliance and/or departure from the AIC Code
1	The Chairman should be independent.	The Board have assessed the independence of the Chairman and concluded that Mr Moore has continued to meet the independence criteria as identified in the UK Code, as re-stated in Principle 1 of the AIC Code. The remaining Directors monitor the continuing independence of the Chairman, and inform the Chairman of their discussions. The significant directorships and time commitments of the Chairman and the other Directors are considered by the Board and are disclosed on page 23. The Board has not appointed a Senior Independent Director, as it does not believe that such an appointment is necessary when the Board is comprised solely of non-executive directors. As suggested in the AIC Code (Principle 1), this role can and in this instance is fulfilled by the Chairman of the Audit Committee.
2	A majority of the Board should be independent of the manager.	The Company has a Board of three non-executive Directors. Helen Sinclair is also a director of The Income & Growth VCT plc, which is also advised by Mobeus, and is therefore deemed not to be independent under the Listing Rules. Not withstanding Helen Sinclair's position the Board has determined that each Director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. The Directors have declared any existing or potential conflicts of interest and these are reviewed and authorised by the Board as appropriate in accordance with the procedures under the Articles of Association and applicable rules and regulations. It is the policy of the Directors not to participate in decisions concerning investee companies in which they hold an interest. No Directors currently hold, or have previously held, a direct interest in any of the Company's investee companies.

AIC Code	Principle	Compliance and/or departure from the AIC Code
3	Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.	As is common practice among Venture Capital Trusts, the Directors are not appointed for specific terms. The Board has agreed that each Director will retire annually and, if appropriate, seek re-election, which is over and above what is required under the AIC Code. A Director's appointment may be terminated on three months' notice being given by the Company. For further information please see the Directors' Remuneration Report on pages 27 to 29.
4	The Board should have a policy on tenure, which is disclosed in the annual report.	The Board has considered a policy on tenure and agreed that for a Company of this size and structure, it is not appropriate to insist on a director's period of service being limited to a set number of years or to set an age limit for the retirement of directors. The AIC has specifically stated that investment company boards are perhaps more likely than most to benefit from having at least one Director with considerably longer than nine years' experience. As part of its annual performance review, the Board has come to the conclusion that the length of service, experience and ability of its Directors enhances its performance. It does not believe that the length of service of any of the Directors has a negative effect on their independence and is satisfied with the balance of experience on the current Board.
5	There should be full disclosure of information about the Board.	Full biographical details on each Director are included on page 23, in the fundraising document and on the Company's website.
6	The Board should aim to have a balance of skills, experience, length of service and knowledge of the Company.	The Board believe that there is a diversity of skills, gender, experience and approach, amongst the Board members. Both the Board and Nomination and Remuneration Committee give careful consideration to issues of board balance and diversity when considering board composition and appointments. Details of each Director's experience and background is set out on page 23.
7	The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.	The effectiveness of the Board and the Chairman is reviewed regularly as part of the internal control process led by the Audit Committee. The Board has carried out an annual performance evaluation review during the year ended 31 December 2014. As part of its review, the Directors considered the performance of each of the Directors and of the Board as a whole in relation to specific areas of their activity. The performance of the Chairman is assessed separately. The Board as a whole discussed the outcome of the performance evaluation, and led by the Chairman, considers and agrees a plan of action to rectify any shortfalls where appropriate. The Board concluded that the performance of the Board, the Chairman and the Directors remained effective.
8	Directors' remuneration should reflect their duties, responsibilities and the value of their time spent.	The Nomination and Remuneration Committee considers the remuneration of the Directors annually, as explained on page 34. Although Helen Sinclair was present, the independent Directors lead the discussions of the Committee. Having reviewed Directors' remuneration the Committee has not recommended a change in remuneration levels. Please see the Remuneration Policy set out on page 27 of this Annual Report for details.
9	The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.	The Nomination and Remuneration Committee is responsible for proposing candidates for appointment to the Board and for overseeing the recruitment process. The independent directors take the lead in Committee discussions and form the majority of the membership.
10	Directors should be offered relevant training and induction.	New directors are provided with an induction pack and an induction session is arranged in conjunction with the Board, the Adviser and the Administrator. A formal training programme has not been required during the year under review as all the Directors are experienced directors of listed companies. All of the Directors participate in continuing professional development and regularly attend conferences and workshops relevant to the VCT industry.

Corporate Governance Statement

AIC Code	Principle	Compliance and/or departure from the AIC Code
11	The Chairman (and the Board) should be brought into the process of structuring a new launch at an early stage.	As Principle 11 applies to the launch of new investment companies it is therefore not applicable to the Company, although the Board participated fully in the production of the fundraising document published in December 2014.
12	Boards and managers should operate a supportive, co-operative and open environment.	The Board meets at least quarterly, and these meetings are also attended by the Adviser. Both parties are in regular contact between these meetings. The Board and the Adviser aim to work together in a supportive, co-operative and open manner. The Board has overall responsibility for the Company's affairs. The Adviser takes the initiative on most aspects of the Company's operations, under the guidance and formal approval of the Board and the Board has agreed policies with the Adviser covering key operational issues. All investment, divestment and valuation decisions are made by the Board having considered formal recommendations from the Adviser. The Board invites senior members of the Adviser to attend and contribute to its annual strategy meeting.
13	The primary focus at regular board meetings should be a review of investment performance and associated matters, such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues.	The Board considers a report from the Adviser at each of its quarterly meetings which provides information on the performance of each of the investments in the portfolio, corporate actions at each investment that may be occurring and other matters relating to the portfolio. The Board monitors the investments made by the Adviser to ensure that they are in line with the Company's Investment Policy. The Board also considers peer group performance, asset allocation and wider industry and economic issues in reviewing investment performance and strategy. In addition, the Board monitors financial and other internal controls including maintenance of VCT status and the level of share price discount or premium. The Board has no current plans to undertake any gearing of the Company.
14	Boards should give sufficient attention to overall strategy.	The Board monitors performance against its agreed strategy on an ongoing basis and reviews its overall strategy at its annual strategy meeting (see item 12 above).
15	The Board should regularly review both the performance of, and contractual arrangements with, the adviser (or executives of a self-managed Company)	The Board reviews annually, and at other times as and when necessary, the Investment Management Agreement and the performance of the Investment Adviser.
16	The Board should agree policies with the manager covering key operational issues.	The Board has agreed that the Adviser takes the initiative on most aspects of the Company's operations, under the guidance and formal approval of the Board and the Board has agreed policies with the Adviser covering key operational issues.
17	The Board should monitor the level of the share price discount or premium (if any) and, if desirable take action to reduce it.	At each Board meeting a review of the share price discount or premium is performed. The Board approves every buyback as it is undertaken.
18	The Board should monitor and evaluate other service providers.	The Board reviews annually, and at other times as and when necessary, the performance of the other service providers including the auditor, VCT status adviser, solicitors, bankers and registrars. Robertson Hare LLP ("RH") was appointed as VCT status adviser to the Company during the year. One of RH's partners had previously provided this service, while with the previous adviser.

AIC Code	Principle	Compliance and/or departure from the AIC Code
19	The Board should regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the Board's views to shareholders.	The Board has a duty to promote the success of the Company and to ensure that its obligations to shareholders are met. The Company communicates with shareholders and solicits their views where it is appropriate to do so. The Board approves the circulation of the Half-Yearly and Annual Report and Accounts to shareholders. Shareholders are welcome at the Annual General Meeting which provides a forum for shareholders to ask questions of the Directors and the Adviser and to discuss issues affecting the Company with them. In addition, the Adviser publishes a twice-yearly VCT shareholder newsletter which contains information on the portfolio and recent investment and corporate activity. The Adviser also organises an annual shareholder event which the Board also attends, so as to answer any questions, and listen to any views that shareholders may have. The Company has established its own website which forms a dedicated section of the Adviser's website.
20	The Board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.	The Board updates shareholders upon the impact of regulatory changes upon the Company's operations. It is consulted regarding promotional material which may be issued by the Adviser.
21	The Board should ensure that shareholders are provided with sufficient information for them to understand the risk: reward balance to which they are exposed by holding the shares.	The Board believes that the Annual Report and Accounts have been prepared in order to ensure that the information presented to shareholders is fair, balanced and understandable and complies with the recommendations of the AIC Code. The principal risks faced by the Board are documented in the Strategic Report as part of the Annual Report, and in the Half-Yearly Report.

Additional information relevant to the corporate governance of the Company is set out below:

Re-election of Directors

All three directors will be subject to re-election by shareholders at the forthcoming Annual General Meeting on 14 May 2015;

- In accordance with the AIC Code, Christopher Moore, who has served on the Board for 12 years, has agreed to retire annually from the Board and, being eligible, offers himself for re-election at the forthcoming Annual General Meeting. Following a review of his performance, the Board agreed that Christopher Moore continues to make a substantial contribution to the Board as its Chairman and that his length of service is an asset to the Company. The remaining directors have no hesitation in recommending his re-election to shareholders.

- Andrew Robson in conjunction with his fellow directors also offers himself for re-election at the forthcoming Annual General Meeting . Following a review of his performance, the Board noted that Andrew Robson has considerable experience as a finance director, corporate finance adviser and consultant, working mainly with smaller companies and investment companies. As a senior director, he has shown himself to be a committed and independent director who continues to make a substantial contribution to the Board. The remaining directors have no hesitation in recommending his re-election to shareholders.

- With the exception of Helen Sinclair, both of the other Directors are considered to be independent of the Investment Adviser. Helen Sinclair also sits on the Board of The Income & Growth VCT plc, which is also advised by Mobeus Equity Partners ("Mobeus"), and as such she is not considered to be independent of the Adviser and has agreed to retire annually from the Board. In accordance with the AIC Code, and being eligible, she will offer herself for re-election at the forthcoming Annual General Meeting. Following a review of her performance, the Board noted that Helen Sinclair has considerable experience both of making investments in the types of companies in which the VCT invests and of being a VCT director. She has shown herself to be a committed and independently-minded Director who continues to make a substantial contribution to the Board as a Director and as Chairman of the Investment Committee. The remaining directors have no hesitation in recommending her re-election to shareholders.

The Board considers that each director continues to offer valuable skills and experience and recommends shareholders vote in favour of the re-electing each Director.

Board

The Board (Chaired by Christopher Moore) has agreed a schedule of matters specifically reserved for decision by the Board. These include compliance with the requirements of the Companies Act 2006 and the Income Tax Act 2007, the UK Listing Authority and the London Stock Exchange; strategy and management of the Company; changes relating to the Company's capital structure or its status as a plc; financial reporting and controls; board and committee appointments as recommended by the Nomination and Remuneration Committee and terms of reference of committees; material contracts of the Company and contracts of the Company not in the ordinary course of business.

Corporate Governance Statement

The table below sets out the Directors' attendance at Board and Committee meetings held during the year to 31 December 2014. In addition to the quarterly Board meetings, the Board met on other occasions to consider specific issues as they arose.

Directors	Board Meetings (4)		Audit Committee Meetings (2)		Nomination & Remuneration Committee Meeting (1)	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Christopher Moore	4	4	2	2	1	1
Andrew Robson	4	4	2	2	1	1
Helen Sinclair	4	4	2	2	1	1

Board committees

The Board has established three Committees with responsibilities for specific areas of its activity. Each of the Committees have written terms of reference, which detail their authority and duties. Shareholders may obtain copies of these by making a written request to the Company Secretary or via the Company's website: www.mig4vct.co.uk.

The Board has satisfied itself that each of its Committees has sufficient resources to undertake its duties.

Investment Committee

The Investment Committee (chaired by Helen Sinclair) comprises all three Directors, Helen Sinclair , Christopher Moore, and Andrew Robson.

The Committee's key responsibilities are to consider and approve investment recommendations from the Investment Adviser. The Committee meets (by telephone quite often) as necessary to discuss and, if appropriate, to approve investment recommendations from the Investment Adviser on a frequent but ad hoc basis. It is thus not considered appropriate to report attendees at meetings of the committee, on the previous page.

During the year investment matters were discussed extensively at Board meetings and the Committee advises the Board on the development and implementation of the Investment Policy and leads the process for the ongoing monitoring of investee companies and the Company's investment therein. Investment guidelines have been issued to the Adviser and the Committee ensures that these guidelines are adhered to. New investments and divestments are approved by written resolution of the Committee following discussion between Committee members and are subsequently ratified by the Board.

Investment matters are discussed at Board meetings. During the year, the Committee formally approved all investment and divestment decisions and met informally on numerous occasions.

The Committee considers and agrees, on the advice of the Adviser, for recommendation to the Board, all unquoted investment valuations. Investments are valued in accordance with IPEVC Valuation Guidelines under which investments will be valued at the fair value as defined in those guidelines. Any AiM or other quoted investment will be valued at the closing bid price of its shares as at the relevant reporting date, in accordance with generally accepted accounting practice.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (chaired by Andrew Robson) comprises all three Directors, Andrew Robson, Christopher Moore, and Helen Sinclair.
The Committee is responsible for proposing candidates for appointment to the Board and for reviewing the remuneration policy of the Company.

During the year the Committee reviewed the remuneration of the Directors and the Company's remuneration policy to ensure that it reflects the duties, responsibilities and value of time spent by the Directors on the business of the Company and makes recommendations to the Board accordingly. The Committee held one formal meeting during the year, which was fully attended by all of the Directors, and met informally on other occasions. A full description of the work of the Committee is included within the Directors' Remuneration Report on pages 27 to 29.

In considering nominations, it is responsible for making recommendations to the Board concerning new appointments of Directors to the Board and its Committees; the periodic review of the composition of the Board and its Committees; and the annual performance review of the Board, the Directors and the Chairman including the ongoing review of each Director's actual or potential conflicts of interest which may arise as a result of the external business activities of Board members. No appointments have been made during the year under review.

Audit Committee

The Audit Committee (chaired by Andrew Robson) comprises three Directors, Andrew Robson, Christopher Moore, and Helen Sinclair.

The Audit Committee meets to:

- Review the half-year and annual financial statements before submission to the Board, including meeting with the independent auditor;
- Make recommendations to the Board on the appointment, re-appointment and removal of the external auditor;
- Monitor the effectiveness of the Company's internal control systems; and
- Review the scope and results of the audit including ensuring its cost effectiveness.

The Audit Committee held two formal meetings during the year with full attendance from each of the Directors on each occasion. The Committee met informally on other occasions.
During the year the Committee's principal activities are summarised below:

Valuation of investments
Investments are mainly in unquoted companies, valuations of which are agreed quarterly by the Investment Committee for recommendation to the Board. The Audit Committee monitors this process, and ensures that adequate

controls operate over the preparation of these valuations throughout the year. Twice a year, it also reviews the valuation of the investments in the portfolio, prior to their inclusion in the Company's Half-Year and Annual Reports. The Committee focuses on ensuring that both the bases of the valuations and any assumptions used are reasonable and in accordance with International Private Equity and Venture Capital guidelines. Discussions were held with the external auditor, to review its own findings from the year-end audit, and from its review at the Half-Year, before recommendations are made to the Board upon the inclusion of the valuations in both reports to shareholders.

Financial statements
The Committee has also carefully reviewed the Half-Yearly and Annual Reports to shareholders for the year under review, prior to submission to the Board for approval. Besides the subject of valuations referred to above, the Committee also considered whether the accounting policy in respect of revenue recognition had been satisfactorily applied, and whether all expenditure in the year had been included.

Impairments
The Committee also reviewed the appropriateness and completeness of impairments against investments. If an investment has been impaired such that there is no realistic expectation that there will be a full return from the investment, the loss is treated as a permanent impairment and is recognised as a realised loss in the financial statements.

Internal control and key risks
The Committee has monitored the system of internal of controls throughout the year under review as described in more detail in this Statement. It received a report on exceptions at its Annual and Half-Yearly results meetings. In a wider context, the Board has continued to identify the key risks faced by the Company and established appropriate controls. This is again explained further in the section on internal controls on this page. The Committee also monitors these controls and reviews any incidences of non-compliance.

Compliance with the VCT tests
The Company engaged the services of Robertson Hare LLP (in succession to PwC) to advise on its compliance with the legislative requirements relating to VCTs. A report on the Company's compliance with the tests is produced by Robertson Hare LLP on a bi-annual basis and reviewed by the Committee for recommendation to the Board.

Going concern
The Board and the Committee monitored the Company's liquidity to satisfy themselves that the Company has an adequate level of resources for the foreseeable future. Cash flow projections, and the assumptions on, amongst others, the levels of investment purchases and disposals, dividends and share buybacks used in preparing them, were reviewed.

Counterparty risk
The Committee has given careful consideration to the credit worthy status of the banks with whom the Company's cash resources have been placed. The Committee took into account factors such as maturity, interest rate and credit rating across a number of financial institutions. The Board has a policy of spreading risk by placing funds across a number of financial institutions.

Relationship with the external auditor

The Committee is responsible for overseeing the relationship with the external auditor, assessing the effectiveness of the external audit process and making recommendations on the appointment and removal of the external auditor. It makes recommendations to the Board on the level of audit fees and the terms of engagement for the auditor. The external auditor is invited to attend Audit Committee meetings, where appropriate, and also meets with the Committee and its Chairman without representatives of the Adviser being present.

Non-audit services

The Committee regularly reviews and monitors the potential impact such services could have upon external auditor's independence and objectivity. It reviews the nature and extent of non-audit services supplied by the auditor to ensure that independence is maintained. These services are tax compliance and assurance related services, such as a review of the Half-Yearly Report. The Audit Committee has concluded that it was in the interests of the Company to purchase these services from the external auditor, given its knowledge of the Company and hence to benefit from greater efficiency. Furthermore, the Committee believed that audit independence has been maintained. It was satisfied that the nature of the service being provided did not result in a self-review threat as the fees involved are relatively small compared to those for the audit, the work is undertaken by separate teams and does not involve undertaking any management role in preparing the information reported in the accounts.

Internal Control

The Board acknowledges that it is responsible for the Company's system of internal control. Internal control systems are designed to manage the particular needs of the Company and the risks to which it is exposed and can by their nature only provide reasonable and not absolute assurance against material misstatement or loss.

Internal controls aim to ensure the maintenance of proper accounting records, the reliability of the financial information used for publication and upon which business decisions are made, and that the assets of the Company are safeguarded. The financial controls operated by the Board include the authorisation of the investment strategy and regular reviews of the financial results and investment performance.

The Board has put in place ongoing procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process an annual review of the control systems is carried out. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company and includes a review of the risks in relation to the financial reporting process. The Board reviews a schedule of key risks at each quarterly Board meeting and reviews the management accounts, and annual or half-yearly reports arising therefrom, prepared by the administrator.

The Board has delegated, contractually to third parties, the management of the investment portfolio, the day-to-day accounting, company secretarial and administration requirements and the registration services.

Corporate Governance Statement

The Company has retained Robertson Hare LLP to advise on its compliance with the tax legislative requirements relating to VCTs. As such, they advise on compliance with requirements of the Venture Capital Trust tax legislation on the basis of information provided by Mobeus. Mobeus also seeks professional advice in relation to the application of the venture captial trust legislation to any company in which the Company is proposing to invest. The Directors monitor the continuing tests for the Company's VCT status at Board meetings.

This system of internal control and the procedure for the review of control systems referred to above has been in place and operational throughout the year under review and up to the date of this Report. The assessment of the effectiveness of internal controls in managing risks was conducted on the basis of reports from the relevant service providers. The last review took place on 13 March 2015. The Board has identified no significant problems with the Company's internal control mechanisms.

Investment management and service providers

Mobeus acts as Investment Adviser and provides administrative and company secretarial services to the Company.

The Board reviews annually, and at other times as and when necessary, the Investment Management Agreement and the performance of the Investment Adviser, and the other service providers including the auditor, VCT status adviser, solicitors, bankers and registrars.

Particular emphasis is placed on reviewing the Investment Adviser, and this forms part of the Board's overall internal control procedures as discussed elsewhere. The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually.

As part of this annual review, the Board considers the quality and continuity of the investment management team, the investment process and the results achieved to date. The Board concluded that the Adviser had returned a good performance and that the Company's investment portfolio had performed well. The Board places significant emphasis on the Company's performance against benchmarks and is satisfied that the VCT's performance compares satisfactorily to the benchmark used on a consistent basis. The Board further considered the Adviser's commitment to the promotion of the Company and was satisfied that this was prioritised highly by the Adviser as evidenced by the Linked VCT fundraisings which had taken place annually since 2010. The strategy of investing primarily in MBOs of established companies was successful. The Board believe that the Investment Adviser had continued to exercise independent judgement while producing consistent valuations which reflected fair value.

The Directors believe that the continued appointment of Mobeus as investment adviser to the Company on the terms currently agreed is in the interests of shareholders and this was formally approved by the Board on 13 March 2015.

The principal terms of the Company's Investment Adviser's Agreement with the Adviser dated 12 November 2010 and the previous contractual arrangements prior to this date are set out in Note 3 to the Accounts on page 48 of this Annual Report. The Board seeks to ensure that the terms of this Agreement represent an appropriate balance between cost and incentivisation of the Adviser.

AIFM Registration

The Board has appointed the Company as its own Alternative Investment Fund Manager ("AIFM") in compliance with the European Commission's Alternative Investment Fund Manager's Directive, with effect from 22 July 2014. The Company is registered as a small AIFM, and is therefore exempt from the principal requirements of the Directive. Mobeus will continue to provide investment advisory and administrative services to the Company under the current agreement subject to one change. This is that company secretarial staff are now directly responsible to the Board, under its instruction, for accessing and dealing with the documents of title to the Company's investments. These new arrangements will enable the Company to discharge its safekeeping responsibilities for these documents.

Additional disclosures in the Directors' Report

Disclosures required by certain publicly-traded companies as set out in Part 6 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended 2013) are contained in the Directors' Report.

By order of the Board

Mobeus Equity Partners LLP

Company Secretary

26 March 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year and the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with United Kingdom accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- prepare a Strategic Report, a Directors' Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to Disclosure and Transparency Rule 4 of the UK Listing Authority

The Directors confirm to the best of their knowledge that:

(a) The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and give a true and fair view of the assets, liabilities, financial position and the profit of the Company.

(b) The Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A and schedule 10A of the Financial Services and Markets Act 2000.

The names and functions of the Directors are stated on page 23.

For and on behalf of the Board:

Christopher Moore

Chairman

26 March 2015

Independent Auditor's Report to the Members of Mobeus Income & Growth 4 VCT plc

Our opinion on the financial statements

In our opinion the Mobeus Income & Growth 4 VCT plc financial statements for the year ended 31 December 2014:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

What our opinion covers

Our audit opinion on the financial statements covers the:

- Income Statement;
- Reconciliation of Movements in Shareholders' Funds;
- Balance Sheet;
- Cash Flow Statement; and
- related notes

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the FRC's Ethical Standards for Auditors.

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's (FRC) website at www.frc.org.uk/auditscopeukprivate

Our approach

Our audit approach was developed by obtaining an understanding of the Company's activities, the key functions undertaken on behalf of the Board by the Investment Adviser and Administrator and, the overall control environment. Based on this understanding we assessed those aspects of the Company's transactions and balances which were most likely to give rise to a material misstatement. Below are those risks which we considered to have the greatest impact on our audit strategy and our audit response:

Risk area	Audit response
Valuation of investments: Valuation of investments is a key accounting estimate where there is an inherent risk of management override arising from the investment valuations being prepared by the Investment Adviser, who is remunerated based on the net asset value of the Company.	The valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines. The majority of investments are valued on the earnings multiple basis. For a sample of such investments held, our audit procedures included: • Reviewing and challenging the assumptions inherent in the valuation of unquoted investments and assessing the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements; • Reviewing the historical financial statements and recent management information available for unquoted investments used to support assumptions about maintainable earnings used in the valuations; • Considering the earnings multiples applied by reference to observable listed company market data; and • Challenging adjustments made to such market data in establishing the earnings multiple applied in arriving at the valuations adopted. For the remaining investments cost reviewed for impairment is typically used as an approximation of fair value. For a sample of these investments we considered the appropriateness of this methodology by considering the proximity of the acquisition to the year end, if appropriate, or the operational performance of the investee company. Where such investments were loans, we also considered wider economic and commercial factors that, in our judgement, could impact on the recoverability and valuation of those loans. For all investments sampled, we developed our own point estimate where alternative assumptions could reasonably be applied and considered the overall impact of such sensitisations on the portfolio of investments in determining whether the valuations as a whole are reasonable and unbiased.

Risk area	Audit response
Revenue recognition: Revenue consists of dividends receivable from the investee companies and interest earned on loans to investee companies and cash balances. Revenue recognition is considered to be a significant audit risk as it is a key driver of income dividend returns to investors. In particular, as the Company invests primarily in unquoted companies, dividends receivable can be difficult to predict.	We assessed the design and the implementation of the controls relating to revenue recognition and we developed expectations for interest income receivable based on loan instruments and investigated any variations in amounts recognised to ensure they were valid. We considered whether the accounting policy had been applied correctly by management in determining provisions against income where recovery is considered doubtful, considering management information relevant to the ability of the investee company to service the loan and the reasons for any arrears of loan interest. In respect of dividends receivable, we compared actual income to expectations set based on independent published data on dividends declared by the investee companies held. We tested the categorisation of dividends received from the investee companies between the revenue and capital.

The Audit Committee's consideration of their key issues is set out on pages 34 and 35.

Materiality in context

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements. The application of these key considerations gives rise to two levels of materiality, the quantum and purpose of which are tabulated below.

Materiality measure	Purpose	Key considerations and benchmarks	Quantum (£)
Financial statement materiality	Assessing whether the financial statements as a whole present a true and fair view	• The value of net assets • The level of judgement inherent in the valuation • The range of reasonable alternative valuations	500,000
Specific materiality – classes of transactions and balances which impact on revenue profits	Assessing those classes of transactions, balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	• The level of net income return	90,000

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £10,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 35 and 36 of the Annual Report with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between the knowledge we have acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable, and whether the Annual Report appropriately

Independent Auditor's Report to the Members of Mobeus Income & Growth 4 VCT plc

discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 25, in relation to going concern; and
- the part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

We have nothing to report in respect of these matters.

Jason Homewood
(Senior statutory auditor)
For and on behalf of BDO LLP,
statutory auditor
London
United Kingdom

26 March 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement
for the year ended 31 December 2014

	Notes	Year ended 31 December 2014 Revenue £	Capital £	Total £	Year ended 31 December 2013 Revenue £	Capital £	Total £
Unrealised gains on investments	9	–	1,123,572	1,123,572	–	2,785,539	2,785,539
Realised gains on investments	9	–	4,911,818	4,911,818	–	258,724	258,724
Income	2	2,415,923	–	2,415,923	1,737,504	–	1,737,504
Investment adviser's fees	3	(275,054)	(825,163)	(1,100,217)	(228,977)	(686,932)	(915,909)
Other expenses	4	(380,120)	–	(380,120)	(373,788)	–	(373,788)
Profit on ordinary activities before taxation		1,760,749	5,210,227	6,970,976	1,134,739	2,357,331	3,492,070
Taxation on ordinary activities	6	(169,152)	169,152	–	(133,343)	133,343	–
Profit for the year		**1,591,597**	**5,379,379**	**6,970,976**	**1,001,396**	**2,490,674**	**3,492,070**
Basic and diluted earnings per ordinary share:	8	**3.91p**	**13.21p**	**17.12p**	**2.96p**	**7.35p**	**10.31p**

All the items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the year. The total column is the Profit and Loss Account of the Company. There were no other recognised gains and losses in the year.

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

The notes on pages 45 to 65 form part of these financial statements.

Balance Sheet

as at 31 December 2014

Company No. 3707697

	Notes	31 December 2014 £	31 December 2013 £
Fixed assets			
Investments at fair value	9	24,999,290	24,569,769
Current assets			
Debtors and prepayments	11	244,103	305,234
Current investments	12,18	15,869,534	14,318,103
Cash at bank	18	9,445,843	3,125,287
		25,559,480	17,748,624
Creditors: amounts falling due within one year	13	(267,733)	(194,670)
Net current assets		25,291,747	17,553,954
Net assets		**50,291,037**	**42,123,723**
Capital and reserves			
Called up share capital	14	425,434	351,272
Share premium reserve	15	5,985,042	13,374,724
Capital redemption reserve	15	5,143	969,753
Revaluation reserve	15	1,214,933	4,518,594
Special distributable reserve	15	33,748,039	17,418,387
Profit and loss account	15	8,912,446	5,490,993
Equity shareholders' funds	**15**	**50,291,037**	**42,123,723**
Basic and diluted net asset value per ordinary share	**16**	**118.21p**	**119.92p**

The notes on pages 45 to 65 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 26 March 2015 and were signed on its behalf by:

Christopher Moore

Chairman

Reconciliation of Movements in Shareholders' Funds
for the year ended 31 December 2014

	Notes	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Opening shareholders' funds		42,123,723	33,537,271
Share capital subscribed for in the year – net of expenses	15	9,243,918	15,358,285
Share capital bought back in the year – including expenses	15	(538,384)	(7,634,821)
Profit for the year		6,970,976	3,492,070
Dividends paid in year	7	(7,509,196)	(2,629,082)
Closing shareholders' funds	**15**	**50,291,037**	**42,123,723**

The notes on pages 45 to 65 form part of these financial statements.

Cash Flow Statement
for the year ended 31 December 2014

	Notes	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Interest income received		1,955,201	1,419,008
Dividend income		563,092	166,382
Other income		10,516	–
Investment adviser fees paid		(1,100,218)	(850,830)
Cash payments for other expenses		(302,777)	(364,197)
Net cash inflow from operating activities	17	1,125,814	370,363
Investing activities			
Sale of investments	9	14,017,378	2,514,504
Purchase of investments	9	(8,467,543)	(2,201,941)
Net cash inflow from investing activities		5,549,835	312,563
Dividends			
Equity dividends paid	7	(7,509,196)	(2,629,082)
Cash outflow before liquid resource management and financing		(833,547)	(1,946,156)
Management of liquid resources			
Increase in monies held in current investments	18	(1,551,431)	(5,297,959)
Financing			
Shares issued as part of joint fundraising offer for subscription and dividend investment scheme	14	9,243,918	8,434,913
Shares issued as part of the Enhanced Buyback Facility		–	250,000
Shares bought back as part of Enhanced Buyback Facility (including expenses)		–	(375,149)
Purchase of own shares	14	(538,384)	(586,300)
Net cash inflow from financing		8,705,534	7,723,464
Increase in cash for the year	**18**	**6,320,556**	**479,349**

The notes on pages 45 to 65 form part of these financial statements.

Notes to the Accounts
for the year ended 31 December 2014

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

a) Basis of accounting

The accounts have been prepared under UK Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ("the SORP") issued by the Association of Investment Companies in January 2009. The financial statements are prepared under the historical cost convention except for the measurement of certain financial instruments at fair value, in accordance with FRS26.

b) Presentation of the Income Statement

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

c) Investments

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

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

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

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

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

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

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

or:-

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

(iii) Premiums that will be received upon repayment of loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

(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.

Notes to the Accounts
for the year ended 31 December 2014

d) Cash and liquid resources

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at their carrying values. Liquid resources comprise term deposits of less than one year (other than cash) and investments in money market managed funds.

e) Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received.

Interest income on loan stock is accrued on a daily basis. Provision is made against this where recovery is doubtful or where it will not be received in the foreseeable future. Where the loan stocks require interest or a redemption premium to be paid on redemption, the interest and redemption premium is recognised as income once redemption is reasonably certain. Until such date interest is accrued daily and included within the valuation of the investment, where appropriate.

f) Capital reserves

(i) *Realised (included within the Profit and Loss Account reserve)*
The following are accounted for in this reserve:

- Gains and losses on realisation of investments;
- Permanent diminution in value of investments;
- Transaction costs incurred in the acquisition of investments; and
- 75% of adviser fee expense, together with the related tax effect to this reserve in accordance with the policies in "expenses" below.

(ii) *Revaluation reserve (Unrealised capital reserve)*
Increases and decreases in the valuation of investments held at the year-end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

In accordance with stating all investments at fair value through profit and loss, all such movements through both revaluation and realised capital reserves are shown within the Income Statement for the year.

(iii) *Special distributable reserve*
The cost of share buybacks is charged to this reserve. In addition, any realised losses on the sale or impairment of investments, and 75% of the adviser fee expense, and the related tax effect, are transferred from the Profit and Loss Account reserve to this reserve.

(iv) *Share premium reserve*
This reserve contains the excess of gross proceeds less issue costs over the nominal value of shares allotted under recent Offers for Subscription and the Company's dividend re-investment scheme.

(v) *Capital Redemption reserve*
The nominal value of shares bought back and cancelled is held in this reserve, so that the Company's capital is maintained.

g) Expenses

All expenses are accounted for on an accruals basis.

25% of the Investment Adviser's fees are charged to the revenue column of the Income Statement, while 75% is charged against the capital column of the Income Statement. This is in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

100% of any performance incentive fee payable for the year is charged against the capital column of the Income Statement, as it is based upon the achievement of capital growth.

Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment, which are written off to the capital column of the Income Statement or deducted from the disposal proceeds as appropriate.

h) Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in the tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

A deferred tax asset is recognised only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilised.

Any tax relief obtained in respect of adviser fees allocated to capital is reflected in the capital reserve – realised and a corresponding amount is charged against revenue. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

2. Income

	2014 £	2013 £
Income from bank deposits	118,350	147,949
Income from investments		
– from equities	456,510	220,304
– from overseas based OEICs	26,884	25,216
– from loan stock	1,797,666	1,344,035
– from interest on preference share dividend arrears	5,997	–
	2,287,057	1,589,555
Other income	10,516	–
Total income	**2,415,923**	**1,737,504**
Total income comprises		
Dividends	483,394	245,520
Interest	1,922,013	1,491,984
Other income	10,516	–
	2,415,923	**1,737,504**
Income from investments comprises		
Listed overseas securities	26,884	25,216
Unlisted UK securities	462,507	220,304
Loan stock interest	1,797,666	1,344,035
	2,287,057	**1,589,555**

Total loan stock interest due but not recognised in the year was £112,212 (2013: £177,912).

Notes to the Accounts
for the year ended 31 December 2014

3. Investment adviser's fees

	Revenue £	Capital £	2014 Total £	Revenue £	Capital £	2013 Total £
Mobeus Equity Partners LLP	**275,054**	**825,163**	**1,100,217**	228,977	686,932	915,909

Under the terms of a revised investment management agreement dated 12 November 2010, Mobeus Equity Partners LLP ("Mobeus") provides investment advisory, administrative and company secretarial services to the Company, for a fee of 2% per annum of closing net assets, calculated on a quarterly basis by reference to the net assets at the end of the preceding quarter, plus a fixed fee of £112,518 per annum, the latter being subject to indexation, if applicable. In 2013, Mobeus has agreed to waive such further increases due to indexation, until otherwise agreed with the Board.

The investment adviser fee includes provision for a cap on expenses, excluding irrecoverable VAT and exceptional items, set at 3.4% of closing net assets at the year-end. In accordance with the investment management agreement, any excess expenses are borne by the Investment Adviser. The excess expenses during the year amounted to £nil (2013: £nil).

Under the terms of a separate agreement dated 1 November 2006, from the end of the accounting period ending on 31 January 2009 and in each subsequent accounting period throughout the life of the Company, the Investment Adviser will be entitled to receive a performance related incentive fee of 20% of the dividends declared and paid in excess of a target rate of 6% of the net asset value per share at 5 April 2007 (indexed each year for RPI) provided that the average Net Asset Value ("NAV") per share for each such year is maintained at Base NAV or above. The performance fee will be payable annually, with any cumulative shortfalls below the annual dividend target having to be made up in later years. The incentive payment will be shared between the Investment Adviser 75% and the Promoter 25%. At 31 December 2014, the annual dividend target is 8.12 pence per share. There is a shortfall of 15.93 pence per share between the actual dividends paid since 5 April 2007 and the cumulative target to 31 December 2014. The base NAV is 120.34 pence at 31 December 2014. No incentive fee is payable to date.

The Company is responsible for external costs such as legal and accounting fees, incurred on transactions that do not proceed to completion ("abort expenses") subject to the cap on total annual expenses referred to above. In accordance with general market practice, the Investment Adviser earned arrangement fees and fees for supplying Directors and/or monitoring services from investee companies. The share of such fees attributable to the investments made by the Company were £150,030 (2013: £145,507) and £134,927 (2013: £108,284) respectively. The fees for supplying directors and/or monitoring services were from 30 (2013: 24) investee companies during the year.

Under the terms of the Mobeus advised VCTs' Linked Offer for Subscription launched on 28 November 2013, and which closed on 30 May 2014, Mobeus was entitled to fees of 3.25% of the investment amount received from investors. This amount totalled £1,096,156 across all four VCTs involved in the Offer, out of which all the costs associated with the Offer were met, excluding any payments to advisers facilitated under the terms of the Offer.

Under the terms of Offers for Subscription with the other Mobeus advised VCTs launched on 10 December 2014, Mobeus are entitled to fees of 3.25% of the investment amount received from investors. The Company's Offer closed on 18 February 2015, fully subscribed. Based upon fully subscribed Offers of £39 million across all four VCTS, this equalled £1,267,500, out of which all the costs associated with the Offers were met, excluding any payments to advisers facilitated under the terms of the Offer.

4. Other expenses

	2014 £	2013 £
Directors' remuneration (including NIC) (see note 5)	99,870	101,942
IFA trail commission	70,796	109,613
Broker's fees	12,000	12,000
Auditor's fees – audit	27,000	22,380
– other services supplied relating to taxation	3,000	460
– other assurance services	4,320	4,200
Registrar's fees	43,743	40,891
Printing	37,247	18,750
Legal and professional fees	20,049	9,302
VCT monitoring fees	10,800	10,800
Directors' insurance	8,056	6,201
Listing and regulatory fees	40,832	35,566
Sundry	2,407	1,683
Other expenses	**380,120**	**373,788**

The Directors consider the auditor was best placed to provide the other services disclosed above. The Audit Committee reviews the nature and extent of these services to ensure that auditor independence is maintained.

5. Directors' emoluments and national insurance

	2014 £	2013 £
Directors' emoluments		
Christopher Moore	33,500	33,500
Helen Sinclair	28,500	28,500
Andrew Robson	28,500	28,500
	90,500	90,500
Employer's NIC and VAT	9,370	11,442
	99,870	**101,942**

No pension scheme contributions or retirement benefit contributions were paid (2013: £nil). There are no share option contracts held by the Directors. Since all the Directors are non-executive, the other disclosures required by the Listing Rules are not applicable. The Company has no employees other than its Directors.

Notes to the Accounts

for the year ended 31 December 2014

6. Taxation on profit on ordinary activities

	Revenue £	Capital £	2014 Total £	Revenue £	Capital £	2013 Total £
a) Analysis of tax charge:						
UK Corporation tax on profits for the year	169,152	(169,152)	–	133,343	(133,343)	–
Total current tax charge	**169,152**	**(169,152)**	**–**	**133,343**	**(133,343)**	**–**
Corporation tax is based on a rate of 20% (2013: 20%)						
b) Profit on ordinary activities before tax	1,760,749	5,210,227	6,970,976	1,134,739	2,357,331	3,492,070
Profit on ordinary activities multiplied by small company rate of corporation tax in the UK of 20% (2013: 20%)	352,150	1,042,045	1,394,195	226,948	471,466	698,414
Effect of:						
UK dividends not taxable	(91,302)	–	(91,302)	(44,061)	–	(44,061)
Unrealised gains not taxable	–	(224,714)	(224,714)	–	(557,108)	(557,108)
Realised gains not taxable	–	(982,364)	(982,364)	–	(51,745)	(51,745)
Marginal relief	4,119	(4,119)	–	(4,044)	4,044	–
Losses brought forward	(97,761)	–	(97,761)	(45,500)	–	(45,500)
Unrelieved expenditure	1,946	–	1,946	–	–	–
Actual current tax charge	**169,152**	**(169,152)**	**–**	**133,343**	**(133,343)**	**–**

Tax relief relating to investment adviser fees is allocated between revenue and capital where such relief can be utilised.

No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments as the Company is exempt from corporation tax in relation to capital gains or losses as a result of qualifying as a Venture Capital Trust.

There is no potential liability to deferred tax (2013: £nil). There is an unrecognised deferred tax asset of £159,755 (2013: £272,720).

7. Dividends paid and payable

	2014 £	2013 £
Amounts recognised as distributions to equity holders in the year:		
Interim income dividend for the 11 months ended 31 December 2012 of 1.00 pence per ordinary share paid 10 May 2013	–	349,878
Interim capital dividend for the 11 months ended 31 December 2012 of 4.50 pence per ordinary share paid 10 May 2013	–	1,574,452
Interim income dividend for the year ended 31 December 2013 of 1.25 pence per ordinary share paid 20 September 2013	–	440,471
Interim capital dividend for the year ended 31 December 2013 of 0.75 pence per ordinary share paid 20 September 2013	–	261,281
Final income dividend for the year ended 31 December 2013 of 1.25 pence per ordinary share paid 16 May 2014	514,726	–
Final capital dividend for the year ended 31 December 2013 of 2.75 pence per ordinary share paid 16 May 2014	1,132,396	–
Interim income dividend for the year ended 31 December 2014 of 2.00 pence per ordinary share paid 12 September 2014	837,439	–
Interim capital dividend for the year ended 31 December 2014 of 12.00 pence per ordinary share paid 12 September 2014	5,024,635	–
	7,509,196*	**2,626,082***

* Of this amount £1,050,003 (2013: £342,378) of new shares were issued as part of the DIS scheme.

	2014 £	2013 £
Distributions to equity holders after the year-end:		
Second interim income dividend declared for the year ended 31 December 2014 of 1.00 pence (year ended 31 December 2013: final 1.50 pence) per ordinary share	477,113	568,247
Second interim capital dividend declared for the year ended 31 December 2014 of 7.00 pence (year ended 31 December 2013: final 2.50 pence) per ordinary share	3,339,790	947,078
	3,816,903	1,515,325

Any proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Set out below are the total income dividends payable in respect of the financial year, which is the basis on which the requirements of section 274 of the Income Tax Act 2007 are considered.

	2014 £	2013 £
Revenue available for distribution by way of dividends for the year	1,591,597	1,001,396
Interim income dividend for the year ended 31 December 2014 of 2.00 pence (year ended 31 December 2013: 1.25 pence) per ordinary share	837,439	440,471
Second interim income dividend for the year ended 31 December 2014 of 1.00 pence (year ended 31 December 2013: final 1.50 pence) per ordinary share	477,113	568,247
Total income dividends	1,314,552	1,008,718

Notes to the Accounts
for the year ended 31 December 2014

8. Basic and diluted earnings per share

	2014 £	2013 £
Total earnings after taxation:	6,970,976	3,492,070
Basic and diluted earnings per share (note a)	**17.12p**	**10.31p**
Net revenue from ordinary activities after taxation	1,591,597	1,001,396
Basic and diluted revenue return per share (note b)	**3.91p**	**2.96p**
Net unrealised capital gains	1,123,572	2,785,539
Net realised capital gains	4,911,818	258,724
Capital expenses (net of taxation)	(656,011)	(553,589)
Total capital return	5,379,379	2,490,674
Basic and diluted capital return per share (note c)	**13.21p**	**7.35p**
Weighted average number of shares in issue in the year	40,720,836	33,875,228

Notes:

a) Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.

b) Revenue earnings per share is the revenue return after taxation divided by the weighted average number of shares in issue.

c) Capital earnings per share is the total capital profit after taxation divided by the weighted average number of shares in issue.

d) There are no instruments that will increase the number of shares in issue in future. Accordingly, the above figures currently represent both basic and diluted returns.

9. Investments at fair value

Movements in investments during the year are summarised as follows:

	Traded on AIM £	Unquoted equity shares £	Unquoted preference shares £	Loan stock £	Total £
Cost at 31 December 2013	199,998	5,853,676	25,070	16,070,641	22,149,385
Unrealised gains/(losses) at 31 December 2013	91,666	2,988,303	(7,302)	618,549	3,691,216
Permanent impairment in value of investments	–	(701,697)	(1,649)	(567,486)	(1,270,832)
Valuation at 31 December 2013	**291,664**	**8,140,282**	**16,119**	**16,121,704**	**24,569,769**
Purchases at cost	30	2,546,184	2,724	6,927,681	9,476,619
Sale proceeds	–	(9,372,908)	(10,513)	(6,000,606)	(15,384,027)
Reclassified at value	–	(418,408)	391,263	27,145	–
Realised gains in the year	–	4,545,654	7,142	660,561	5,213,357
Unrealised gains/(losses) in the year	8,321	(299,977)	(195,438)	1,610,666	1,123,572
Valuation at 31 December 2014	**300,015**	**5,140,827**	**211,297**	**19,347,151**	**24,999,290**
Cost at 31 December 2014	200,028	7,070,909	26,006	17,758,246	25,055,189
Unrealised gains/(losses) at 31 December 2014	99,987	(1,228,385)	186,940	2,156,391	1,214,933
Permanent impairment in value of investments	–	(701,697)	(1,649)	(567,486)	(1,270,832)
Valuation at 31 December 2014	**300,015**	**5,140,827**	**211,297**	**19,347,151**	**24,999,290**

The major components of the increase in unrealised valuations of £1,123,572 in the year were increases of £966,449 in Entanet Holdings Limited, £623,866 in ASL Technology Holdings Limited, and £293,335 in Westway Services (2014) Limited. These gains were partly offset by falls of £450,933 in Blaze Signs Holdings Limited, £275,601 in Bourn Bioscience Limited and £176,330 in Fullfield Limited (Motorclean).

Details of investment transactions such as disposal proceeds, valuation movements cost and carrying value at the end of previous year are contained in the Investment Portfolio Summary on pages 16 to 19.

Reconciliation of investment transactions to cash flow and income statement movements

The cash flow from investment proceeds shown above of £15,384,027 differs from the sale proceeds shown in the cash flow statement of £14,017,378, by £1,366,649. This is due to new equity and loan stock instruments of £1,529,075 received as non-cash consideration for the partial sale of ATG Media but included above, £519,999 of cash received relating to the restructuring of the investment in Westway Services*, £56,034 of deferred cash sale proceeds not received until after the year-end and transaction costs paid of £301,539, not deducted from proceeds above. These transaction costs also account for the difference in realised gains between £5,213,357 shown above and £4,911,818 disclosed in the Income Statement.

Purchases above of £9,476,619 differ to that shown in the Cash Flow Statement of £8,467,543 by £1,009,076. This is made up of the accounting cost of ATG Media Holdings Limited sale proceeds, received in the form of the acquirer's equity and loan stock of £1,529,075, less £519,999 invested as cash as part of the Westway Services* restructure.

* - Although the cash movements above of £519,999 relating to the restructuring of the investment in Westway Services are included in the Cash Flow Statement, they have been netted off each other in the movements on investments reported above.

Notes to the Accounts
for the year ended 31 December 2014

10. Significant interests

At 31 December 2014 the Company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

	Equity investment (Ordinary shares) £	Investment in loan stock and preference shares £	Total investment (at cost) £	Percentage of investee company's total equity
ASL Technology Holdings Limited	343,992	1,589,599	1,933,591	9.5%
Virgin Wines Holding Company Limited (formerly Culbone Trading Limited)	45,915	1,884,898	1,930,813	9.7%
Veritek Global Holdings Limited (formerly Madacombe Trading Limited)	43,527	1,576,559	1,620,086	10.3%
Gro-Group Holdings Limited	148,765	1,429,212	1,577,977	8.4%
Fullfield Limited (trading as Motorclean)	462,184	1,074,871	1,537,055	9.8%
Turner Topco Limited (trading as ATG Media)	4,472	1,524,603	1,529,075	3.8%
Entanet Holdings Limited (formerly Ackling Management Limited)	410,715	958,335	1,369,050	9.6%
Leap New Co Limited (trading as Ward Thomas Removals)	358,793	816,207	1,175,000	6.2%
Tharstern Group Limited	338,861	810,950	1,149,811	12.2%
Bourn Bioscience Limited	323,577	808,944	1,132,521	7.7%
Tessella Holdings Limited	212,045	865,490	1,077,535	5.4%
CGI Creative Graphics International Limited	476,612	583,657	1,060,269	6.3%
RDL Corporation Limited	173,932	826,068	1,000,000	9.1%
Manufacturing Services Investment Limited	456,400	456,400	912,800	11.4%
Media Business Insight Holdings Limited (formerly South West Services Investment Limited)	363,200	544,800	908,000	11.4%
PXP Holdings Limited	712,925	–	712,925	4.4%
Aussie Man & Van Limited	157,972	359,028	517,000	6.2%
Higher Nature plc	500,127	–	500,127	10.3%
Plastic Surgeon Holdings Limited	45,884	412,953	458,837	6.9%
Racoon International Holdings Limited	122,043	284,762	406,805	5.7%*
Blaze Signs Holdings Limited	183,005	7,626	190,631	5.7%
CB Imports Group Limited	175,000	–	175,000	5.8%
BG Training Limited (formerly Duncary 8 Limited)	25,328	76,667	101,995	5.1%
Westway Services Holdings (2014) Limited	11,633	27,145	38,778	3.8%
Lightworks Software Limited	9,329	–	9,329	4.2%
Watchgate Limited	1,000	–	1,000	33.3%

*After the year-end, the Company's equity percentage held in Racoon International Holdings Limited became 10.5%. This occured as the Company participated in a further fundraising by Racoon.

It is considered that, as required by FRS 9, "Associates and Joint Ventures", the above investments are held as part of an investment portfolio, and that, accordingly, their value to the Company lies in their marketable value as part of that portfolio. In view of this, it is not considered that any of the above represent investments in associated undertakings.

All of the above companies are incorporated in the United Kingdom.

Mobeus Equity Partners LLP also advises The Income and Growth VCT plc, Mobeus Income and Growth VCT plc and Mobeus Income & Growth 2 VCT plc which have investments as at 31 December 2014 in the following:

	The Income & Growth VCT plc at cost £	Mobeus Income & Growth VCT plc at cost £	Mobeus Income & Growth 2 VCT plc at cost £	Total at cost £	% of equity held by funds advised by Mobeus %
ASL Technology Holdings Limited	2,722,036	2,942,292	2,092,009	7,756,337	47.5
Virgin Wines Holding Company Limited (formerly Culbone Trading Limited)	2,745,503	2,439,352	1,284,333	6,469,188	42.0
Fullfield Limited (trading as Motorclean)	2,405,464	2,208,461	1,624,768	6,238,693	46.0
Gro-Group Holdings Limited	2,398,928	1,975,007	1,123,088	5,497,023	37.6
Turner Topco Limited (trading as ATG Media)	1,529,754	2,501,087	1,320,963	5,351,804	17.1
Veritek Global Holdings Limited (formerly Madacombe Trading Limited)	2,289,858	2,045,275	967,781	5,302,914	44.0
Entanet Holdings Limited (formerly Ackling Management Limited)	2,005,371	1,713,522	912,057	4,630,950	42.0
RDL Corporation Limited	1,441,667	1,558,334	1,000,000	4,000,001	45.2
Leap New Co Limited (trading as Ward Thomas Removals)	1,566,000	1,410,500	848,500	3,825,000	26.4
Tharstern Group Limited	1,531,428	1,449,546	831,715	3,812,689	52.5
Tessella Holdings Limited	1,482,426	1,426,274	770,165	3,678,865	24.0
EOTH Limited (trading as Equip Outdoor Technologies)	1,383,313	1,298,031	817,185	3,498,529	8.0
CGI Creative Graphics International Limited	1,421,702	1,321,935	731,032	3,474,669	26.9
PXP Holdings Limited (Pinewood Structures)	965,371	1,277,722	1,220,579	3,463,672	32.9
Media Business Insight Holdings Limited (formerly South West Services Investment Limited)	1,342,800	1,143,200	606,000	3,092,000	50.0
Manufacturing Services Investment Limited	1,336,800	1,142,400	608,000	3,087,200	50.0
Racoon International Holdings Limited	550,852	1,213,035	878,527	2,642,414	49.0
Bourn Bioscience Limited	1,610,379	–	757,101	2,367,480	23.8
Aussie Man & Van Limited	689,040	620,620	373,341	1,683,001	26.4
Blaze Signs Holdings Limited	418,281	610,308	437,030	1,465,619	52.5
The Plastic Surgeon Holdings Limited	406,082	478,421	392,264	1,276,767	30.0
Newquay Helicopters (2013) Limited	196,824	519,382	393,647	1,109,853	34.9
BG Training Limited (formerly Duncary 8 Limited)	634,923	–	–	634,923	30.6
Omega Diagnostics Group plc	279,996	305,000	–	584,996	7.7
CB Imports Group Limited	175,000	350,000	–	525,000	24.0
Legion Group plc	150,000	150,106	150,106	450,212	2.9
Westway Services Holdings (2014) Limited	58,076	214,481	–	272,557	15.6
Lightworks Software Limited	20,471	222,584	25,727	268,782	45.0
Vectair Holdings Limited	53,400	138,574	60,293	252,267	24.0
Watchgate Limited	1,000	1,000	–	2,000	100.0

11. Debtors

	2014 £	2013 £
Amounts due within one year:		
Accrued income	172,340	285,227
Prepayments	15,631	14,249
Other debtors	56,132	5,758
	244,103	**305,234**

Notes to the Accounts
for the year ended 31 December 2014

12. Current asset investments

	2014 £	2013 £
Monies held pending investment	**15,869,534**	**14,318,103**

These comprise investments in six Dublin based OEIC money market funds and in four bank deposits. £6,526,003 (2013: £6,522,954) of this sum is in the OEIC money market funds and £6,805,280 (2013: £3,632,410) is held in bank deposits, both subject to same day access while £2,538,251 (2013: £4,162,739) is in bank deposits, repayable within one year. These sums are regarded as monies held pending investment and are treated as liquid resources in the Cash Flow Statement and note 18.

13. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	3,476	9,163
Others creditors	4,037	11,204
Accruals	260,220	174,303
	267,733	**194,670**

14. Called up Share capital

	2014 £	2013 £
Allotted, called-up and fully paid:		
Ordinary Shares of 1p each: 42,543,360 (2013: 35,127,218)	425,434	351,272

During the year the Company purchased 514,303 (2013: 567,165) of its own shares for cash (representing 1.5% (2013: 2.0%) of the shares in issue at the start of the year) at the prevailing market price for a total cost of £538,384 (2013: £586,300). These shares were subsequently cancelled by the Company.

As part of the Linked Offer launched on 28 November 2013, a total of 6,907,184 ordinary shares were allotted at average effective offer prices ranging from 120.36 pence to 125.79 pence per share, raising net funds of £8,193,915.

Under the terms of the Dividend Investment Scheme, 1,023,261 (2013: 334,382) shares were allotted during the year for a consideration of £1,050,003 (2013: £342,378).

15. Movement in share capital and reserves

	Called up Share capital £	Share Premium reserve £	Capital redemption reserve £	Revaluation reserve £	Special distributable reserve* – Note a £	Profit and loss account* – Note b £	Total £
At 1 January 2014	351,272	13,374,724	969,753	4,518,594	17,418,387	5,490,993	42,123,723
Share buybacks	(5,143)	–	5,143	–	(538,384)	–	(538,384)
Shares issued via Dividend Investment Scheme	10,233	1,039,770	–	–	–	–	1,050,003
Shares issued via Offer for Subscription	69,072	8,128,331	–	–	(3,488)	–	8,193,915
Transfer of realised losses to Special distributable reserve (note a)	–	–	–	–	(656,012)	656,012	–
Cancellation of Share premium account and Capital redemption reserve (note a)	–	(16,557,783)	(969,753)	–	17,527,536	–	–
Realisation of previously unrealised gains	–	–	–	(4,427,233)	–	4,427,233	–
Dividends paid	–	–	–	–	–	(7,509,196)	(7,509,196)
Profit for the year	–	–	–	1,123,572	–	5,847,404	6,970,976
As at 31 December 2014	**425,434**	**5,985,042**	**5,143**	**1,214,933**	**33,748,039**	**8,912,446**	**50,291,037**

* - These reserves total £42,660,485 (2013: £22,909,380) and are regarded as distributable reserves for the purpose of assessing the Company's ability to pay dividends to shareholders. All of the special distributable reserve originates from funds raised prior to 6 April 2014.

Note a: The cancellation of £16,557,783 from the share premium account and £969,753 from the capital redemption reserve (as approved at the general meeting held on 22 February 2014 and by order of the Court dated 12 March 2014) has increased the Company's special distributable reserve out of which it can fund share buybacks as and when it is considered by the Board to be in the interests of the shareholders, and to absorb any existing and future realised losses. As a result, the Company has a special reserve of £33,748,039. The transfer of £656,012 to the special reserve from the realised capital reserve above is the total of realised losses incurred by the Company this year.

Note b: The realised capital reserve and the revenue reserve together comprise the Profit and Loss Account of the Company shown in the Balance Sheet.

Notes to the Accounts
for the year ended 31 December 2014

16. Basic and diluted net asset value per share

Net asset value per ordinary share is based on net assets at the end of the year, and on 42,543,360 (2013: 35,127,218) ordinary shares, being the number of ordinary shares in issue on that date.

There are no instruments that will increase the number of shares in issue in future. Accordingly, the figures currently represent both basic and diluted net asset value per share.

17. Reconciliation of profit on ordinary activities before taxation to net cash inflow from operating activities

	2014 £	2013 £
Profit on ordinary activities before taxation	6,970,976	3,492,070
Net gains on realisations of investments	(4,911,818)	(258,724)
Net unrealised gains on investments	(1,123,572)	(2,785,539)
Decrease/(increase) in debtors	117,165	(90,970)
Increase in creditors and accruals	73,063	13,526
Net cash inflow from operating activities	**1,125,814**	**370,363**

18. Analysis of changes in net funds

	Cash £	Liquid resources £	Total £
At beginning of year	3,125,287	14,318,103	17,443,390
Cash flows	6,320,556	1,551,431	7,871,987
At 31 December 2014	**9,445,843**	**15,869,534**	**25,315,377**

19. Financial instruments

The Company's financial instruments comprised:

- Equity and preference shares and fixed and floating rate interest securities that are held in accordance with the Company's investment objective; and
- Cash, liquid resources and short-term debtors and creditors that arise directly from the Company's operations.

The principal purpose of these financial instruments is to generate revenue and capital appreciation for the Company's operations. The Company has no gearing or other financial liabilities apart from short-term creditors. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

Classification of financial instruments

The Company held the following categories of financial instruments at 31 December 2014:

	2014 (Book value) £	2014 (Fair value) £	2013 (Book value) £	2013 (Fair value) £
Assets at fair value through profit and loss:				
Investment portfolio	24,999,290	24,999,290	24,569,769	24,569,769
Current investments	15,869,534	15,869,534	14,318,103	14,318,103
Loans and receivables				
Accrued income	172,340	172,340	285,227	285,227
Other debtors	56,132	56,132	5,758	5,758
Cash at bank	9,445,843	9,445,843	3,125,287	3,125,287
Liabilities at amortised cost or equivalent				
Other creditors	(267,733)	(267,733)	(194,670)	(194,670)
Total for financial instruments	50,275,406	50,275,406	42,109,474	42,109,474
Non financial instruments	15,631	15,631	14,249	14,249
Total net assets	**50,291,037**	**50,291,037**	**42,123,723**	**42,123,723**

The investment portfolio principally consists of unquoted investments 98.8% (2013: 98.8%). The investment portfolio has a 100% (2013: 100%) concentration of risk towards small UK based, sterling denominated companies, and represents 49.7% (2013: 58.3%) of net assets at the year-end.

Current investments are money market funds and bank deposits, which, along with cash are discussed under credit risk below, which represent 50.3% (2013: 41.4%) of net assets at the year-end.

The main risks arising from the Company's financial instruments are due to liquidity risk, particularly with the investment portfolio, the credit risk, particularly within the investment portfolio but also of other assets, fluctuations in market prices (market price risk), and cash flow interest rate risk, although currency risk is also discussed below. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These have been in place throughout the current and preceding years.

Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded, and thus they are not readily realisable. The ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers and, as the Company has minority stakes, would require a number of months and the co-operation of other shareholders to achieve at a reasonable valuation. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs. The maturity profile of the Company's loan stock investments disclosed within the consideration of credit risk on page 59 indicates that these assets are also not readily realisable until dates up to five years from the year-end.

To counter these risks to the Company's liquidity, the Investment Adviser maintains sufficient cash and money market funds to meet running costs and other commitments. The Company invests its surplus funds in high quality money market funds and bank deposits of £15,869,534, which are accessible at varying points over the next 12 months.

Notes to the Accounts
for the year ended 31 December 2014

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company.

The Company's maximum exposure to credit risk is:

	2014 £	2013 £
Loan stock investments	19,347,151	16,121,704
Current investments	15,869,534	14,318,103
Accrued income and other debtor	228,472	290,985
Cash at bank	9,445,843	3,125,287
	44,891,000	**33,856,079**

The Company has an exposure to credit risk in respect of the loan stock investments it has made into investee companies, most of which have no security attached to them, and where they do, such security ranks beneath any bank debt that an investee company may owe.

The loan stock is held in companies with turnover under £50m, which may be considered less stable than larger, longer established businesses.

The accrued income and other debtors shown above was all due within three months of the year-end.

The following table shows the maturity of the loan stock investments referred to above. In some cases, the loan maturities are not the contractual ones, but are the best estimate using management's expectations of when it is likely that such loans may be repaid.

Repayable within	2014 £	2013 £
0 to 1 year	481,611	2,053,801
1 to 2 years	931,159	1,833,787
2 to 3 years	2,070,365	2,809,349
3 to 4 years	5,978,518	3,073,480
4 to 5 years	9,885,498	6,351,287
Total	**19,347,151**	**16,121,704**

Included within loan stock investments above are loans at a carrying value of £1,000 (2013: £638,666), which are past their repayment date but have been renegotiated. One loan with a value of £495,270 is now past its repayment date but has not yet been renegotiated. The loan stock investments are made as part of the qualifying investments within the investment portfolio, and the risk management processes applied to the loan stock investments have already been set out under market price risk above.

An aged analysis of the value of loan stock investments included above, which are past due but not individually impaired, is set out on the next page. For this purpose, these loans are considered to be past due when any payment due under the loan's contractual terms (such as payment of interest or redemption date) is received late or missed. We are required to report in this format and include the full value of the loan even though in some cases it is only in respect of interest that they are in default. This figure below has fallen from last year as £392,270 of the 2013 figure has been realised while the interest on £891,775 of last year's loans is now being paid. Against these reductions, the loan of £495,270 referred to above has also been included in this year's figure of £496,270.

	0 - 6 months £	6 - 12 months £	over 12 months £	2014 Total £
Loans to investee companies past due	–	–	**496,270**	**496,270**

	0 - 6 months £	6 - 12 months £	over 12 months £	2013 Total £
Loans to investee companies past due	–	–	**1,285,045**	**1,285,045**

There is a risk of default by the money market funds above, which could suffer defaults within their underlying portfolios that could affect the values at which the Company could sell its holdings. The Board manages credit risk in respect of these money market funds and cash by ensuring a spread of such investments such that none should exceed 15% of the Company's total investment assets. The OEIC money market funds are all triple A rated funds and, along with bank deposits of £6,805,280 at five well-known financial institutions, held within 'Current investments' and so credit risk is considered to be relatively low in current circumstances. The cash at bank of £9,445,843 is held at NatWest Bank plc, where the risk of default is considered to be low.

There could also be a failure by counter-parties to deliver securities which the Company has paid for, or pay for securities which the Company has delivered. This risk is considered to be small as most of the Company's investment transactions are in unquoted investments, where investments are conducted through solicitors, to ensure that payment matches delivery. In respect of any quoted investment transactions that are undertaken, the Company uses brokers with a high credit quality, and these trades usually have a short settlement period. Accordingly, counterparty risk is considered to be relatively low.

Market price risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future performance of the UK economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its investment portfolio in the face of market movements.

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and as such the prices are more uncertain than those of more widely traded securities. As, in a number of cases, the unquoted investments are valued by reference to price earnings ratios prevailing in quoted comparable sectors, their valuations are exposed to changes in the price earnings ratios that exist in the quoted markets.

The Board's strategy in managing the market price risk inherent in the Company's portfolio of equities and loan stock investments is determined by the requirement to meet the Company's Objective, as set out page 4. As part of the investment management process, the Board seeks to maintain an appropriate spread of market risk, and also has full and timely access to relevant information from the Investment Adviser. No single investment is permitted to exceed 15% of total investment assets at the point of investment. The Investment Committee meets regularly and reviews the investment performance and financial results, as well as compliance with the Company's objectives. The Company does not use derivative instruments to hedge against market risk.

Market price risk sensitivity

The Board believes that the Company's assets are exposed to market price risk, as the Company is required to hold most of its assets in the form of sterling denominated investments in small companies.

Although a small part of these assets are quoted on AIM, nearly all of these assets are unquoted. All of the investments made by the Investment Adviser in unquoted companies, irrespective of the instruments the Company actually holds, (whether shares, preference shares or loan stock) carry a full market risk, even though some of the loan stocks may be secured on assets, but behind any prior ranking bank debt in the investee company.

The Board considers that the value of investments in equity and loan stock instruments are ultimately sensitive to changes in quoted share prices, insofar as such changes eventually affect the enterprise value of unquoted companies. The table below shows the impact on profit and net assets if there were to be a 20% (2013: 20%) movement in overall share prices, which might in part be caused by changes in interest rate levels. However, it is not considered possible to evaluate separately the impact of changes in interest rates upon the value of the Company's portfolios of investments in small, unquoted companies.

The sensitivity analysis below assumes that each of these sub categories of investments (shares, preference shares and loan stocks) held by the Company produces a movement overall of 20% (2013: 20%), and that the actual portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. Theoretically, this could be the case. However, shareholders should note that this level of correlation is unlikely to be the case in reality, particularly in the case of the loan stock instruments. This is because loan stock instruments would not share in the impact of any increase in share prices to the same extent as the equity instruments, as the returns are set by reference to interest rates and premiums agreed at the time of initial investment. Similarly, where share prices are falling, the equity instrument could fall in value before the loan stock instrument. It is not considered practical to assess the sensitivity of the loan stock instruments to market price risk in isolation. Finally, it is the individual progress of each individual investment that ultimately has a larger input upon each investment's value, rather than movements in quoted markets.

	2014 Profit and net assets £	2013 Profit and net assets £
If overall share prices rose/fell by 20% (2013: 20%), with all other variables held constant – increase/(decrease)	4,999,858 / (4,999,858)	4,913,954 / (4,913,954)
Increase/(decrease) in earnings, and net asset value, per ordinary share (in pence)	11.75p / (11.75)p	13.99p / (13.99)p

The impact of a change of 20% (2013: 20%) has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movement.

Cash flow interest rate risk

The Company's fixed and floating rate interest securities, its equity and preference equity investments and net revenue may be affected by interest rate movements. Investments are often in relatively small businesses, which are relatively high risk investments sensitive to interest rate fluctuations.

Due to the short time to maturity of some of the Company's floating rate investments, it may not be possible to re-invest in assets which provide the same rates as those currently held.

The Company's assets include fixed and floating rate interest instruments, as shown below. The rate of interest earned is regularly reviewed by the Board, as part of the risk management processes applied to these instruments, already disclosed under market price risk above.

The interest rate profile of the Company's financial net assets at 31 December 2014 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	5,440,842	–	–	5,440,842		
Preference shares	–	211,297	–	211,297	6.3	4.6
Loan stocks	–	18,345,951	1,001,200	19,347,151	8.4	3.7
Current investments	–	–	15,869,534	15,869,534	0.7	
Cash	–	–	9,445,843	9,445,843	0.3	
Debtors	228,472	–	–	228,472		
Creditors	(267,733)	–	–	(267,733)		
Total for financial instruments	5,401,581	18,557,248	26,316,577	50,275,406		
Non-financial instruments	15,631	–	–	15,631		
Total net assets	**5,417,212**	**18,557,248**	**26,316,577**	**50,291,037**		

The interest rate profile of the Company's financial net assets at 31 December 2013 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	8,431,946	–	–	8,431,946		
Preference shares	–	16,119	–	16,119	4.6	1.6
Loan stocks	–	15,521,704	600,000	16,121,704	8.2	3.4
Current investments	–	2,250,000	12,068,103	14,318,103	0.8	
Cash	–	–	3,125,287	3,125,287	0.7	
Debtors	290,985	–	–	290,985		
Creditors	(194,670)	–	–	(194,670)		
Total for financial instruments	8,528,261	17,787,823	15,793,390	42,109,474		
Non-financial instruments	14,249	–	–	14,249		
Total net assets	**8,542,510**	**17,787,823**	**15,793,390**	**42,123,723**		

Note: Weighted average interest rates above are derived by calculating the expected annual income that would be earned on each asset (but only for those sums that are currently regarded as collectible and would therefore be recognised), divided by the values for each asset class at the balance sheet date.

Floating rate cash earns interest based on LIBOR rates.

The Company's investments in equity shares and similar instruments have been excluded from the interest rate risk profile as they have no maturity date and would thus distort the weighted average period information.

Cash flow interest rate sensitivity

Although the Company holds investments in loan stocks that pay interest, the Board does not consider it appropriate to assess the impact of interest rate changes in isolation upon the value of the unquoted investment portfolio, as interest rate changes are only one factor affecting the market price movements that are discussed above under market price risk. However, as the Company has a substantial proportion of its assets in money market funds, the table below shows the sensitivity of income earned to changes in interest rates:

	2014 £ Profit and net assets	2013 £ Profit and net assets
If interest rates rose/fell by 1%, with all other variables held constant – increase/(decrease)	210,533 / (210,533)	126,347 / (126,347)
Increase/(decrease) in earnings, and net asset value, per ordinary share (in pence)	0.49p / (0.49)p	0.36p / (0.36)p

Currency risk

All assets and liabilities are denominated in sterling and therefore there is no currency risk although, a number of investee companies do trade overseas, so do face some exposure to currency risk in their operations.

Notes to the Accounts
for the year ended 31 December 2014

Fair value hierarchy

The table below sets out fair value measurements using FRS 29 fair value hierarchy. The Company has one class of financial assets, being at fair value through profit and loss.

Financial assets at fair value through profit and loss At 31 December 2014	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	300,015	–	5,140,827	5,440,842
Preference shares	–	–	211,297	211,297
Loan stock investments	–	–	19,347,151	19,347,151
Current investments	15,869,534	–	–	15,869,534
Total	**16,169,549**	**–**	**24,699,275**	**40,868,824**

There are currently no financial liabilities at fair value through profit and loss.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.
Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.
Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the company are explained in the accounting policies in note 1.

There have been no transfers during the year between Levels 1 and 2. A reconciliation of fair value measurements in Level 3 is set out below:

	Equity investments £	Preference shares £	Loan stock £	Total £
Opening balance at 1 January 2014	8,140,282	16,119	16,121,704	24,278,105
Purchases	2,546,184	2,724	6,927,681	9,476,589
Sales	(9,372,908)	(10,513)	(6,000,606)	(15,384,027)
Reclassification at value*	(418,408)	391,263	27,145	–
Total gains/(losses) included in gains/(losses) on investments in the Income Statement:				
– on assets sold or impaired	4,545,654	7,142	660,561	5,213,357
– on assets held at the year end	(299,977)	(195,438)	1,610,666	1,115,251
Closing balance at 31 December 2014	**5,140,827**	**211,297**	**19,347,151**	**24,699,275**

*- During the year, the equity of Westway Services Holdings (2010) Limited was wholly exchanged for an equity and loan stock investment in the acquirer of the business, Westway Services Holdings (2014) Limited.

As detailed in the accounting policies note, where investments are valued on an earnings-multiple basis, the main input used for this basis of valuation is a suitable price-earnings ratio taken from a comparable sector on the quoted market. These ratios are correlated to the share prices and so any change in share prices will have a significant effect on the fair value measurements of the investments classified as Level 3 investments.

Level 3 unquoted equity and loan stock investments are valued in accordance with the IPEVCV guidelines as follows:

	2014 £	2013 £
Valuation methodology		
Cost (reviewed for impairment)	1,878,300	1,099,412
Asset value supporting security held	–	349,983
Recent investment price	4,759,000	5,217,892
Earnings multiple	18,061,975	17,610,818
	24,699,275	**24,278,105**

The unquoted equity and loan stock investments had the following movements between valuation methodologies between 31 December 2013 and 31 December 2014:

Change in investment methodology	Carrying value as at 31 December 2014 £	Explanatory note
Recent investment price to earnings multiple	5,088,985	Sufficient time has elapsed since investment such that earnings multiple is a more appropriate basis for determining fair value
Cost (reviewed for impairment) to earnings multiple	2,335,499	Earnings multiple is a more appropriate basis for determining fair value as a result of improved trading
Recent investment price to Cost (reviewed for impairment)	–	Impairment review

The valuation will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the September 2009 IPEVCV guidelines. The Directors believe that, within these parameters, there are no other possible methods of valuation which would be reasonable as at 31 December 2014.

The Standard requires disclosure, by class of financial instruments, if the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement. The information used in determination of the fair value of Level 3 investments is chosen with reference to the specific underlying circumstances and position of the investee company. The portfolio has been reviewed and both downside and upside reasonable possible alternative assumptions have been identified and applied to the valuation of each of the unquoted investments. Applying the downside alternatives, the value of the unquoted investments would be £2,055,000 or 8.2% lower and using the upside alternatives the value would be increased by £1,504,000 or 6.0%. In arriving at both these figures, a 5% change to earnings multiples was applied and for three investee companies, an adjusted maintainable earnings figure was used.

20. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and to provide an adequate return to shareholders by allocating its capital to assets commensurate with the level of risk.

By its nature, the Company has an amount of capital, at least 70% (as measured under the tax legislation) of which is and must remain, invested in the relatively high risk asset class of small UK companies within three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

Although, as the Investment Policy implies, the Board would consider levels of gearing, there are no current plans to do so. It regards the net assets of the Company as the Company's capital, as the levels of liabilities are small and the management of them is not directly related to managing the return to shareholders. There has been no change in this approach from the previous year.

21. Segmental analysis

The operations of the Company are wholly in the United Kingdom, from one class of business.

22. Post balance sheet events

Since the year-end, under the Offer for Subscription launched on 10 December 2014, a total of 5,167,929 new ordinary shares have been allotted at effective offer prices ranging between 113.53 - 122.13 pence per share raising net funds of £5.87 million. The Offer closed on 18 February 2015, fully subscribed.

On 30 January 2015, the Company invested a further £1.14 million in the acquisition vehicle South West Services Investment Limited ("SWSI"), adding to its earlier investment of £0.91 million. This enabled SWSI to acquire Media Business Insight Limited ("MBIL"). The Company has also advanced a non-qualifying loan of £0.67 million to MBIL. MBIL is a publishing and events business focused on the creative production industries, specifically advertising, TV production and film media.

On 20 February 2015, the Company invested a further £0.80 million into Entanet Holdings Limited as loan stock.

Shareholder Information

Communication with shareholders

We aim to communicate regularly with our shareholders. In addition to the half-yearly and annual reports, shareholders receive a twice-yearly VCT newsletter from the Adviser, approved by the Board. The May annual general meetings provide a useful platform for the Board to meet shareholders and exchange views. Your Board welcomes your attendance at general meetings to give you the opportunity to meet your Directors and representatives of the Adviser.

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

Shareholders wishing to follow the Company's progress can visit its website at www.mig4vct.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 at: www.londonstockexchange.com 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 event

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

Mobeus website

Shareholders can check the performance of the VCT by visiting the Adviser's website at www.mobeusequity.co.uk. This is regularly updated with information on your investment including case studies of portfolio companies. The Company continues to have its own dedicated section of the website which shareholders may prefer to access directly by going to www.mig4vct.co.uk. This includes performance tables and details of dividends paid as well as copies of past reports to shareholders and information on the current fundraising.

Net asset value per share

The Company's NAV per share as at 31 December 2014 was 118.21 pence. The Company announces its unaudited NAVs on a quarterly basis.

Dividends

The Directors have declared a second interim dividend in respect of the year ended 31 December 2014 of 8.00 pence per share (comprising 7.00 pence from capital and 1.00 pence from income). This dividend will be paid on 6 May 2015 to shareholders on the Register on 10 April 2015.

Shareholders who wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrars, Capita Asset Services at the address given at the end of this section or from the Capita shareholder portal by going to: www.capitashareportal.com.

Shareholders are encouraged to ensure that the Registrars maintain up-to-date details for you and to check whether you have received all dividends payable to you. This is particularly important if you have recently moved house or changed your bank. We are aware that a number of dividends remain unclaimed by shareholders and whilst we will endeavour to contact you if this is the case we cannot guarantee that we will be able to do so if the Registrars do not have an up-to-date telephone number and/or email address.

Financial calendar

6 May 2015	Payment of second interim dividend for 2014 year.
14 May 2015	Annual General Meeting.
August 2015	Half-Yearly Report for the six months ended 30 June 2015 to be announced and circulated to shareholders.
August 2015	Record date for shareholders to be eligible for any dividends payable in September 2015.
September 2015	Payment date for interim dividend, if payable.
31 December 2015	Year-end.
January 2016	Shareholder event.

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 adviser before deciding to sell their shares.

Managing your shareholding online

For details on your individual shareholding and to manage your account on online shareholders may log into or register with the Capita shareholder portal by going to: www.capitashareportal.com.

You can use the Shareholder Portal to change your address details, check your holding balance and transactions, view the dividends you have received, add and amend your bank details and manage how you receive your dividends.

Nominee Accounts

Shareholders may, if they so wish, arrange for their shares to be held via a nominee or depository where they retain the financial rights carried by the Company's shares.

Boiler room fraud and unsolicited communications to shareholders

We are aware that from time to time our shareholders have received unsolicited telephone calls and/or mail which purport to come from the Company or to be authorised by the VCT.

MIG4 VCT is obliged by law to make its share register publicly available on request and, as a result, it is possible that shareholder address information could be used by third parties to obtain telephone numbers and/or send unsolicited mail. However, the Company has the right to challenge such a request when the reason given for the request is not acceptable to us and we will be taking advantage of these provisions as appropriate.

The practice of boiler room fraud has been highlighted by the Financial Conduct Authority ("FCA") and the Institute of Chartered Secretaries and Administrators ("ICSA"), and their advice includes:

- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FCA before getting involved by visiting www.fca.gov.uk/register/ and contacting the firm using the details on the register.
- Report the matter to the FCA either by contacting its consumer helpline on 0800 111 6768 or consumer.queries@fca.org.uk or visiting the consumer pages at their website which includes comprehensive information in the section on investment scams including a reporting form.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme ("FSCS"). The FSCS can be contacted via their website at www.fscs.org.uk.

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

More detailed information on this or similar activity can be found on the FCA website www.fca.org.uk/consumers/scams.

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

Shareholder Information

Shareholder enquiries

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.

Shareholders are encouraged to take advantage of the online investor services offered by Capita Asset Services, the registrars to the Company, by going to their Shareholder Portal at: www.capitashareportal.com

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:

Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU Tel: 0871 664 0324.

To contact the Chairman or any member of Board, please contact the Company Secretary, Mobeus Equity Partners LLP in the first instance, on 020 7024 7600 or by e-mail to vcts@mobeusequity.co.uk.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Mobeus Income & Growth 4 VCT plc ("the Company") will be held at 11.00 am on Thursday 14 May 2015 at the offices of 33 St James's Square, London SW1Y 4JS for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions:

1. To receive and adopt the annual report and accounts of the Company for the year ended 31 December 2014 ("Annual Report") together with the auditor's report thereon.

2. To approve the directors' annual remuneration report as set out in the Annual Report of the Company for the year ended 31 December 2014.

3. To re-appoint BDO LLP of 55 Baker Street, London W1U 7EU as auditor to the Company until the conclusion of the next annual general meeting.

4. To authorise the directors to determine the remuneration of BDO LLP as auditor of the Company.

5. To re-elect Christopher Moore as a director of the Company.

6. To re-elect Andrew Robson as a director of the Company.

7. To re-elect Helen Sinclair as a director of the Company.

8. That, in substitution for any existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot ordinary shares of 1 penny each in the Company ("Shares") and to grant rights to subscribe for, or convert any security into, Shares ("Rights") up to an aggregate nominal value of £395,422 provided that the authority conferred by this resolution shall expire (unless renewed, varied or revoked by the Company in general meeting) on the date falling fifteen months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2016 but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require Shares to be allotted or Rights to be granted after such expiry and the Directors of the Company shall be entitled to allot Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

9. That, subject to the passing of resolution 8 set out in this notice and in substitution for any existing authorities, the directors of the Company be and hereby are empowered in accordance with sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash, pursuant to the authority conferred upon them by resolution 8 set out in this notice, or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to:-

    (i) the allotment and issue of equity securities with an aggregate nominal value of up to, but not exceeding £300,000 in connection with offer(s) for subscription;

    (ii) the allotment of equity securities with an aggregate nominal value of up to, but not exceeding, 10 per cent. of the issued share capital of the Company from time to time pursuant to any dividend investment scheme operated by the Company at a subscription price per share which is less than the net asset value per share; and

    (iii) the allotment, otherwise than pursuant to sub-paragraphs (i) and (ii) above, of equity securities with an aggregate nominal value of up to, but not exceeding, 10 per cent. of the issued share capital of the Company from time to time

    in each case where the proceeds may be used, in whole or part, to purchase the Company's Shares in the market and provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the date falling fifteen months after passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2016, except that the Company may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of such offers or agreements as if the power conferred by this resolution had not expired.

Notice of the Annual General Meeting

10. That, in substitution for any existing authorities, the Company be and hereby is authorised pursuant to and in accordance with section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its own Shares provided that:

    (i) the aggregate number of Shares which may be purchased shall not exceed 7,151,922 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99 per cent. of the Shares in issue at the date of passing this resolution;

    (ii) the minimum price which may be paid for a Share is 1 penny (the nominal value thereof);

    (iii) the maximum price which may be paid for a Share (excluding expenses) shall be the higher of (a) an amount equal to five per cent above the average of the middle market quotations for a Share in the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is contracted to be purchased and (b) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC 2273/2003);

    (iv) the authority conferred by this resolution shall expire (unless renewed, varied or revoked by the Company in general meeting) on the date falling fifteen months after passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2016; and

    (v) the Company may make a contract or contracts to purchase its own Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own Shares in pursuance of any such contract.

BY ORDER OF THE BOARD OF DIRECTORS

Mobeus Equity Partners LLP
Company Secretary
26 March 2015

Registered Office
30 Haymarket
London SW1Y 4EX

Notes to the Notice of the Annual General Meeting

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulation 2001, entitlement to attend and vote at the meeting (and the number of votes they may cast thereat) will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days before the day of the meeting or of the adjourned meeting. Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

3. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may copy the proxy form, clearly stating on each copy the shares to which the proxy relates, or alternatively contact the Company's registrars, Capita Asset Services, on 0871 664 0324 (lines are open between 9.00 am and 5.30 pm Monday to Friday, calls cost 10p per minute (including VAT) plus network extras – if calling from overseas please dial +44 203 170 0187 (international rates will apply) to request additional copies of the proxy form. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons Capita Asset Services will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.

4. The statement of the rights of members in relation to the appointment of proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

5. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

6. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (so the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment adviser or custodian. The Company cannot guarantee dealing with matters that are directed to us in error. The only exception to this is where the Company, in exercising one of its powers under the Act, writes to you directly for a response.

7. A personal reply paid form of proxy is enclosed with this document. To be valid, it should be lodged, together with the power of attorney or other authority, if any, under which it is signed or a notarilly certified or office copy thereof, at the offices of the Company's registrar, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received not later than 11.00 am on 12 May 2015 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.

8. If you prefer, you may return the proxy form to the Registrar in an envelope addressed to FREEPOST CAPITA, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. Appointment of a proxy or CREST proxy instruction will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.

11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 11 am on 12 May 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

13. As at 26 March 2015 (being the last business day prior to the publication of this notice), the Company's issued share capital consisted of 47,711,289 Ordinary Shares of 1p all of which carry one vote each. Therefore, the total voting rights in the Company as at 26 March 2015 were 47,711,289.

Notice of the Annual General Meeting

14. The Register of Directors' Interests and Directors' appointment letters will be available for inspection at the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) until the end of the Annual General Meeting and will also be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting. The Directors do not have any service contracts with the Company.

15. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.

16. Under section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

17. At the meeting shareholders have the right to ask questions relating to the business of the meeting and the Company is obliged under section 319A of the Act to answer such questions, unless; to do so would interfere unduly with the preparation of the meeting or would involve the disclosure of confidential information, if the information has been given on the Company's website, www.mig4vct.co.uk in the form of an answer to a question, or if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

18. Further information, including the information required by section 311A of the Act, regarding the meeting is available on the Company's website, www.mig4vct.co.uk.

Investor Performance Appendix

Share price as at 31 December 2014 102.50 pence[1]
NAV per share as at 31 December 2014 118.21 pence

Performance data for all fundraising rounds

The following tables show, for all investors in Mobeus Income & Growth 4 VCT plc, how their investments have performed since they were originally allotted shares in each fundraising.

Shareholders should note that funds from the original fundraising in 1999 were managed by three investment advisers, up until 1 August 2006. At that date, Mobeus became the sole adviser, to this and all subsequent fundraisings.

Total return data, which includes cumulative dividends paid to date, is shown on both a share price and a NAV basis as at 31 December 2014. The NAV basis enables Shareholders to evaluate more clearly the performance of the Manager, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector.

Allotment date(s)	Allotment price (p)	Net allotment price[2] (p)	Cumulative dividends paid per share (p)	Total return per share to shareholders since allotment (Share price basis) (p)	(NAV basis) (p)	% increase since 31 December 2013 (NAV basis) (%)
Funds raised 1999[3]						
(launched 8 February 1999)						
Between 8 February 1999 and 30 June 1999	200.00	**160.00**	52.20	**154.70**	170.41	10.6%
Funds raised 2006/07						
(launched 2 November 2006)						
01 February 2007	118.58	**83.01**	41.50	**144.00**	159.71	11.4%
19 February 2007	118.58	**83.01**	41.50	**144.00**	159.71	11.4%
05 March 2007	121.18	**84.83**	41.50	**144.00**	159.71	11.4%
19 March 2007	121.18	**84.83**	41.50	**144.00**	159.71	11.4%
02 April 2007	121.18	**84.83**	41.50	**144.00**	159.71	11.4%
04 April 2007	121.18	**84.83**	41.50	**144.00**	159.71	11.4%
05 April 2007	121.18	**84.83**	41.50	**144.00**	159.71	11.4%
Funds raised 2010 Top Up Offer						
(launched 20 January 2010)						
31 March 2010	112.40	**78.68**	36.50	**139.00**	154.71	11.8%
01 April 2010	112.40	**78.68**	36.50	**139.00**	154.71	11.8%
Funds raised 2011						
(launched 12 November 2010)						
21 January 2011	121.80	**85.26**	33.50	**136.00**	151.71	12.0%
28 February 2011	121.80	**85.26**	33.50	**136.00**	151.71	12.0%
22 March 2011	121.80	**85.26**	33.50	**136.00**	151.71	12.0%
01 April 2011	121.80	**85.26**	33.50	**136.00**	151.71	12.0%
05 April 2011	121.80	**85.26**	33.50	**136.00**	151.71	12.0%
10 May 2011	119.50	**83.65**	33.50	**136.00**	151.71	12.0%
06 July 2011	119.50	**83.65**	30.50	**133.00**	148.71	12.3%
Funds raised 2012						
(launched 20 January 2012)						
08 March 2012	123.50	**86.45**	30.50	**133.00**	148.71	12.3%
04 April 2012	123.50	**86.45**	30.50	**133.00**	148.71	12.3%
05 April 2012	123.50	**86.45**	30.50	**133.00**	148.71	12.3%
10 May 2012	123.50	**86.45**	30.50	**133.00**	148.71	12.3%
10 July 2012	119.10	**83.37**	25.50	**128.00**	143.71	12.8%
Funds raised 2013						
(launched 29 November 2012)						
14 January 2013	120.10	**84.07**	25.50	**128.00**	143.71	12.8%
28 March 2013	121.30	**84.91**	25.50	**128.00**	143.71	12.8%
04 April 2013	121.30	**84.91**	25.50	**128.00**	143.71	12.8%
05 April 2013	121.30	**84.91**	25.50	**128.00**	143.71	12.8%
10 April 2013 Pre RDR[4]	124.20	**86.94**	25.50	**128.00**	143.71	12.8%
10 April 2013 Post RDR[4]	121.30	**84.91**	25.50	**128.00**	143.71	12.8%
07 May 2013	115.60	**80.92**	20.00	**122.50**	138.21	13.4%

[1] - Source: London Stock Exchange (mid-price), when the latest announced NAV was 113.53p.

[2] - Net allotment price is the allotment price less applicable income tax relief. The tax relief was 20% up to 5 April 2004, 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

[3] - Investors in this fundraising may also have enhanced their returns if they had also deferred capital gains tax liabilities.

[4] - RDR mean 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.

[5] - Average effective offer price.

Investor Performance Appendix

Allotment date(s)	Allotment price (p)	Net allotment price[2] (p)	Cumulative dividends paid per share (p)	Total return per share to shareholders since allotment (Share price basis) (p)	Total return per share to shareholders since allotment (NAV basis) (p)	% increase since 31 December 2013 (NAV basis) (%)
Funds raised 2014						
(launched 28 November 2013)						
09 January 2014	120.36[5]	**84.25**	18.00	**120.50**	136.21	–
11 February 2014	120.66[5]	**84.46**	18.00	**120.50**	136.21	–
31 March 2014	125.22[5]	**87.65**	18.00	**120.50**	136.21	–
03 April 2014	125.79[5]	**88.05**	18.00	**120.50**	136.21	–
04 April 2014	125.01[5]	**87.51**	18.00	**120.50**	136.21	–
06 June 2014	125.11[5]	**87.58**	14.00	**116.50**	132.21	–

[1] - Source: London Stock Exchange (mid-price), when the latest announced NAV was 113.53p.

[2] - Net allotment price is the allotment price less applicable income tax relief. The tax relief was 20% up to 5 April 2004, 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

[3] - Investors in this fundraising may also have enhanced their returns if they had also deferred capital gains tax liabilities.

[4] - RDR mean 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.

[5] - Average effective offer price.

Cumulative dividends paid per share

	Funds raised 1998/99 (p)	Funds raised 2006/07 (p)	Funds raised 2010 –Top Up (p)	Funds raised 2011 (p)	Funds raised 2012 (p)	Funds raised 2013 (p)	Funds raised 2014 (p)
12 September 2014	14.00	14.00	14.00	14.00	14.00	14.00	14.00
16 May 2014	4.00	4.00	4.00	4.00	4.00	4.00	4.00
20 September 2013	2.00	2.00	2.00	2.00	2.00	2.00	
10 May 2013	5.50	5.50	5.50	5.50	5.50	5.50	
06 June 2012	5.00	5.00	5.00	5.00	5.00		
24 June 2011	3.00	3.00	3.00	3.00			
05 November 2010	1.00	1.00	1.00				
09 June 2010	2.00	2.00	2.00				
07 November 2009	1.00	1.00					
10 June 2009	1.00	1.00					
07 November 2008	1.00	1.00					
11 June 2008	1.25	1.25					
08 November 2007	0.75	0.75					
26 October 2006	1.80[1]						
07 June 2006	0.50[1]						
08 June 2005	0.20[1]						
09 June 2004	0.50[1]						
29 May 2003	0.50[1]						
17 June 2002	1.00[1]						
16 July 2001	3.10[1]						
30 June 2000	3.10[1]						
Total dividends paid[2]	**52.20**	**41.50**	**36.50**	**33.50**	**30.50**	**25.50**	**18.00**

[1] - Dividend payment amounts have been restated following a capital reorganisation in October 2006.

[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 73 and at the top of this page.

Historical Performance data (Original fundraising in 1999)

The table below shows the historical performance of the original funds raised in 1999 since 31 January 2008.

As at	Net assets (£m)	Net asset value (NAV) per share (p)	NAV total return to shareholders since launch per share (p)[2]	Share price (p)[1]	Share price total return to shareholders (p)[2]
31 December 2014	50.29	118.21	170.41	102.50	154.70
31 December 2013	42.10	119.90	154.10	104.75	138.95
31 December 2012	33.50	117.30	144.00	102.50	129.20
31 January 2012	29.40	116.70	138.40	100.00	121.70
31 January 2011	25.30	112.90	131.60	103.50	122.20
31 January 2010	21.20	106.30	122.00	92.30	108.00
31 January 2009	21.00	104.60	118.30	92.00	105.70
31 January 2008	24.10	117.40	128.90	109.00	120.50

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

[2] - Total returns to Shareholders include dividends paid

Chronology of Mobeus Income & Growth 4 VCT plc

1998	Company launched as Triven VCT plc and managed by three managers, LICA, Elderstreet and GLE Development Capital.
1999	Company completed its first fundraising.
October 2002	LICA acquired by NOVA Capital Management.
April 2004	GLE Development Capital team joined Matrix Group to form Matrix Private Equity Partners and continues with the management of its share of the Company's portfolio in the Company.
July 2006	Matrix Private Equity Partners appointed as sole manager of the Company. Triven VCT plc changes its name to Matrix Income & Growth 4 VCT plc to be consistent with the Investment Adviser's change of name.
June 2012	Matrix Private Equity Partners became a fully independent firm owned by its partners and renames itself Mobeus Equity Partners LLP. Matrix Income & Growth 4 VCT plc changes its name to Mobeus Income & Growth 4 VCT plc to be consistent with the Investment Adviser's change of name.

Corporate Information

Directors (Non-executive)

Christopher Moore (Chairman)
Andrew Robson
Helen Sinclair

Secretary

Mobeus Equity Partners LLP
30 Haymarket
London
SW1Y 4EX

Company's Registered Office and Head Office

30 Haymarket
London
SW1Y 4EX

Company Registration Number

3707697

Investment Adviser, Promoter and Administrator

Mobeus Equity Partners LLP
30 Haymarket
London
SW1Y 4EX
Tel: 020 7024 7600
www.mobeusequity.co.uk

Website

www.mig4vct.co.uk

E-mail

vcts@mobeusequity.co.uk

Independent Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Receiving Agent

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

Sponsor

Howard Kennedy Corporate Service LLP
19 Cavendish Square
London
W1A 2AW

Solicitors

SGH Martineau LLP
No 1 Colmore Square
Birmingham
B4 6AA

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Tel: 0871 664 0324. Calls cost 10p per minute plus network extras. Lines are open 9.00am-5.30pm Mon-Fri.

Corporate Broker

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

VCT Status Adviser

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

Bankers

National Westminster Bank plc
City of London Office
PO Box 12258
1 Princes Street
London
EC2R 8BP

Mobeus Equity Partners LLP
30 Haymarket
London SW1Y 4EX

020 7024 7600
www.mig4vct.co.uk