INVESTMENT PRODUCTS

MATRIX INCOME & GROWTH 4 VCT PLC 4

A VENTURE CAPITAL TRUST

REPORT & ACCOUNTS

Annual Report and Accounts
for the year ended 31 January 2011

MATRIX

www.mig4vct.co.uk

Investment Objective

Strategy

Matrix Income & Growth 4 VCT plc ("MIG4", the "Company" or the "Fund") is a tax efficient company listed on the London Stock Exchange. It invests primarily in established and profitable unquoted companies.

Investment Objective

The VCT's objective is to provide investors with a regular income stream by way of tax free dividends and to generate capital growth through portfolio realisations which can be distributed by way of additional tax free dividends.

Dividend Policy

The VCT seeks to pay income dividends half-yearly. Subject to fulfilling certain regulatory requirements, the VCT also seeks to pay capital dividends at the year-end following portfolio realisations.

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Financial Highlights

Performance Summary

Year ended 31 January	Net assets (£m)	Net asset value per share (p)	Cumulative dividends paid per share (p)	NAV total return per share to shareholders since launch (p)	Share price [1](p)	Share price total return per share to shareholders since launch (p)
2011	25.3	112.9	18.7	131.6	103.5	122.2
2010	21.2	106.3	15.7	122.0	92.3	108.0
2009	21.0	104.6	13.7	118.3	92.0	105.7
2008	24.1	117.4	11.5	128.9	109.0	120.5
2007	9.8	116.3	10.7	127.0	91.0	101.7
2006	9.3	106.6	8.4	115.0	85.0	93.4

[1] Source: London Stock Exchange

Matrix Private Equity Partners LLP ("MPEP") became sole manager to the Company on 1 August 2006.

Return before and after income tax relief

The table below shows the NAV total returns at 31 January 2011 for a shareholder that invested **£10,000** in each fundraising undertaken by the Company:

Fundraising	**1999/2000**	**2006/2007**	**2010 (Top-up Offer) [3]**	**2011 (Joint Offer) [4]**
Issue price per share (p)	200 [1]	120.9 [2]	112.4	121.8
Number of shares held	5,000	8,271	8,896	8,210
Net asset value (NAV) at 31 January 2011 (£)	5,643	9,336	10,041	9,267
Dividends paid to shareholder since subscription (£)	935	662	267	-
NAV total return to shareholder since subscription (£)	6,578	9,998	10,308	9,267
Profit/(loss) before income tax relief (£) [5]	**(3,422)**	**(2)**	**308**	**(733)** [6]
Income tax relief	20% [7]	30%	30%	30%
Cost net of income tax relief (£)	8,000	7,000	7,000	7,000
Profit/ (loss) after income tax relief (£) [8]	**(1,422)**	**2,998**	**3,308**	**2,267**

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

2 Weighted average issue price of shares.

3 Top-Up Offer to raise up to £2.18 million.

4 Joint Offer for Subscription with Matrix Income & Growth VCT plc and The Income & Growth VCT plc to raise up to £21 million in total. Covers shares issued up to 5 April 2011.

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

6 Current unrealised loss results from initial Offer costs of 5.5% paid on subscription.

7 Additional capital gains tax deferral relief of up to £4,000 available to qualifying shareholders.

8 NAV total return minus cost net of income tax relief.

The data for the initial fundraising above includes the period up to 1 August 2006, when the Company used three investment advisers. The three subsequent fundraisings have raised capital which has been solely managed by MPEP.

Dividend history

Year ended 31 January	Dividends per share paid in respect of each year (p)	Cumulative dividends per share paid and proposed since launch (p)
2011	4.00	21.70
2010	3.00	17.70
2009	2.00	14.70
2008	2.00	12.70
2007	1.80*	10.70
2006	0.50*	8.90
2005	0.20*	8.40
2004	0.50*	8.20
2003	0.50*	7.70
2002	1.00*	7.20
2001	3.10*	6.20
2000	3.10*	3.10

Dividends paid include distributions from both income and capital.

* re-stated following capital reorganisation in 2006.

Proposed dividend

A final proposed dividend of 3 pence per share will be recommended to Shareholders at the AGM of the Company to be held on 20 June 2011 to be paid on 24 June 2011 and has been included in the above figures.

Chairman's Statement

I am pleased to present to Shareholders the Annual Report of the Company for the year ended 31 January 2011.

It is perhaps worth standing back and reviewing the performance of this Fund to date. The Fund initially had three managers. The performance of two of these three managers proved unsatisfactory. As a result your Board made a change by appointing Matrix Private Equity Partners LLP ("MPEP") as the sole manager in 2006. Since then, and despite the very deep economic downturn which has recently affected the UK economy, this Fund has made significant progress, as evidenced by the following:

- NAV total return and share price total return figures both showing positive returns.
- Net assets are moving towards £30 million. This is a recovery from 2007, when, as a result of the two terminated fund managers' poor performance, net assets were under £10 million. This makes the fund fully economic in its operations.
- The tax free dividend level has improved, with the dividends attributable to the 2010/11 financial year being 4p per share.
- The current discount at which the fund is repurchasing shares has narrowed to around 10%.

Performance

At 31 January 2011, the Net Asset Value (NAV) per Share was 112.9 pence (2010: 106.3 pence). Adjusted for the dividends paid to shareholders during the year, this represents an increase of 9.0% over the twelve month period. The NAV Total Return per Share since launch increased in the year by 7.9% from 122.0 pence at 31 January 2010 to 131.6 pence at 31 January 2011.

As the Company invests mainly in unquoted securities and cash, comparing the Company's performance with the performance of selected indices for quoted securities over the same period has limited validity. However, in the absence of more meaningful benchmarks, increases of 19.3% and 42.2% in the FTSE SmallCap and the FTSE All-Share AIM Indices respectively (on a dividend re-invested basis) occurred over the same period.

These figures make your Company's performance appear somewhat pedestrian by comparison. However, the AIM performance derives partly from the oil & gas element of the AIM market; these sectors are not open to VCT funds to invest in on a qualifying basis. Secondly, the AIM and SmallCap indices have tended to show greater volatility than the Company's portfolio.

Despite tough economic conditions, many of the portfolio companies continue to develop well. The Board is satisfied with the performance of the portfolio compared to its generalist VCT peers (a benchmark the Board uses), and supports the selective investment approach of the Manager. A continuation of current performance trends, if achieved, should yield a steady stream of dividends to shareholders over the longer term.

In this context, it is relevant to note that total dividends paid and proposed for the year to 31 January 2011 amount to 4 pence per share, the first time such a level has been paid in respect of a single year.

Economic background

The last year has seen a recovery in investor confidence. However, the fundamental position of the UK economy is that it is still heavily damaged by the financial policies of the last administration and by the banking crisis. Proper repair of this damage will be an extremely painful process; current government policy is to review public spending, while at the same time allowing the effects of quantitative easing and maintaining an artificially low interest rate structure to soften this pain. At some point interest rates will have to rise, particularly as inflation is now increasing, and this process, whenever it takes place, will affect recovery prospects.

External factors which could affect UK markets include the very major earthquake offshore Japan, and the political disruptions in the Middle East.

From an investors' point of view there are two main consequences. Firstly, the returns on uninvested cash have been very low during the period. Secondly, relatively early stage companies are particularly sensitive to the economic environment, and only companies with robust business models will survive or expand.

The portfolio

The portfolio continues to be dominated by investments in management buy-out situations ("MBOs"), which has risen to 63.9% with 31.8% in acquisition companies, 1.3% invested in one AIM investment and the remaining 3.0% of the portfolio being invested in what were originally development capital and early stage investments. The portfolio is now invested in a wide range of market sectors with the largest of those being Support Services at 33.2%. General Retailers at 24.7% is the next largest investment sector.

The fund held back on new investments during the downturn, but with a return to more normal markets your Manager has been more active in recent months. From regular meetings with the Investment Manager, the Board was well aware that a number of investment opportunities were under active consideration throughout the year. In the event, £2.4 million was invested. In October 2010, the fund invested in Aust Recruitment Group to support the MBO of RDL Corporation and during the last quarter made a further three investments in Faversham House, Omega Diagnostics and ASL Technology. Further details can be found in the Investment Manager's Review.

Disposals of investments in the year totalled £985,434. Stortext was sold in February, realising proceeds of £487,564 together with loan notes in the acquirer, Box-IT, of £25,759. Other divestments during the year consisted of the disposal of Campden Media and partial loan stock repayments from Westway Services, ATG Media, and DiGiCo. It is encouraging to note that Westway Services and DiGiCo made their loan repayments ahead of schedule, indicative of good cash generation.

The portfolio itself rose in value by £2.1 million in the year. Significant components of this increase in value included Blaze Signs Holdings, as a result of a recovery, and ATG Media and Iglu.com Holdings, both of which have traded strongly. Iglu.com prepaid its entire loan stock after the period end and in addition Vectair repaid its loan stock. The value of Monsal Holdings had risen at the half-year, as a third party invested at a higher value. Unfortunately, after the year end your Board was told that completion issues with an existing contract, together with delays in obtaining new contracts, have caused this investment definitely to require further funds than previously anticipated. Shortly before these accounts were approved, it became apparent that any new funds raised would require more attractive terms, at the expense of the existing investment that has been made to date. Consequently, the Manager advised the Board that the fair value of the Company's existing investment should, for the time being, be reduced to nil. The Board has accepted this advice, but remains hopeful that value can be still be realised in the future. It has agreed to participate in this further funding. As you will see from the Manager's review, other companies in the portfolio continue to trade profitably and to expand.

As at the year end the portfolio included six acquisition companies actively searching for further investments. A number of opportunities are under active consideration.

For further information on the portfolio please refer to the Investment Manager's Review.

Offer for Subscription

Matrix Income & Growth 4 VCT plc currently has a linked offer for subscription together with Matrix Income & Growth VCT plc, and The Income & Growth VCT plc. This is aimed at raising up to £7m for the Company. As at 16 May 2011, £5.2m has been subscribed for the Company, and your Company has allotted 4,413,586 new ordinary shares so far.

Cash available for investment

Cash and liquidity fund balances as at 31 January 2011 together with funds in acquisition companies, amounted to £10.7m. These funds continue to be invested in a number of leading cash funds and deposits with major banks. Despite the frustration of very low returns, your Board has taken the view that it would not be prudent to increase counter party or timing exposures for a relatively small overall increase in the return rates. However, the Board continues to keep this policy under active review.

Revenue account

The revenue return for the Company has increased markedly during the year, from £32,781 to £119,808. Three main factors affected the overall increase in income to £636,426, from £489,753 for the year to 31 January 2010. Firstly, loan interest from investee companies has increased by £141,939 (43%) to £469,393. This is due to the benefit of further investments made near the end of 2009, notably Iglu.com Holidays and CB Imports. Additionally, two investee companies have resumed loan stock interest payments as they begin to return to more normal levels of profitability.

Secondly, the Company's dividend income from investee companies also rose by £77,646 (154%) to £127,836 during the year, compared to £50,190 for the year to 31 January 2010, predominantly due to dividends received from ATG Media and DiGiCo for the first time.

Finally, in contrast, interest on bank deposits and money-market funds continued to decline, falling to £36,653 compared to £96,414 and £698,799 for the years ended 31 January 2010 and 31 January 2009, respectively. Low yields and reducing cash levels, as funds are utilised in new investments, have been the main factors affecting returns on cash.

Against this net improvement in income, there were increases in costs totalling £127,724, principally due to increases in net assets.

Dividend

A final dividend of 2 pence per share in respect of the year ended 31 January 2010 was paid in June 2010, and your Company paid an interim dividend of 1 penny per share in November 2010 in respect of the year under review.

Cumulative dividends paid to date amount to 18.7 pence per share.

The Company's revenue return per Ordinary Share improved to 0.57 pence per share (2010: 0.16 pence per share). The Board will be recommending a final dividend of 3 pence per share, comprising 0.4 pence from income and 2.6 pence from capital in respect of the year under review, at the Annual General Meeting to be held on 20 June 2011. Subject to shareholder approval, this dividend will be paid on 24 June 2011 to shareholders on the register on 3 June 2011, which will bring total cumulative dividends paid to 21.7 pence per share.

Dividend Investment Scheme

Shareholders have the opportunity of reinvesting all or part of their dividends into new Ordinary Shares of the Company at the higher of an amount equivalent to (i) the mid-market share price (averaged over the last 5 business days) or (ii) a 30% discount to the unaudited last published NAV per share. It provides a convenient, easy and cost effective way for Shareholders to build their shareholding in the Company. The final dividend proposed above and subject to shareholder approval will be eligible for the Scheme.

Shareholders that wish to participate in the Scheme should contact Capita Registrars, whose contact details can be found on page 73. Please note that Shareholders must be registered no later than 15 days prior to the dividend payment date to be eligible for the Scheme.

Share buy-backs

During the year ended 31 January 2011 the Company continued to implement its buy-back policy and bought back 610,555 Ordinary Shares, representing 3.1% of the shares in issue at 1 February 2010 at a total cost of £582,286. These shares were subsequently cancelled by the Company.

The shares above were bought back for an average price of 95.4 pence per share. The share price discount to NAV has narrowed from 13% at the start of the year to around 10% at the year end, in line with the Board's current policy.

Shareholder communication

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

The Investment Manager held a successful and well attended shareholder workshop in December 2010 and intends to hold a similar event in late 2011.

The Board

Under the provisions of the AIC code and the revised listing rules for VCTs which came into effect in September 2010, Colin Hook stood down as Chairman and as a director of the Company. Following this, I was appointed Chairman of the Company. On 1 August 2010, Andrew Robson joined the Board and became Chairman of the Audit Committee in my place. Andrew has strong relevant experience in the unquoted investment area and is also on the board of several leading investment companies.

I would like to thank Colin for his long and diligent chairing of your Company which has seen it move to a sole manager operation and become a leading VCT in the generalist sector.

Outlook

Whilst markets have returned to more normal trading conditions, the outlook for the UK economy is mixed. Government debt remains at relatively high levels and public expenditure needs to be far more disciplined.

However, many of the portfolio companies are trading profitably at the operating level. Having held back on investment during the downturn, the Company retains a significant cash position. The Manager is now seeing more investment opportunities at realistic purchase levels. Your Board hopes that investments recently made, and to be made over the next year, will contribute to enhancing the Company's performance which includes the objective of attractive dividend payments.

Christopher Moore
Chairman
16 May 2011

Investment Policy

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

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

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

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

UK companies
The companies in which investments are made must have no more than £15 million of gross assets at the time of investment to be classed as a VCT qualifying holding. The £14.9 million of Funds raised by the Company after 6 April 2006 are subject to a £7 million gross assets test for an investment to be VCT qualifying.

VCT regulation
The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC. Amongst other conditions, the Company may not invest more than 15% of its investments in a single company and must have at least 70% by value of its investments throughout the year in shares or securities comprised in VCT qualifying holdings, of which a minimum overall of 30% by value must be ordinary shares which carry no preferential rights. In addition, although the Company can invest less than 30% of an investment in a specific company in ordinary shares it must have at least 10% by value of its total investments in each VCT qualifying company in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules).

The VCT regulations in respect of funds raised after 6 April 2011 will change, such that 70% of such funds must be invested in equity.

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

Risk diversification and maximum exposures
Risk is spread by investing in a number of different businesses across different industry sectors. To reduce the risk of high exposure to equities, each qualifying investment is structured using a significant proportion of loan stock (up to 70% of the total investment in each VCT qualifying company). Initial investments in VCT qualifying companies are generally made in amounts ranging from £200,000 to £1 million at cost. No holding in any one company will represent more than 10% of the value of the Company's investments at the time of investment. Ongoing monitoring of each investment is carried out by the Investment Manager, generally through taking a seat on the board of each VCT qualifying company.

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

Borrowing
The Company's Articles permit borrowings of amounts up to 10 per cent. of the sum equal to the aggregate of the amount paid up on the allotted or issued share capital of the Company and the amount standing to the credit of the capital and revenue reserves of the Company (whether or not distributable) after adding thereto or deducting therefrom any balance standing to the credit or debit of the profit and loss account. However, the Company has no current plans to undertake any borrowing.

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

Investment Portfolio Summary

as at 31 January 2011

	Ordinary Shares		Other Investments (loan stock/preference shares)		Total								
	Cost at 31-Jan-11 £	Valuation at 31-Jan-11 £	Cost at 31-Jan-11 £	Valuation at 31-Jan-11 £	Cost at 31-Jan-11 £	Valuation at 31-Jan-10 £	Additional investments £	Valuation at 31-Jan-11 £	Unrealised gains/ (losses) in the year £	Realised gains/ (losses) in the year £	Proceeds in the year £	% of equity held	% of portfolio by value
Matrix Private Equity Partners Portfolio													
DiGiCo Europe Limited Manufacturer of audio mixing desks	386,522	1,782,985	109,130	117,225	495,652	1,697,193	-	1,900,210	277,762	-	74,745	6.52%	10.05%
Iglu.com Holidays Limited Online ski and cruise travel agent	131,737	541,951	746,512	878,249	878,249	878,249	-	1,420,200	541,951	-	-	7.15%	7.51%
ATG Media Holdings Limited Publisher and online auction platform operator	355,556	653,730	533,333	639,777	888,889	905,295	-	1,293,507	499,323	-	111,111	8.50%	6.84%
CB Imports Group Limited Importer and distributor of artificial flowers, floral sundries and home décor products	175,000	242,622	825,000	1,000,000	1,000,000	1,000,000	-	1,242,622	242,622	-	-	6.00%	6.57%
Focus Pharma Holdings Limited Licensor and distributer of generic pharmaceuticals	270,359	333,860	502,092	726,889	772,451	885,606	-	1,060,749	175,143	-	-	3.10%	5.61%
Aust Recruitment Group Limited Recruitment consultants for the pharmaceutical, business intelligence and IT industries	173,932	173,932	826,068	826,068	1,000,000	-	1,000,000	1,000,000	-	-	-	9.05%	5.29%
Backbarrow Limited Food manufacturing, distribution and brand management	400,000	400,000	600,000	600,000	1,000,000	1,000,000	-	1,000,000	-	-	-	16.66%	5.29%
Bladon Castle Management Limited Brand management, consumer products and retail	400,000	400,000	600,000	600,000	1,000,000	1,000,000	-	1,000,000	-	-	-	16.66%	5.29%
Fullfield Limited Food manufacturing, distribution and brand management	400,000	400,000	600,000	600,000	1,000,000	1,000,000	-	1,000,000	-	-	-	16.66%	5.29%
Rusland Management Limited Brand management, consumer products and retail	400,000	400,000	600,000	600,000	1,000,000	1,000,000	-	1,000,000	-	-	-	24.50%	5.29%
Torvar Limited Database management, mapping, data mapping and management services to legal and building industries	400,000	400,000	600,000	600,000	1,000,000	1,000,000	-	1,000,000	-	-	-	24.50%	5.29%
Vanir Consultants Limited Database management, mapping, data mapping and management services to legal and building industries	400,000	400,000	600,000	600,000	1,000,000	1,000,000	-	1,000,000	-	-	-	16.67%	5.29%
ASL Technology Holdings Limited Printer and photocopier services	297,099	297,099	550,967	550,967	848,066	-	848,066	848,066	-	-	-	6.78%	4.49%
Westway Services Holdings (2010) Limited Installation, service and maintenance of air conditioning systems	38,688	358,982	197,408	287,089	236,096	526,041	-	646,071	253,146	-	133,116	3.15%	3.42%
Blaze Signs Holdings Limited Manufacturer and installer of signs	183,005	7,396	427,011	552,827	610,016	110,681	-	560,223	449,542	-	-	5.72%	2.96%
British International Holdings Limited Helicopter service operator	56,250	110,185	239,205	323,360	295,455	191,887	-	433,545	241,658	-	-	2.50%	2.29%
Higher Nature Limited Mail order distributor of vitamins and natural medicines	500,127	429,671	-	-	500,127	682,568	-	429,671	(252,897)	-	-	10.34%	2.27%
VSI Limited Provider of software for CAD and CAM vendors	17,726	252,059	94,202	117,520	111,928	382,667	-	369,579	(13,088)	-	-	4.21%	1.96%
Youngman Group Limited Manufacturer of ladders and access towers	50,027	-	449,999	349,983	500,026	349,983	-	349,983	-	-	-	4.24%	1.85%
Faversham House Holdings Limited Publlisher, exhibition organiser and operator of websites for the environmental, visual communications and building services sectors	131,465	131,465	215,023	215,023	346,488	-	346,488	346,488	-	-	-	6.26%	1.83%
Omega Diagnostics Group plc [1] In-vitro diagnostics for food intolerance, autoimmune diseases and infectious diseases	199,998	241,664	-	-	199,998	-	199,998	241,664	41,666	-	-	1.96%	1.28%
Vectair Holdings Limited Designer and distributor of washroom products	24,643	90,995	75,357	90,411	100,000	170,535	-	181,406	10,871	-	-	2.14%	0.96%
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	122,043	-	284,762	174,507	406,805	59,138	-	174,507	115,369	-	-	5.70%	0.92%
The Plastic Surgeon Holdings Limited Snagging and finishing of domestic and commercial properties	45,884	-	412,953	114,709	458,837	114,709	-	114,709	-			6.88%	0.61%
Duncary 8 Limited (trading as BG Consulting Limited) City-based provider of specialist technical training	25,328	3,102	101,667	101,667	126,995	33,725	-	104,769	71,044	-	-	5.10%	0.56%
Box-it Data Management Limited Document management and storage	-	-	25,759	25,759	25,759	-	25,759	25,759	-	-	-	N/A	0.15%
Letraset Limited Manufacturer and distributor of graphic art products	150,000	19,540	-	-	150,000	-	-	19,540	19,540	-	-	5.00%	0.11%

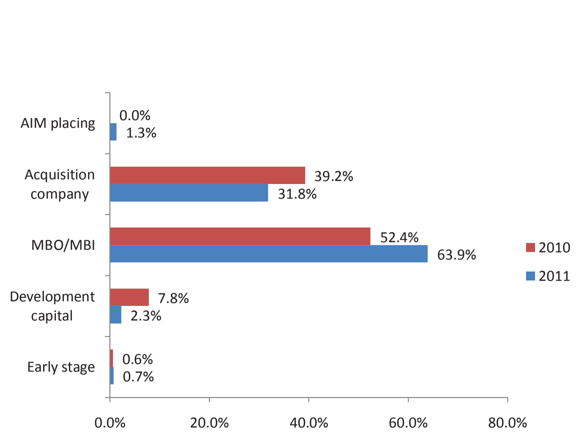
Investment Portfolio Summary
as at 31 January 2011

	Ordinary Shares		Other Investments (loan stock/preference shares)		Total								
	Cost at 31-Jan-11	Valuation at 31-Jan-11	Cost at 31-Jan-11	Valuation at 31-Jan-11	Cost at 31-Jan-11	Valuation at 31-Jan-10	Additional investments	Valuation at 31-Jan-11	Unrealised gains/ (losses) in the year	Realised gains/ (losses) in the year	Proceeds in the year	% of equity held	% of portfolio by value
PXP Holdings Limited Designer, manufacturer and supplier of timber frames for buildings	168,217	-	511,332	-	679,549	-	-	-	-	-	-	4.98%	0.00%
Monsal Holdings Limited Supplier of engineering services to the water and waste sectors	216,313	-	419,700	-	636,013	675,928	1,717	-	(607,170)	-	70,475	6.37%	0.00%
Campden Media Limited Magazine publisher and conference organiser	-	-	-	-	-	34,024	-	-	-	96,884	130,908	N/A	0.00%
Legion Group plc (formerly Sectorguard plc) Provider of manned guarding, patrolling and alarm response services	150,102	-	-	-	150,102	64,323	-	-	-	(64,323)	-	0.72%	0.00%
Stortext FM Limited Provider of document management software and services	-	-	-	-	-	445,866		-	-	19,213	465,079	N/A	0.00%
Total	6,270,021	8,071,238	11,147,480	10,692,030	17,417,501	15,208,418	2,422,028	18,763,268	2,066,482	51,774	985,434		99.27%
Former Elderstreet Private Equity Portfolio													
Cashfac Limited Provider of virtual banking application software solutions to corporate customers	260,101	111,054	-	-	260,101	63,125	-	111,054	47,929	-	-	3.04%	0.59%
Sparesfinder Limited Supplier of industrial spare parts online	250,854	26,568	-	-	250,854	19,197	854	26,568	6,517	-	-	1.70%	0.14%
Sift Group Limited Developer of business-to-business internet communities	130,116	-	-	-	130,116	1,226		-	(1,226)	-	-	1.03%	0.00%
Total	641,071	137,622	-	-	641,071	83,548	854	137,622	53,220	-	-		0.73%
Investment Managers' Total	**6,911,092**	**8,208,860**	**11,147,480**	**10,692,030**	**18,058,572**	**15,291,966**	**2,422,882**	**18,900,890**	**2,119,702**	**51,774**	**985,434**		**100.00%**

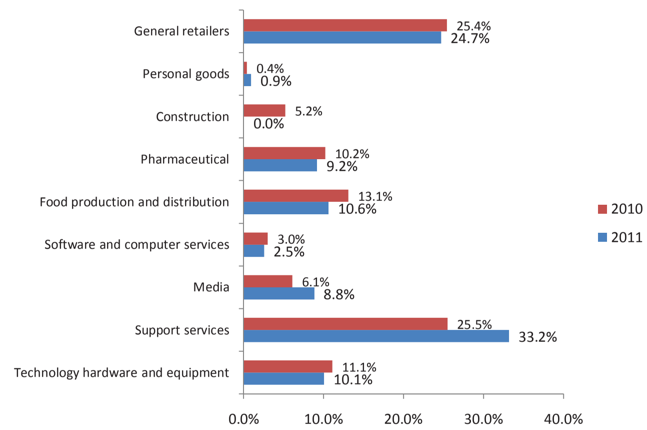
1 Quoted on AiM

Investments at valuation at 31 January 2011

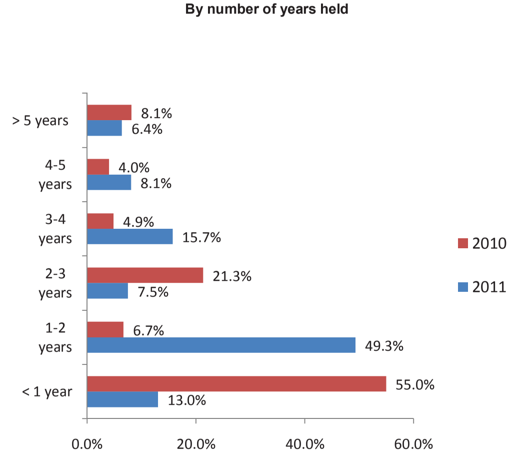
By stage of development



By market sector



By number of years held



Investment Manager's Review

Overview

The first half of the year ended 31 January 2011 saw the continuation of the economic uncertainty that has affected new investment activity since 2008. However, the latter part of the year has shown signs of improvement in our investment marketplace. We are increasingly confident that the UK economic environment is beginning to generate conditions for greater numbers of attractively priced new investment opportunities. Portfolio companies are also more optimistic following an extended period of challenging trading conditions in most market sectors.

Our strategic response to the significant increase in deal flow is to focus on companies with strong and defensible market positions within their sectors, rather than targeting specific market sectors. However, we remain alert to the potential impact of cuts in public spending that are being implemented by the Coalition Government on the UK economy.

We have been appreciative of the Board's support through a period when we have thought it prudent to retain funds until economic conditions improved, rather than continue to invest during the downturn. Where we have chosen to invest, our strategy has also been to ensure that the companies were properly capitalised at the time of investment so that they were well positioned to contend with adverse market conditions. This, together with our focus on MBOs of established, profitable companies, has enabled us to build a resilient portfolio which has largely weathered the recession very well.

It is important to note that during the year, no further funding has been required by any of the investee companies to help them deal with trading downturns with the exception of Monsal (see below) where a commitment has been made after the year end. We have continued to work actively with the management teams of investee companies, encouraging them to take cost cutting measures and discussing their budgets, forecasts and cost structure with them to ensure that their businesses remain as resilient as possible. The majority of investee companies have managed their cashflow well and remain cash-generative.

New investment

The second half of the year was much busier in terms of investment activity, with four new investments completing during this period. The first, in October, was an investment of £1 million in Aust Recruitment Group Limited to support the MBO of RDL Recruitment Corporation, a European recruitment provider within the pharmaceutical, business intelligence and IT sectors based in London and Woking. The company, which employs 70 staff, was established in 1992. It sources staff for over 300 major companies, matching niche professionals with "hard to fill" contract assignments and staff positions.

The remaining investments all completed in December:

£346,488 was invested to support the MBO of Faversham House Group Limited. Based in Croydon, this is an established media company providing magazines, exhibitions and online resources in the environment and sustainability, visual communications and building services sectors.

The Company invested £199,998 into the AiM listed Omega Diagnostics Group plc. Based in Alva, Scotland this company provides high quality in vitro diagnostics products for use in hospitals, blood banks, clinics and laboratories in over 100 countries and specialises in the areas of food intolerance, autoimmune and infectious diseases. The share price has moved up since investment, giving an early uplift from cost of £41,666 at 31 January 2011.

Finally, the Company invested £848,066 in Apricot Trading Limited to support the MBO of Automated Systems Group plc, a Cambridge based printer and copier services business with a broad customer base of schools and SMEs. Apricot Trading has subsequently changed its name to ASL Technology Holdings Limited.

Our Operating Partner programme continues to pursue an active search for investment opportunities in their chosen sectors. Your Company's acquisition companies, Backbarrow, Bladon Castle Management, Fullfield, Rusland Management, Torvar and Vanir Consultants, are each headed by an experienced Chairman, well-known to us, who is working closely with us in seeking to identify and complete investments in sectors relevant to their industry knowledge and experience. These companies have not yet found sufficiently attractive investment opportunities at the right price. However, the Operating Partner programme has been successful for other Matrix-advised VCTs, leading the investments in RDL Recruitment and Automated Systems Group referred to above. We anticipate that the Operating Partner programme will lead to further new investments during 2011.

Realisations

We are pleased to report that a number of companies in the portfolio continue to be strongly cash generative. As a result of this the Company has received a total of £342,671 in loan stock repayments plus premiums during the year. Amongst these, DiGiCo Europe continues to make regular repayments, the latest amount being £69,565 received in June 2010 plus a premium of £5,180. Monsal repaid £70,475 in July; Westway made loan prepayments totalling £91,520 plus a premium of £41,596 in September and November; and ATG Media repaid £111,111 in October.

Since the year-end, Iglu.com and Vectair have both repaid their loan stock in full, realising £744,470 and £75,268 plus premiums of £131,737 and £15,054 respectively for the Company. It is particularly impressive that Iglu.com has generated sufficient cash in the short time since investment in December 2009 to make this repayment possible.

In January, the Company realised its entire investment in Campden Media for a cash consideration of £130,908, representing 85.8% of total investment cost of £152,620. This compares to a valuation at 31 October 2010 of £54,118. The total cash return from the investment (including interest paid) amounted to £159,061, or 104% of cost.

The Portfolio

The MPEP invested portfolio at 31 January 2011 comprised thirty investments (2010: twenty-eight) with a cost of £17.4 million (2010: £16.5 million) and valued at £18.8 million (2010: £15.2 million), representing 107.7% of cost (2010: 92.1%). Realisations during the year generated cash proceeds of £985,434.

The three investments made in 2009 in Westway, CB Imports and Iglu.com are all now valued above cost following out-performance of their business plans at the time of investment. Despite seeing a fall in licence income, VSI has gained from the relative weakness of sterling against the US dollar. This company paid a dividend to the VCT of £5,220 in April 2010. Vectair continues to expand its export business and is now making good progress in the US market. Focus Pharma continues to trade well, although it ended its financial year slightly behind a stretching budget. It expects to progress further with several new product launches due during 2011.

The construction and house building sectors remain weak and Youngman, PXP and Plastic Surgeon continue to trade well below pre-economic downturn levels. Each business has reduced its costs and managed its cash resources effectively. Youngman has almost fully repaid its acquisition bank debt since investment and is well positioned to benefit from any upturn in its markets. PXP has moved away from its dependence on private and public sector house builds towards commercial buildings including hotels, doctors' surgeries and convenience stores. Plastic Surgeon has diversified into commercial property and insurance markets.

As reported in the Chairman's Statement, the Manager has assessed that the pending round of additional funding that Monsal requires (which your Company intends to participate in), is likely to have priority over the existing investment. Accordingly, we have reassessed the assumptions made in the valuation and advised that the existing investment held at the year-end be valued at nil for the time being. We retain the view that the potential for this environmental business remains considerable, albeit that realisation of that potential has been deferred. Blaze Signs has recovered strongly over the year and enjoyed particularly strong autumn months. Racoon has continued to recover profitability during 2010.

Disappointingly, Legion Group requested a suspension of trading of its shares in July 2010 pending clarification of the company's financial position. Legion had a healthy order book but continued to suffer working capital constraints. On 6 August 2010, the board appointed administrators and the business was subsequently sold to OCS Group.

Higher Nature has been trading below its budget for the year and as a result its valuation has been written down during the year. We are working closely with the management team to return the business to its historic profitability.

The VCT's investment in BG Consulting Group was re-structured during the year. As a result, the VCT's new loan stock investment has a higher prior right to the assets of the business, which has increased the value of your Company's investment. Letraset's valuation has increased from nil to £19,540 during the year following increased demand for its ProMarker pens.

The investments originally made by Elderstreet continue to suffer the effects of the downturn but each management team is confident that signs of improved trading can be maintained. We remain hopeful that value will be realised from the remaining investments, although their impact on the Company as a whole is now very small.

Our strategy remains to invest in strong, profitable companies and we consider that the prospect of further recovery and progress over the medium term is good. We believe that the portfolio, taken as a whole, is resilient and of high quality.

Outlook

Whilst we cannot be sure of the extent of UK economic recovery, we have been encouraged by changes in the year and we look forward to a productive new investment period. Although the coming months are likely to prove more testing as the public sector cuts begin to take effect, we consider that good quality companies of the calibre in which we seek to invest, capable of maintaining competitive advantage, have the potential to succeed in this environment. We are seeing the confidence of both vendors and sellers return. Having retained significant uninvested cash, which will be bolstered by the current fundraising, we consider the Company is very well placed to cover both any portfolio needs and funding for attractive new investment opportunities that may arise.

Details of the Company's ten largest investments by value (excluding the six acquisition companies), representing 38.9% by cost and 55.1% by value of the portfolio:

DiGiCo Europe Limited

Cost:	£495,652
Valuation:	£1,900,210
Basis of valuation:	Discounted earnings multiple
Equity % held:	6.5%
Business:	Designer and manufacturer of digital sound mixing consoles
Location:	Chessington, Surrey
History:	Management buy-out
Income in year:	£80,035

Audited financial information:

Year ended	Turnover	Operating profit *	Net assets
31 December 2009	£12,922,000	£3,026,000	£5,660,000

Iglu.com Holidays Limited

Cost: £878,249
Valuation: £1,420,200
Basis of valuation: Discounted earnings multiple
Equity % held: 7.2%
Business: Online ski and cruise travel agent
Location: Wimbledon
History: Management buy-out
Income in year: £59,720
Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 May 2010 [1]	£56,617,000	£974,000	£5,151,000

[1] The financial information quoted above relates to the operating subsidiary, Iglu.com Limited.

ATG Media Holdings Limited

Cost: £888,889
Valuation: £1,293,507
Basis of valuation: Discounted earnings multiple
Equity % held: 8.5%
Business: Publisher and online auction platform operator
Location: London
History: Management buy-out
Income in year: £72,928
Audited financial information:

Year ended	Turnover	Operating profit	Net assets
30 September 2010	£7,215,000	£1,261,000	£2,505,000

CB Imports Group Limited

Cost: £1,000,000
Valuation: £1,242,622
Basis of valuation: Discounted earnings multiple
Equity % held: 6.0%
Business: Importer and distributor of artificial flowers, floral sundries and home décor products
Location: East Ardsley, West Yorkshire
History: Management buy-out
Income in year: £72,022
Audited financial information:

14 months ended	Turnover	Operating profit	Net assets
31 December 2009	£19,755,000	£2,437,000	£8,358,000

The financial information quoted above relates to the operating subsidiary, CB Imports Limited.

Focus Pharma Holdings Limited

Cost:	£772,451
Valuation:	£1,060,749
Basis of valuation:	Discounted earnings multiple
Equity % held:	3.1%
Business:	Licensing and distribution of generic pharmaceuticals
Location:	Burton upon Trent, Staffordshire
History:	Management buy-out
Income in year:	£63,999

Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 December 2009	£16,997,000	£1,151,000	£2,917,000

Aust Recruitment Group Limited

Cost:	£1,000,000
Valuation:	£1,000,000
Basis of valuation:	Cost of recent investment
Equity % held:	9.1%
Business:	Recruitment consultants for the pharmaceutical, business intelligence and IT industries
Location:	Woking, Surrey
History:	Management buyout
Income in year:	£21,701
Audited financial information:	First audited accounts since investment will be for the year ended 31 December 2010

ASL Technology Holdings Limited (formerly Apricot Trading Limited)

Cost:	£848,066
Valuation:	£848,066
Basis of valuation:	Cost of recent investment
Equity % held and voting rights:	6.8% (fully diluted)
Business:	Supplier of printer and photocopier services
Location:	Cambridge
History:	Management buyout via acquisition vehicle
Income in year:	£6,189
Audited financial information:	First audited accounts since investment will be for the year ended 30 September 2011

Westway Services Holdings (2010) Limited (formerly MC 440 Limited)

Cost: £236,096
Valuation: £646,071
Basis of valuation: Discounted earnings multiple
Equity % held: 3.2%
Business: Installation, service and maintenance of air conditioning systems
Location: Greenford, Middlesex
History: Management buy-out
Income in year: £28,222
Audited financial information:

Year ended	Turnover	Operating profit	Net assets
28 February 2010	£13,352,000	£1,867,000	£1,826,000

Blaze Signs Holdings Limited

Cost: £610,016
Valuation: £560,223
Basis of valuation: Discounted earnings multiple
Equity % held and voting rights: 5.7%
Business: Manufacturer and installer of signs
Location: Broadstairs, Kent
History: Management buyout
Income in year: £24,704
Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 March 2010	£15,826,000	£414,000	£2,834,000

British International

Cost: £295,455
Valuation: £433,545
Basis of valuation: Discounted earnings multiple
Equity % held: 2.5%
Business: Helicopter Services Operators
Location: Sherborne, Dorset
History: Management buy-out
Income in year: £6,396
Audited financial information:

Year ended	Turnover	Operating profit	Net assets
31 December 2009	£16,050,000	£945,000	£2,969,000

Note: Operating profit for each of the above investments is stated before charging amortisation of goodwill.

Further details of the investments in the MPEP portfolio may be found on MPEP's website: www.matrixpep.co.uk

Board of Directors

Christopher Moore

Status: Independent, Non-Executive Chairman

Age: 66

Date of appointment: 1 April 2002

Experience: Christopher has considerable experience of the venture capital industry. After a law degree and qualifying as an 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 and Matrix Income & Growth 3 VCT and until September 2010 he was a director of The Income & Growth VCT.

Last re-elected to the Board: May 2008, standing for re-election at the forthcoming Annual General Meeting;

Committee memberships: Audit Committee (Chairman until 27 September 2010), Investment Committee, Nominations and Remuneration Committee

Remuneration 2010/11: £27,796

Relevant relationships with the Investment Manager or other service providers: None

Shareholding in the Company: 32,464 Ordinary Shares

Andrew Robson

Status: Independent, Non-Executive Director

Age: 52

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 12 years of experience as a non-executive director, including with investment companies. He is currently a non-executive director of British Empire Securities and General Trust PLC (from August 2008), Shires Income PLC (from May 2008) and JP Morgan Smaller Companies Investment Trust PLC (from 2007). Andrew was a non-executive director of Edinburgh UK Smaller Companies Tracker Trust PLC from 1998 to 2006, M&G Equity Investment Trust PLC from 2007 until 2011 and Gate Gourmet Group Holding LLC from 2006 to 2007.

Last re-elected to the Board: Appointed during the year and standing for election at the forthcoming Annual General Meeting;
Committee memberships: Audit Committee (Chairman), Investment Committee, Nominations and Remuneration Committee;
Remuneration 2010/11: £13,277
Relevant relationships with the Investment Manager or other service providers: None
Shareholding in the Company: 4,358 Ordinary Shares

Helen Sinclair
Status: Non-Executive Director
Age: 45
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 has since raised two funds, Matrix Income & Growth 2 VCT plc (formerly Matrix e-Ventures VCT plc) and Matrix Enterprise Fund. She is a non-executive director of The Income & Growth VCT plc, Framlington AIM VCT plc and Spark Ventures plc, and is Chairman of British Smaller Companies VCT plc.

Last re-elected to the Board: May 2009, standing for re-election at the forthcoming Annual General Meeting.
Committee memberships: Investment Committee (Chairman), Audit Committee, Nominations and Remuneration Committee
Remuneration 2010/11: £26,000
Relevant relationships with the Investment Manager or other service providers: Director of The Income & Growth VCT plc which is also advised by Matrix Private Equity Partners LLP.
Shareholding in the Company: 11,002 Ordinary Shares

Directors' Report

The Directors present the Annual Report and Audited Accounts of the Company for the year ended 31 January 2011.

Business and principal activities

The principal activity of the Company during the year was the investment in unlisted or AiM-quoted companies in the United Kingdom.

The Company's Ordinary Shares in the capital of the Company were first admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange on 9 March 1999.

The Company has satisfied the requirements for full approval as a Venture Capital Trust by HM Revenue & Customs (HMRC) under section 274 of the Income Tax Act 2007 (the "ITA") throughout the year ended 31 January 2011. It is the Directors' intention to continue to manage the Company's affairs in such a manner so as to comply with section 274 and remain as a Venture Capital Trust.

To enable capital profits 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 2006 Act") on 28 July 2008.

All the businesses of the investee companies are within the United Kingdom.

Business review

For a review of the Company's development and performance during the year, please see the Chairman's Statement on pages 3 - 7 and the Investment Portfolio Summary and Investment Manager's Review on pages 10 - 18 of this Report. The Financial Highlights on pages 1 – 2 provide data on the Company's key performance indicators.

The Board reviews performance by reference to various measures, taking account of the long term nature of the assets in which the Company invests:

- **Total return**
  The total return per share is the key measure of performance for the Company which comprises NAV plus cumulative dividends paid per share. NAV is calculated quarterly in accordance with the IPEVCV guidelines. The Company's net assets increased during the year under review resulting in an 9.0% increase in NAV per share (after adding-back dividends paid during the year) and a 7.9% increase in total NAV return per share.

- **Total expense ratio (TER)**
  Under the terms of the management agreement, the total management and administration expenses of the VCT, excluding any irrecoverable VAT and exceptional items, are capped at 3.4% of closing net assets. The TER of the Company for the year under review was 3.46% (2010: 3.5%) which includes

irrecoverable VAT of 0.13% (2010: 0.1%). There was therefore no breach of the expense cap for the year under review (2010: £25,194).

Principal risks

The Board believes that the principal risks faced by the Company are:

- **Economic risk** – 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.

- **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.

- **Investment and strategic** – inappropriate strategy or consistently weak VCT qualifying investment recommendations might lead to underperformance and poor returns to shareholders.

- **Regulatory –** the Company is required to comply with the Companies Act 2006 ("the Companies Act"), the listing rules of the UK Listing Authority and United Kingdom Accounting Standards. Breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report. In addition, rules and regulations, or their interpretation, may change from time to time, which may limit the types of investments the Company can make and/or reduce the level of returns which would otherwise be achievable.

- **Financial and operating risk** – inadequate controls might lead to misappropriation of assets. Inappropriate accounting policies might lead to misreporting or breaches of regulations. Failure of the Investment Manager's and Administrator's accounting systems or disruption to its business might lead to an inability to provide accurate reporting and monitoring.

- **Market risk** – Investment in unquoted companies, by its nature, involves a higher degree of risk than investment in companies traded on the London Stock Exchange main market. In particular, 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. They may also be more susceptible to changes to political, exchange rate, taxation, economic and other regulatory changes and conditions.

- **Asset liquidity risk** – The Company's investments may be difficult to realise, especially in the current economic climate.

- **Market liquidity risk** – Shareholders may find it difficult to sell their shares at a price which is close to the net asset value.

- **Counterparty risk** – A counterparty may fail to discharge an obligation or commitment that it has entered into with the Company.

For further information on the last four risks, please see Note 20 to the accounts on pages 61 – 68.

The Board seeks to mitigate the internal risks by setting policies and by undertaking a key risk management review at each quarterly Board meeting. Performance is regularly reviewed and assurances in respect of adequate internal controls and key risks are sought and received from the Investment Manager on a six monthly basis. In mitigation and in management of these risks, the Board applies rigorously the principles detailed in the AIC Code of Corporate Governance. The Board also has a Share Buy Back policy which seeks to mitigate the Market Liquidity risk. This policy is reviewed at each quarterly Board Meeting.

Future developments
The objective of the Company continues to be to provide Shareholders with an attractive investment return, principally by maximising the stream of dividend distributions from the income and capital gains generated by a portfolio of investments in a wide variety of unquoted companies in the United Kingdom. The Directors intend to continue to pursue this objective throughout the coming year.

Share capital

Top-up Offer
The Company launched a Top-up Offer on 20 January 2010 to raise up to £2.18 million and it closed on 6 April 2010 having raised £1.67 million. 1,479,320 Ordinary Shares were issued under the Top-up Offer at 112.4 pence per share (net of the shares forfeited for non-payment of the purchase price).

Dividend Investment Scheme
The Company issued a total of 40,089 Ordinary Shares to shareholders participating in its Dividend Investment Scheme on 14 June and 18 November 2010. Further details can be found below under “Dividend Investment Scheme”.

Joint Offer for Subscription
The Company issued 1,589,376 Ordinary Shares at 121.8 pence per share on 21 January 2011, under the joint Offer for Subscription with Matrix Income & Growth VCT plc and The Income & Growth VCT plc launched on 12 November 2010 to raise up to £21 million (the “Offer”). Since the year end, the Company has made five further allotments under the Offer:

Allotment date	No. of Ordinary Shares issued	Issue price (p)
28 February 2011	274,774	121.8
22 March 2011	976,786	121.8
1 April 2011	712,407	121.8
5 April 2011	557,943	121.8
10 May 2011	302,300	119.5
Total	**2,824,210**	

To date the Offer has raised £5.08 million for the Company and is expected to close on 30 June 2011.

Share buybacks
The Company currently has authority to purchase its own shares pursuant to section 701 of the Companies Act 2006 as approved by Shareholders on 27 May 2010. For further details please see Note 15 to the accounts on page 59 of this Report. A resolution to renew this authority will be put to members at the Annual General Meeting to be held on 20 June 2011 (see below). During the year the Company bought back 610,555 Ordinary Shares of 1 penny each (being £6,106 nominal value and 3.06% of the shares in issue at 1 February 2010) at a total cost of £582,286. These shares were subsequently cancelled by the Company.

Forfeiture of shares
On 11 June 2010, 4,581 Ordinary Shares allotted under the Top-up Offer were forfeited for non-payment of the purchase and the shares were cancelled by the Company.

The issued Ordinary Share capital of the Company as at 31 January 2011 was £224,558 and the number of Ordinary Shares in issue as at this date was 22,455,802.

Rights attaching to shares
Each shareholder has one vote on a show of hands, and on a poll one vote per share held, at a general meeting of the Company. No member shall be entitled to vote or exercise any rights at a general meeting unless all 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.

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.

Results and dividend
The revenue profit attributable to equity shareholders for the year to 31 January 2011 was £119,808 (2010: £32,781) after taxation. Your Board paid a final dividend of 2 pence per share in respect of the year ended 31 January 2010 on 9 June 2010. An interim dividend in respect of the current year of 1 penny per Ordinary share was paid on 5 November 2010.

Your Board will be recommending a final dividend of 3 pence per Ordinary Share in respect of the year under review at the Annual General Meeting to be held on 20 June 2011, payable on 24 June 2011 to Shareholders who are on the Register of Members at 6.00 pm on 3 June 2011. This dividend will be eligible for the Dividend Investment Scheme (see below for further information on how to join the Scheme).

Dividend Investment Scheme

At the Annual General Meeting held on 27 May 2010, Shareholders approved the introduction of a Dividend Investment Scheme (the "Scheme") and authorised the Directors to allot new shares to participating shareholders. The two dividend payments referred to above were eligible for the Scheme and the following shares were allotted:

Dividend payment date	Dividend amount (p)	No. of new Ordinary Shares issued under the Scheme	Allotment date	Issue price (p)
9 June 2010	2.0	26,848	14 June 2010	94.0
5 November 2010	1.0	13,241	18 November 2010	98.8
Total	**3.0**	**40,089**		

The Scheme will be available for the proposed final dividend of 3 pence per share and Shareholders that have not already elected to participate in the Scheme should notify the Scheme Administrator, Capita Registrars, by 8 June 2011 that they wish to participate in the Scheme. A personalised Mandate form for this purpose can be obtained by contacting Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open 8.30 am – 5.30 pm Mon – Fri. If calling from overseas please ring +44 208 639 3399).

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

Directors and their interests

The Directors who held office throughout the year under review and their interests in the issued Ordinary Shares of the Company as at 31 January 2011 were:

Director	***Ordinary Shares held***	
	31 January 2011	***31 January 2010***
Christopher Moore	32,464	26,690
Andrew Robson [1]	2,887	-
Helen Sinclair	11,002	6,672
Colin Hook [2]	-	22,793

[1] appointed 1 August 2010

[2] resigned 27 September 2010

On 10 May 2011 Andrew Robson was allotted further 1,471 Ordinary Shares, bringing his total holding to 4,358 shares.

All three Directors will be subject to election or re-election by Shareholders at the forthcoming Annual General Meeting on 20 June 2011;

- Andrew Robson was appointed during the year and will therefore be subject to election by Shareholders in accordance with the Company's Articles of Association.
- In accordance with the AIC Code of Corporate Governance, Helen Sinclair is now subject to annual re-election by Shareholders as she is not considered to be independent of the Investment Manager.
- Christopher Moore has not been subject to re-election by Shareholders at the last two Annual General Meetings and in accordance with the Company's retirement by rotation provisions, will offer himself for re-election at the Annual General Meeting.

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

It is the policy of the Directors not to participate in decisions concerning investee companies in which they hold an interest. None of the Directors held interests in investee companies throughout the year.

Management

The Company has appointed MPEP to provide investment advisory, administration and secretarial services to the Company under an Investment Adviser's Agreement dated 12 November 2010. This Agreement consolidated the Company's previous Agreements for the provision of investment advisory, administration and secretarial services on substantially the same terms. For further information on this Agreement please see Note 4 on page 53.

The Directors believe that the continuing appointment of MPEP as the Investment Manager on the terms currently agreed is in the interests of its shareholders as a whole and this was approved by the Board on 16 September 2010. The Board remains satisfied with the investment performance to date and will continue to strive for the achievement of excellence. MPEP is one of the best performing VCT managers in the market, a fact which is additionally demonstrated by the performance of the Company's portfolio over the past year during this period of economic uncertainty. Summaries of the performances of the Company's investments are contained in the Investment Portfolio Summary and Investment Manager's Review on pages 10 - 18.

VCT Status monitoring

The Company has retained PricewaterhouseCoopers LLP as its VCT status adviser. PricewaterhouseCoopers LLP review at the request of the Investment Manager, for VCT status purposes, new investment opportunities as appropriate and carry out regular reviews of the Company's investment portfolio.

Independent auditor
Resolutions to re-appoint PKF (UK) LLP as auditor to the Company and to authorise the Directors to determine its remuneration will be proposed at the Annual General Meeting of the Company to be held on 20 June 2011.

Auditor's right to information
So far as the Directors in office at 31 January 2011 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.

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.

Financial instruments
The Company's financial instruments comprise its investment portfolio, cash balances, liquid resources, debtors and creditors that arise directly from its operations, such as, sales and purchases awaiting settlement and accrued income. For an explanation of the Board's risk management objectives and policies and the Company's exposure to market price risk, credit risk and liquidity risk please see Note 20 of the Notes to the Accounts on pages 61 – 68 of this Annual Report.

Creditors' payment policy
It is the Company's policy to pay all creditors' invoices within 30 days of the invoice date, or as otherwise agreed. At 31 January 2011 the average credit period for trade creditors was 21 days (2010: 22 days).

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.

Directors' conflicts of interest
In accordance with section 175 of the Companies Act 2006, the Directors have declared any existing conflicts of interest and, where appropriate, these have been authorised by the non-conflicted Directors. The Nominations and Remuneration Committee annually reviews authorisations approved by the Board.

Directors' indemnity and Directors' & officers' liability insurance
The Company maintains a Directors' and Officers' Liability Insurance policy. In accordance with the Company's Articles of Association, the Board may also indemnify a Director from the assets of the Company against any costs or liabilities incurred as a result of their office, to the extent permitted by law. Neither the insurance policy nor any

indemnities that may be provided by the Company provide cover for fraudulent or dishonest actions by the Directors. However, costs may be advanced to Directors for their defence in investigations or legal actions.

Accountability and audit

The Statement of Directors' Responsibilities in respect of the accounts is set out on pages 42 – 43 of this Annual Report.

The report of the independent auditor is set out on pages 44 – 45 of this Annual Report.

The Board regularly reviews and monitors the external auditor's independence and objectivity. As part of this it reviews the nature and extent of services supplied by the auditor to ensure that independence is maintained. The non-audit services provided by the auditor relates to the provision of tax compliance work and a review of the Half-Yearly Report. The Directors consider the auditor was best placed to provide these services.

Going concern

After due consideration, the Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future and it is appropriate to continue to adopt the going concern basis in preparing the accounts. As at 31 January 2011, the Company held cash balances and investments in money market funds with a combined value of £4,705,905. Cash flow projections have been reviewed and show that the Company has sufficient funds to meet both contracted expenditure and any discretionary cash outflows from share buybacks and dividends. The Joint Offer for Subscription will provide further funds. The Company has no external loan finance in place and is therefore not exposed to any gearing covenants.

Annual general meeting

The Notice of the Annual General Meeting (AGM), which will be held on 20 June 2011, is set out on pages 69 – 72 of this Annual Report. Proxy Forms for the AGM are enclosed with Shareholder's copies of this Annual Report.

Resolutions 1 to 9 are being proposed as ordinary resolutions requiring more than 50% of the votes cast at the meeting to be passed and resolutions 10 and 11 will be proposed as special resolutions requiring the approval of at least 75% of the votes cast at the meeting.

An explanation of resolutions 9 to 11 is set out below:

Authorities for the Directors to allot shares (Resolution 9) and disapply pre-emption rights (Resolution 10) under sections 551 and 561 of the Companies Act 2006 ("the Act").

The authorities proposed under Resolutions 9 and 10 will grant the Directors the authority to allot shares or grant rights to subscribe for shares in the Company generally, in accordance with section 551 of the Companies Act 2006. Resolution 9 will authorise directors to allot shares up to a nominal amount of £350,560, being approximately 140% of the Company's issued share capital at the date hereof.

Under section 561 of the Act, if the Directors wish to allot any new shares or sell treasury shares for cash they must first offer such shares to existing shareholders in proportion to their current holdings. Resolution 10 will enable the Directors to allot equity securities for cash or sell treasury shares without first offering the securities to existing Shareholders in connection with:

(i) Any offer for subscription up to an aggregate nominal value of £300,000;
(ii) Up to 10% of the issued share capital of the Company in respect of the Company's Dividend Investment Scheme; and
(iii) Up to 10% of the issued share capital of the Company where the proceeds may in part be used to purchase the Company's shares.

Both of these authorities, unless previously renewed or revoked, will expire on the conclusion of the Annual General Meeting of the Company to be held in 2012, except that the Directors may allot securities after this date 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 final dividend subject to approval by Shareholders at the AGM.

Both resolutions replace previous authorities approved by Shareholders on 26 May 2010.

Authority for the Company to purchase its own Shares (Resolution 11)
This resolution will authorise the Company to purchase its own shares in the capital of the Company pursuant to section 701 of the Act. The authority is limited to a maximum number of Ordinary Shares of 3,789,474 representing 14.99 per cent of the issued ordinary share capital of the Company at the date of the Notice of the Meeting. It will expire on the conclusion of the Annual General Meeting to be held in 2012. The maximum price that may be paid for an Ordinary Share will be the higher of (i) an amount that is not more than five per cent above the average of the middle market quotations of the Ordinary Shares as derived from the Daily Official List of the UK Listing Authority for the five business days preceding such purchase and (ii) stipulated by Article 5(i) of the Buy Back and Stabilisation Regulations. The minimum price that may be paid for an Ordinary Share is 1 pence, being the nominal value of an Ordinary Share. This resolution will renew an existing authority granted at the Annual General Meeting held on 26 May 2010 that will expire at the conclusion of this Annual General Meeting. The Company has no immediate plans to hold shares in treasury and intends to continue its practice of cancelling any shares which are re-purchased.

Purchases of shares will only be made on the London Stock Exchange. Shareholders should note however, that the Directors do not intend to exercise this authority unless in the light of prevailing market conditions, to do so would result in an increase in net asset value per share and would be in the interests of Shareholders generally. Any shares so purchased will be cancelled and the number of shares in issue reduced accordingly.

The cancellation of the share premium account of the Company has provided the Company with a special reserve (which is distributable) which can be used, inter alia, to fund buy-backs of the Company's Ordinary Shares. All VCTs experience restricted market liquidity in their shares. The Board believes that it is in the best interests of the Company and Shareholders for the Company to be in a position to make occasional market purchases of its Ordinary Shares. This resolution, to be proposed as a Special Resolution, requiring the approval of at least 75% of the votes cast, will enable the Directors to carry out this policy.

By order of the Board

Matrix Private Equity Partners LLP
Company Secretary

16 May 2011

Directors' Remuneration Report

This report has been prepared by the Directors in accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI2008/410) and the Companies Act 2006. A resolution to approve the report will be proposed at the Annual General Meeting to be held on 20 June 2011. The Company's independent Auditor is required to give its opinion on the information provided in respect of Directors' emoluments and this is clearly identified as audited information below. This is explained further in their report to Shareholders on pages 44 – 45.

Nominations and Remuneration Committee

The remuneration of individual Directors is determined by the Nominations and Remuneration Committee within the framework set by the Board. The Committee comprises the full Board and is chaired by Christopher Moore. The Committee meets at least once a year and is responsible for reviewing the remuneration of the Directors. It held one formal meeting during the year under review. The Committee has access to independent advice where it considers it appropriate. However, it was not considered necessary to take any such advice during the year under review.

Remuneration policy

The remuneration policy is set by the Board. The Directors' fees are reviewed annually by the Nominations and Remuneration Committee which determines the amount of fees to be paid to the Directors. When considering the level of Director's fees, the Committee takes account of remuneration levels elsewhere in the VCT industry and other relevant information. The Company's Articles of Association state that the aggregate of the remuneration (by way of fees) of all the Directors shall not exceed £120,000 per annum. The Directors fees have remained at £25,000 (Chairman) and £20,000 (Director) per annum since 1 June 2003. A supplement of £6,000 is paid to members of the Investment Committee. Details of the Directors' remuneration are disclosed below and in the Notes to the Accounts. The Company does not have any employees, except for its Directors.

Terms of appointment

The Articles of Association provide that Directors may be appointed either by an ordinary resolution of the Company or by the Board based on the advice of the Nominations and Remuneration Committee, provided that a person appointed by the Board shall be subject to election at the first Annual General Meeting following their appointment. One-third of the Directors retire from office by rotation at each Annual General Meeting and the retiring Directors then become eligible for re-election in accordance with the Articles of Association. In accordance with the AIC Code, any director not considered independent of the Investment Manager will offer themselves for re-election annually.

All Directors receive a formal letter of appointment setting out the terms of their appointment and their specific duties and responsibilities. All of the Directors are non-executive and none of the Directors has a service contract with the Company. No portion of the fees paid to any of the Directors is related to performance. A Director's appointment may be terminated on three month's notice being given by the Company and in certain other circumstances. The Company does not provide pension benefits to any of the Directors; it has not granted any Director any options over the share capital of the Company; and it does not operate any long-term incentive plans for 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.

Details of individual emoluments and compensation (Audited information)

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

	Total emoluments year to:	
	31 January 2011	**31 January 2010**
	£	**£**
Christopher Moore[1]	27,796	26,000
Andrew Robson[2]	13,277	-
Helen Sinclair	26,000	26,000
Colin Hook[3]	19,985	31,000
Total emoluments	**87,058**	**83,000**

Aggregate emoluments in respect of qualifying services amounted to £87,058 (2010: £83,000).

1 Appointed Chairman of the Company on 27 September 2010.

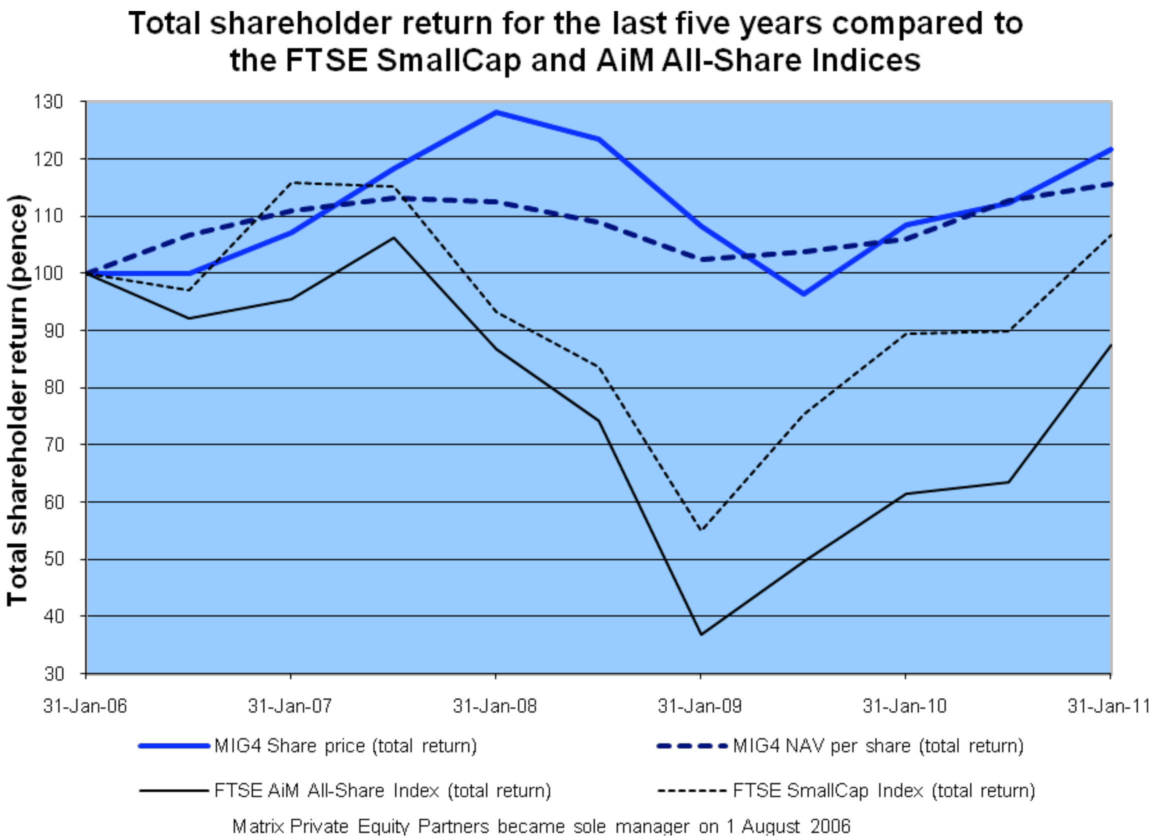
2 Appointed 1 August 2010.

3 Resigned 27 September 2010.

Total shareholder return

The graph below charts the total cumulative shareholder return of the Company (assuming all dividends had been re-invested) for the last five years compared to the FTSE SmallCap and AiM All-share Indices. These indices are industry recognised indices of listed companies. The FTSE SmallCap index comprises companies with the smallest capitalisation of the capital and industry segments and represents approximately 2% of the UK market capitalisation. All data has been re-based to 100p with affect from 31 January 2006. An explanation of the performance of the Company is given in the Chairman's Statement on pages 3 – 7 and Investment Manager's Review on pages 12 – 18.

The NAV total return per share has been shown separately in addition to the information required by law because the Directors believe it is a more accurate reflection of the Company's performance.



By order of the Board

Matrix Private Equity Partners LLP
Company Secretary
16 May 2011

Corporate Governance Statement

The Company is a member of the Association of Investment Companies (AIC) and the Directors have continued to adopt the AIC Code of Corporate Governance ("the AIC Code"), as revised in March 2009 for the financial year ended 31 January 2011. The AIC Code addresses all the principles set out in section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Financial Reporting Council (FRC) has confirmed that in complying with the AIC Code the Company will meet its obligations in relation to the Combined Code and paragraph 9.8.6 of the Listing Rules.

The Board considers that reporting against the principles and recommendations of the AIC Code will provide more relevant information to shareholders. The AIC Code is available online at www.theaic.co.uk.

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

The AIC issued an updated Code in October 2010, which the Company is following for the year ending 31 January 2012 and will report on in the Annual Report in respect of that year.

Compliance with the Combined Code

There are certain areas of the Combined Code that the AIC feels are not relevant to investment companies, and with which the Company does not specifically comply, and for which the AIC Code provides dispensation. These areas are: the role of the chief executive; executive directors' remuneration; and the need for an internal audit function.

As an externally managed investment company, the Company does not employ a chief executive nor any executive directors. The systems and procedures of the Investment Manager, the provision of VCT monitoring services by PricewaterhouseCoopers LLP, as well as the size of the Company's operations, give the Board full confidence that an internal audit function is not necessary. The Company is therefore not reporting further in respect of these areas.

Compliance with the AIC Code

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. The Chairman of the Audit Committee fulfills this role where appropriate.

As is common practice among Venture Capital Trusts, the Directors are not appointed for fixed terms, as the AIC Code requires. A Director's appointment may be terminated on three months' notice being given by the Company. However, under the Articles of Association, one third of the Directors must retire by rotation at each Annual General

Meeting and being eligible may offer themselves for re-election. A Director must retire by rotation if he has not retired at either of the last two Annual General Meetings. For further information please see the Directors' Remuneration Report on pages 31 – 33.

The AIC Code stipulates that directors who sit on the boards of more than one company managed by the same manager will not be regarded as independent, for either the purpose of fulfilling the requirement that there must be an independent majority, or for serving as chairman. In addition, this requirement became mandatory under the Listing Rules in September 2010. The Board has therefore reviewed its composition during the year and, with the exception of Helen Sinclair, all of the Directors are considered independent of the Investment Manager. Further details are provided below.

The Board

The Company has a Board of three non-executive Directors. The Board meets at least quarterly and is in regular contact with the Investment Manager between these meetings.

The table below details the formal Board and Committee meetings held and the Directors attendance during the year. The Board also met informally on a number of occasions and additional Board committee meetings or written resolutions were completed in respect of share allotments. The Investment Committee meets to discuss investments as required and, if appropriate, complete written resolutions for approval.

Director	**Board**	**Audit Committee**	**Nomination & Remuneration committee**
No. meetings held	**8**	**5**	**1**
Christopher Moore	8	5	1
Andrew Robson*	4	3	N/A
Helen Sinclair	8	5	1

* appointed 1 August 2010 and attended all Board and Committee meetings held since this date (four Board meetings, three Audit Committee meetings and nil Nomination & Remuneration Committee meetings).

All the Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that their policies and operations are in the best interests of all the Company's Shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

The Board has considered whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. It has concluded that, with the exception of Helen Sinclair, all of the Directors are considered independent of the Investment Manager.

During the year, Christopher Moore retired as a director of The Income & Growth VCT plc, Matrix Income & Growth VCT plc and Matrix Income & Growth 3 VCT plc. The Board does not consider that Christopher's independence was materially prejudiced by these past appointments and is considered independent under the Listing Rules. The Board also considers that Christopher met the independence criteria identified in the AIC Code when he became Chairman of the Company.

Helen Sinclair was a director of Matrix Private Equity Limited (a predecessor of Matrix Private Equity Partners LLP) and a director and shareholder of Matrix Group Limited until May 2005. She is also a director of The Income & Growth VCT plc which is also managed by the Investment Manager, and is therefore not considered independent. In accordance with the AIC Code, Helen will therefore be subject to annual re-election.

For the reasons given and bearing in mind the relationships referred to above, the Board has no hesitation in emphasizing the personal integrity, experience and professionalism of the individual Directors, and their overall independence in character and judgement.

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. The AIC Code does not explicitly make recommendations on the overall length of tenure for directors. Some market practitioners feel that considerable length of service (which has generally been defined as a limit of 9 years) may lead to the compromise of a Director's independence and the Board is aware that this is a recommendation of the Combined Code. The Board, however, concurs with the arguments put forward by the AIC that investment companies are more likely than most to benefit from having Directors with lengthy service. In line with the AIC Code, the Board has agreed that directors that have served for nine years or more will be subject to annual re-election.

All Directors are subject to election by Shareholders at the first Annual General Meeting following their appointment.

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.

The Board has agreed a schedule of matters specifically reserved for decision by the Board. These include: compliance with the requirements of the Companies Act, the UK Listing Authority and the London Stock Exchange; changes to the Company's capital structure or its status as a plc; Board and Committee appointments as recommended by the Nominations and Remuneration Committee and terms of reference of

Committees; and material contracts of the Company and contracts of the Company not in the ordinary course of business.

The primary focus at each quarterly Board meeting is overall strategy and a review of investment performance. The Board monitors the investments made by the Investment Manager to ensure that the overall investment portfolio is 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.

A procedure has been adopted for individual Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. The Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring board procedures are followed. Both the appointment and removal of the Company Secretary are matters for the Board as a whole. Where Directors have concerns about the running of the Company or about a proposed action which cannot be resolved, they are asked to ensure that their concerns are recorded in the Board minutes. On resignation, a Director who has any such concerns should provide a written statement to the Chairman for circulation to the Board. The Board has satisfied itself that each of its Committees has sufficient resources to undertake their duties.

The Board offers an induction procedure to all new directors. A formal training programme has not been required during the year under review as all the Directors are experienced directors of listed companies. However, the Directors do to attend meetings and conferences organised by the VCT industry.

A performance evaluation of the Chairman, Directors, Committees and the Board as a whole was completed during the year and reviewed by the Nominations and Remuneration Committee. The evaluation concluded that the Directors continued to perform effectively.

The Directors carry out a performance review separately as part of the internal control processes led by the Audit Committee. In discussion with the Audit Committee, the Board has also kept under review its own performance and that of its various Committees and can confirm its satisfaction with their composition and efficiency.

The Chairman's other significant directorships and time commitments are disclosed on page 19.

Board committees

The Board has reviewed the need for a Management Engagement Committee and concluded that such a committee is not required, given that a majority of the Board are independent of the Investment Manager. The Board as a whole is responsible for reviewing management engagement matters.

The Board has agreed that, given its size and the majority of its Directors being independent, each Committee below should comprise the full Board.

The Audit Committee is chaired by Andrew Robson, having previously been chaired by Christopher Moore until 27 September 2010. It meets at least twice a year to review the half-year and annual financial statements before submission to the Board, and meets with the independent auditor. The Committee makes recommendations to the Board on the appointment, re-appointment and removal of the external auditor. It is responsible for monitoring the effectiveness of the Company's internal control systems and for reviewing the scope and results of the audit and ensuring its cost effectiveness.

The Nominations and Remuneration Committee is chaired by Christopher Moore, having previously been chaired by Colin Hook. It meets at least once a year and is responsible for proposing candidates for appointment to the Board and for reviewing the 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, attended by all of the Directors, and met informally on other occasions. The Board has adopted a formal process of recruitment for the appointment of new directors including, as appropriate, the use of advertising and recruitment consultants as well as drawing on Board members' extensive range of business contacts to attract the optimum number of high quality candidates. The selection process involves interviews with the Board and meetings with representatives of members of the manager. Appointment letters for new directors include an assessment of the expected time commitment for each Board position and new directors are asked to give an indication of their other significant time commitments. Although the AIC Code recommends that the Chairman does not chair the Remuneration Committee, the Board does not consider that the effectiveness to the Company's combined Nominations and Remuneration Committee's is impaired.

The Investment Committee is chaired by Helen Sinclair and meets as necessary to discuss and, if appropriate, to approve investment recommendations from the Investment Manager. New investments and divestments are generally approved by written resolution of the Committee following discussion between committee members. Investment matters are discussed extensively at Board meetings. The Committee and the Investment Manager endeavour to operate in a supportive, co-operative and open environment. The Committee met informally on numerous occasions during the year.

All of the above 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.

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.

The internal control systems 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 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 in accordance with the Turnbull guidelines for internal control. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company. Each risk is considered with regard to: the controls exercised at Board level; reporting by service providers; controls relied upon by the Board; exceptions for consideration by the Board; responsibilities for each risk and its review period; and risk rating. As part of this process, investment risk is spread by means of a diverse investment portfolio, as more fully described in the Investment Manager's Review.

The main aspects of the internal controls which have been in place throughout the year in relation to financial reporting were:

- the valuations prepared by the Manager are entered into the accounting system and reconciled. Controls are in place to ensure the effective segregation of these two tasks;
- independent reviews of the valuations of investments within the portfolio are undertaken quarterly by the Board and annually by the external auditor;
- bank and money-market fund reconciliations are carried out monthly;
- the Board has procedures in place for the approval of expenses and payments to third parties;
- the Directors review quarterly management accounts and underlying notes to those accounts, and other announcements as necessary;
- the information contained in the Annual Report and other financial reports is reviewed separately by the Audit Committee prior to consideration by the Board; and
- the Board reviews all financial information prior to publication.

The Investment Manager reports by exception on matters that may be of relevance to financial reporting and on other matters as appropriate on a quarterly basis. The auditor reviews the accounting processes in place at the Investment Manager as part of the annual audit and report any concerns to the Audit Committee. The Audit Committee reviews the independence of the auditor each year.

This system of internal controls 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 risk included consideration of reports from the relevant service providers. The last review took place on 12 April 2011. The Board has not identified any issues with the Company's internal control mechanisms that warrant disclosure in the Annual Report.

Third party service providers
The Board has delegated, contractually to third parties, the management of the investment portfolio, the day-to-day accounting, company secretarial and administration requirements, VCT status advice and the registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company.

Following the year end, the Company transferred the safe-keeping of its documents of title to the Company Secretarial staff at Matrix Private Equity Partners LLP, following the end of this service by the previous service provider. The Company has agreed controls with the Company Secretary which it believes are sufficient to minimise the risk of misuse or theft of the documents of title.

The Board reviews annually, and at other times as and when necessary, the terms of the Investment Services Agreement and the performance of the Investment Manager and agrees policies with the Investment Manager on key operational matters. The Board receives and considers regular reports from the Investment Manager, and ad hoc reports and information are supplied to the Board as required. Particular emphasis is placed on reviewing the Investment Manager, in terms of investment performance, quality of information provided to the Board and remuneration.

Directors' remuneration and appointment
A Directors' Remuneration Report, prepared in compliance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI2008/410) and the Companies Act 2006, is contained on pages 31 – 33 of this Annual Report and provides details on the appointment and replacement of the Directors.

Share capital and voting rights
Details of the Company's share capital and substantial shareholdings can be found in the Directors' Report on pages 21 - 30.

Powers of the Directors
In addition to the powers granted to the Directors by Company law and the Articles of Association, the Directors maintain shareholder authorities to issue a limited number of shares, disapply pre-emption rights and purchase the Company's own shares. Further details can be found in the Directors' Report.

Investor relations

The Company communicates regularly with its Shareholders by means of periodic performance reporting, newsletters, and its website. The Board welcomes feedback from Shareholders who are encouraged to attend the Annual General Meeting. The Investment Manager holds an annual Shareholder Workshop to which all shareholders are invited. The Directors and the Investment Manager are present and available to answer questions and discuss any issues at the Annual General Meeting and Shareholder Workshop.

Shareholders may contact the Chairman of the Audit Committee, Andrew Robson, if they have concerns which contact through the Chairman or Investment Manager has failed to resolve or for which such contact is inappropriate. Shareholders should initially contact the Company Secretary who will direct their enquiry accordingly.

The Board as a whole approves the content of its communications to Shareholders including the Annual and Half-Yearly Reports in order to ensure that they present a balanced and understandable assessment of the Company's position and future prospects.

The notice of the Annual General Meeting accompanies this Annual Report, which is normally sent to shareholders allowing a minimum of 20 working days before each meeting. Separate resolutions are proposed for each substantive issue. The number of proxy votes received for each resolution is announced after each resolution has been dealt with on a show of hands and is published after the Meeting on the Company's website: www.mig4vct.co.uk.

By order of the Board

Matrix Private Equity Partners LLP
Company Secretary
16 May 2011

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Services Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law 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 of the Company for that year. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The Directors confirm to the best of their knowledge that:

(a) the financial statements, which have been prepared in accordance with UK Generally Accepted Accounting Practice and the 2009 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP), give a true and fair view of the assets, liabilities, financial position and the profit of the Company; and

(b) the management report, comprising the Chairman's Statement, Investment Portfolio Summary, Investment Manager's Review and Directors' 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 names and functions of the Directors are stated on pages 19 – 20.

On behalf of the Board

Christopher Moore
Chairman
16 May 2011

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

We have audited the financial statements of Matrix Income & Growth 4 VCT plc for the year ended 31 January 2011 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

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.

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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook issued by the Financial Services Authority (information about 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
We have nothing to report in respect of the following:

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.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 28, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Rosemary Clarke (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
London, UK

16 May 2011

Income Statement

for the year ended 31 January 2011

	Notes	Revenue	Capital	Total	Revenue	Capital	Total
			Year ended 31 January 2011			Year ended 31 January 2010	
		£	£	£	£	£	£
Unrealised gains on investments	10	-	2,119,702	2,119,702	-	700,336	700,336
Gains on investments realised	10	-	16,077	16,077	-	268,469	268,469
Income	2	636,426	-	636,426	489,753	-	489,753
Recoverable VAT	3	(264)	(794)	(1,058)	1,051	3,155	4,206
Investment management fees	4	(120,335)	(361,003)	(481,338)	(97,204)	(291,610)	(388,814)
Other expenses	5	(396,019)	-	(396,019)	(360,819)	-	(360,819)
Profit on ordinary activities before taxation		119,808	1,773,982	1,893,790	32,781	680,350	713,131
Taxation on ordinary activities	7	-	-	-	-	-	-
Profit for the year		**119,808**	**1,773,982**	**1,893,790**	**32,781**	**680,350**	**713,131**
Basic and diluted earnings per ordinary share	9	0.57p	8.47p	9.04p	0.16p	3.40p	3.56p

All the items in the above statement derive from continuing operations of the Company

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

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

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 50 - 68 form part of these financial statements.

Balance Sheet
as at 31 January 2011

	Notes	as at 31 January 2011 £	£	£	as at 31 January 2010 £	£	£
Fixed assets							
Investments at fair value	**10**			18,900,890			15,291,966
Current assets							
Debtors and prepayments	**12**	1,948,065			139,702		
Current investments	**13,19**	3,644,741			5,975,819		
Cash at bank	**19**	1,061,164			70,404		
			6,653,970			6,185,925	
Creditors: amounts falling due within one year	**14**		(209,681)			(255,349)	
Net current assets				6,444,289			5,930,576
Net assets				**25,345,179**			**21,222,542**
Capital and reserves							
Called up share capital	**15**			224,558			199,576
Share Premium account	**16**			3,413,664			-
Capital redemption reserve	**16**			891,351			885,245
Revaluation reserve	**16**			992,420			(1,473,847)
Special distributable reserve	**16**			15,256,001			16,540,857
Profit and loss account	**16**			4,567,185			5,070,711
Equity shareholders' funds	**16**			**25,345,179**			**21,222,542**
Basic and diluted net asset value per Ordinary Share	**17**			**112.87p**			**106.34p**

The notes on pages 50 - 68 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 16 May 2011 and were signed on its behalf by:

Christopher Moore
Chairman

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 January 2011

	Notes	Year ended 31 January 2011 £	Year ended 31 January 2010 £
Opening shareholders' funds		21,222,542	21,035,698
Share capital subscribed		3,444,752	-
Purchase of own shares	16	(582,286)	(124,256)
Profit for the year		1,893,790	713,131
Dividends paid in year	8	(633,619)	(402,031)
Closing shareholders' funds	16	25,345,179	21,222,542

The notes on pages 50 - 68 form part of these financial statements.

Cash Flow Statement

for the year ended 31 January 2011

	Notes	Year ended 31 January 2011 £	Year ended 31 January 2010 £
Interest income received		494,974	281,147
Dividend income		144,366	156,673
VAT received and interest thereon	3	10,199	100,239
Other income		2,544	14,901
Investment management fees paid		(561,799)	(224,334)
Cash payments for other expenses		(397,775)	(334,604)
Net cash outflow from operating activities	18	**(307,491)**	**(5,978)**
Investing activities			
Sale of investments	10	923,983	1,784,500
Purchase of investments	10	(2,397,128)	(8,302,196)
Net cash outflow from investing activities		**(1,473,145)**	**(6,517,696)**
Dividends			
Equity dividends paid	8	**(633,619)**	**(402,031)**
Cash outflow before liquid resource management and financing		**(2,414,255)**	**(6,925,705)**
Management of liquid resources			
Decrease in monies held in current investments	19	**2,331,078**	**7,137,292**
Financing			
Issue of own shares		1,611,231	-
Purchase of own shares		(537,294)	(156,439)
Increase in cash for the year	19	**990,760**	**55,148**

The notes on pages 50 - 68 form part of these financial statements.

Notes to the Accounts
for the year ended 31 January 2011

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 Trust Companies in January 2009.

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", in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines, as updated in September 2009, which have not materially changed the results reported last year. 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 Manager compared to the sector including, inter alia, a lack of marketability).

or:-

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

(iii) Premiums on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

(iv) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

d) **Current Investments**

Monies held pending investment are invested in financial instruments with same day or two-day access and as such are treated as current investments, and have been valued at fair value.

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.

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 management fee expense, together with the related tax effect to this reserve in accordance with the policies.

(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 now 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 of investments, and 75% of the management fee expense, and the related tax effect, are transferred from the Profit and Loss Account reserve to this reserve.

g) **Expenses**

All expenses are accounted for on an accruals basis.

25% of the Investment Managers' 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 period 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 substantially 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 management 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

	2011 £	2010 £
Income from bank deposits	2,561	354
Income from investments		
– from equities	127,836	50,190
– from overseas based OEICs	34,092	96,060
– from loan stock	469,393	327,454
– from VAT recoverable	-	6,544
	631,321	480,248
Other income	2,544	9,151
Total income	636,426	489,753
Total income comprises		
Dividends	161,928	146,250
Interest	471,954	334,352
Other income	2,544	9,151
	636,426	489,753
Income from investments comprises		
Listed overseas securities	34,092	96,060
Unlisted UK securities	127,836	50,190
Loan stock interest	469,393	327,454
	631,321	473,704

Loan stock interest above is stated after deducting an amount of £nil (2010: £2,601), being a provision made against loan stock interest regarded as collectable in previous years.

Total loan stock interest due but not recognised in the year was £214,248 (2010: £208,063).

3 Recoverable VAT

	Revenue 2011 £	Capital 2011 £	Total 2011 £	Revenue 2010 £	Capital 2010 £	Total 2010 £
Recoverable VAT	(264)	(794)	(1,058)	1,051	3,155	4,206

As at 31 January 2010, a total of £93,695 of VAT recoverable had been received. Of the excess of £8,236 over the £85,459 recognised in 2009's accounts, £4,206 had been further credited to the 2010 Income Statement, allocated 25% to revenue and 75% to capital return and was in the same proportion as that in which the irrecoverable VAT was originally charged. However, £4,030 was not recognised in 2010 as it was considered likely to be repayable to a previous investment manager or service provider, as it related to VAT charged during a period when an expense cap was applied to their fees. Following further cash received from other former managers of £10,199 in the year ended 31 January 2011, it has been finally determined that £15,287 of the total VAT recovered relates to past years where managers and the then administrator Matrix-Securities Limited bore excess expenses.

This amount of £15,287 payable to investment managers and the administrator is disclosed within other creditors in note 14. This sum exceeds the £10,199 of cash received this year, plus £4,030 of VAT received but not recognised in the year ended 31 January 2010, leaving a shortfall of £1,058, recognised as negative income above in this year's accounts.

The Board do not currently anticipate further VAT income in future years.

4 Investment management fees

	Revenue 2011 £	Capital 2011 £	Total 2011 £	Revenue 2010 £	Capital 2010 £	Total 2010 £
Matrix Private Equity Partners LLP	120,335	361,003	481,338	97,204	291,610	388,814

Under the investment management agreement dated 1 November 2006, but effective 18 October 2006, Matrix Private Equity Partners LLP (MPEP LLP) was appointed to be sole advisor to the Company on investments in qualifying companies. The agreement was for an initial period of 3 years and thereafter unless if the appointment was terminated by not less than one year's notice in writing at any time after the initial period. MPEP LLP was entitled to an annual advisory fee of 2 per cent of the closing net assets attributable to the Fund.

Under the terms of a revised investment management agreement dated 12 November 2010, MPEP 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 £86,827 per annum, the latter subject to indexation, if applicable. This agreement replaced the previous agreements with MPEP described above, and with Matrix-Securities Limited dated 1 November 2006, which were all terminated with effect from 12 November 2010.

The investment management 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 Manager. The excess expenses during the year amounted to £nil (2010: £25,194).

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 Manager will be entitled to receive a performance related incentive fee of 20% of the excess above 6 per cent of the net asset value per share of the annual dividends paid to Shareholders. The performance fee will be payable annually, with any cumulative shortfalls below the 6 per cent hurdle having to be made up in later years. The incentive payment will be shared between the Investment Manager 75% and the Promoter 25%. 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 line with common practice, MPEP LLP retain the right to charge arrangement and syndication fees and Directors' or monitoring fees ("deal fees") to companies in which the Company invests.

5 Other expenses

	2011 £	2010 £
Directors' remuneration (including NIC) (see note 6)	95,275	91,104
IFA trail commission	85,771	57,429
Administration fees	75,195	94,091
Broker's fees	11,771	10,518
Auditor's fees – audit	21,096	20,334
– other services supplied relating to taxation	2,606	1,998
– other services supplied pursuant to legislation	3,995	3,853
Registrar's fees	16,713	14,226
Printing	22,082	27,511
Legal & professional fees	7,528	4,827
VCT monitoring fees	9,533	10,713
Director's insurance	7,350	7,350
Listing and regulatory fees	27,804	15,869
Sundry	9,300	996
	396,019	**360,819**

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.

Note: The Administration fees above arose from the Agreement with Matrix-Securities Limited referred to in note 4 above, which was terminated on 12 November 2010.

6 Directors' emoluments and national insurance

Directors' emoluments	2011 £	2010 £
Colin Hook (resigned 27 September 2010)	19,985	31,000
Christopher Moore	27,796	26,000
Helen Sinclair	26,000	26,000
Andrew Robson (appointed 1 August 2010)	13,277	-
	87,058	83,000
Employer's NIC	8,217	8,104
	95,275	91,104

No pension scheme contributions or retirement benefit contributions were paid (2010: £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 Directors.

7 Taxation on profit on ordinary activities

	2011 Revenue £	2011 Capital £	2011 Total £	2010 Revenue £	2010 Capital £	2010 Total £
a) Analysis of tax charge:						
UK Corporation tax on profits for the year	-	-	-	-	-	-
Total current tax charge	-	-	-	-	-	-
Corporation tax is based on a rate of 21% (2010: 21%)						
b) Profit on ordinary activities before tax	119,808	1,773,982	1,893,790	32,781	680,350	713,131
Profit on ordinary activities multiplied by small company rate of corporation tax in the UK of 21% (2010: 21%)	25,160	372,535	397,695	6,884	142,874	149,758
Effect of:						
UK dividends	(26,846)	-	(26,846)	(10,540)	-	(10,540)
Unrealised gains not allowable	-	(445,137)	(445,137)	-	(147,071)	(147,071)
Realised gains not taxable	-	(3,376)	(3,376)	-	(56,378)	(56,378)
Unrelieved expenditure	1,686	75,978	77,664	3,656	60,575	64,231
Actual current tax charge	-	-	-	-	-	-

Tax relief relating to investment management 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 (2010: £nil). There is an unrecognised deferred tax asset of £211,961 (2010: £134,464).

8 Dividends paid and payable

	2011	2010
	£	£
Amounts recognised as distributions to equity holders in the year:		
Final capital dividend for the year ended 31 January 2010 of 2 pence per Ordinary Share of 1 pence paid 9 June 2010	423,331	-
Interim capital dividend for the year ended 31 January 2011 of 1 pence per Ordinary Share of 1 pence paid 5 November 2010	210,288	-
Final income dividend for the year ended 31 January 2009 of 1 pence per Ordinary Share of 1 pence paid 10 June 2009	-	201,078
Interim capital dividend for the year ended 31 January 2010 of 1 pence per Ordinary Share of 1 pence paid 7 November 2009	-	200,953
	633,619	402,031
Proposed distributions to equity holders at the year-end:		
Final income dividend for the year ended 31 January 2011 of 0.4 pence (2010: nil) per Ordinary share	101,120	-
	101,120	-

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.

	2011	2010
	£	£
Revenue available for distribution by way of dividends for the year	119,808	32,781
Interim income dividend paid during the year of nil pence (2010: nil) per Ordinary share	-	-
Proposed final income dividend for the year ended 31 January 2011 of 0.4 pence (2010: nil) per Ordinary Share	101,120	-
	101,120	-

9 Basic and diluted earnings per share

	2011	2010
	£	£
Total earnings after taxation:	1,893,790	713,131
Basic and diluted earnings per share (note a)	**9.04p**	**3.56p**
Net revenue from ordinary activities after taxation	119,808	32,781
Basic and diluted revenue return per share (note b)	**0.57p**	**0.16p**
Net unrealised capital gains	2,119,702	700,336
Net realised capital gains	16,077	268,469
VAT recoverable	(794)	3,155
Capital expenses (net of taxation)	(361,003)	(291,610)
Total capital return	1,773,982	680,350
Basic and diluted capital return per share (note c)	**8.47p**	**3.40p**
Weighted average number of shares in issue in the year	20,946,842	20,032,743

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.

10 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 January 2010	150,102	6,219,396	124,467	10,652,637	17,146,602
Unrealised losses at 31 January 2010	(85,779)	(199,952)	(16,895)	(1,171,221)	(1,473,847)
Permanent impairment in value of investments	-	(50,000)	(100,000)	(230,789)	(380,789)
Valuation at 31 January 2010	64,323	5,969,444	7,572	9,250,627	15,291,966
Purchases at cost	199,998	605,067	1,000	1,616,817	2,422,882
Sale proceeds	-	(14,427)	-	(971,007)	(985,434)
Reclassification at value	(64,323)	64,323	-	-	-
Realised (losses)/gains	-	(49,896)	-	101,670	51,774
Increase in unrealised appreciation	41,666	1,392,685	7,876	677,475	2,119,702
Closing valuation at 31 January 2011	241,664	7,967,196	16,448	10,675,582	18,900,890
Cost at 31 January 2011	199,998	6,711,094	25,467	11,122,013	18,058,572
Unrealised gains/(losses) at 31 January 2011	41,666	1,406,204	(9,019)	(446,431)	992,420
Permanent impairment in value of investments	-	(150,102)	-	-	(150,102)
Valuation at 31 January 2011	241,664	7,967,196	16,448	10,675,582	18,900,890

The major components of the increase in unrealised valuations of £2,119,702 in the year were increases of £541,951 in IGLU.com Holidays Limited, £499,323 in ATG Media Holdings Limited, £449,542 in Blaze Signs Holdings Limited, £277,762 in DiGiCo Europe Limited, and £253,146 in Westway Services Holdings (2010) Limited. These gains were partly offset by a large fall in Higher Nature Limited of £252,897.

The net difference between investment additions and investment disposal proceeds per the cash flow statement of £1,473,145 differs from the net figure in note 10 above of £1,437,448 due to transaction costs of £35,697. Deducting these costs from gains of £51,774 above leaves realised gains of £16,077 as disclosed in the Income Statement.

Details of investment transactions such as net disposal proceeds, cost and carrying value at end of previous period are contained in the Investment Portfolio Summary on pages 10 -11.

11 Significant interests

At 31 January 2011 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**
Rusland Management Limited	400,000	600,000	1,000,000	24.50%
Torvar Limited	400,000	600,000	1,000,000	24.50%
Vanir Consultants Limited	400,000	600,000	1,000,000	16.67%
Backbarrow Limited	400,000	600,000	1,000,000	16.66%
Bladon Castle Management Limited	400,000	600,000	1,000,000	16.66%
Fullfield Limited	400,000	600,000	1,000,000	16.66%
Higher Nature Limited	500,127	-	500,127	10.34%
Aust Recruitment Group Limited	173,932	826,068	1,000,000	9.05%
ATG Media Holdings Limited	355,556	533,333	888,889	8.50%
IGLU.com Holidays Limited	131,737	746,512	878,249	7.15%
The Plastic Surgeon Holdings Limited	45,884	412,953	458,837	6.88%
ASL Technology Holdings Limited	297,099	550,967	848,066	6.78%
DiGiCo Europe Limited	386,522	109,130	495,652	6.52%
Monsal Holdings Limited	216,313	419,700	636,013	6.37%
Faversham House	131,465	215,023	346,488	6.26%
CB Imports Group Limited	175,000	825,000	1,000,000	6.00%
Blaze Signs Holdings Limited	183,005	427,011	610,016	5.72%
Racoon International Holdings	122,043	284,762	406,805	5.70%
Duncary 8 Limited	25,328	101,667	126,995	5.10%
Letraset Limited (formerly Creative Opportunities)	150,000	-	150,000	5.00%
PXP Holdings Ltd	168,217	511,332	679,549	4.98%
Youngman Group Limited	50,027	449,999	500,026	4.24%
VSI Limited	17,726	94,202	111,928	4.21%
Westway Services Holdings (2010) Limited	38,688	197,408	236,096	3.15%
Focus Pharma holdings	270,359	502,092	772,451	3.10%
CASHFAC Limited	260,101	-	260,101	3.04%

It is considered that, as permitted 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.

Matrix Private Equity Partners LLP also advises The Income and Growth VCT plc, Matrix Income and Growth VCT plc and Matrix Income and Growth 2 VCT plc which have investments as at 31 January 2011 in the following:

	The Income and Growth VCT plc at cost £	Matrix Income and Growth VCT plc at cost £	Matrix Income and Growth 2 VCT plc at cost £	Total at cost £	% of equity held by funds managed by MPEP %
Blaze Signs Holdings Limited	1,338,500	1,699,507	1,398,498	4,436,505	52.5
Aust Recruitment Group Limited	1,441,667	1,558,334	1,000,000	4,000,001	45.2
British International Holdings Limited	590,909	2,026,316	1,160,000	3,777,225	34.9
IGLU.com Holidays Limited	1,000,000	1,421,750	1,000,000	3,421,750	35.0
ASL Technology Holdings Limited	1,193,906	1,290,479	917,548	3,401,933	34.0
PXP Holdings Limited	920,176	1,163,436	1,163,436	3,247,048	37.3
ATG Media Holdings Limited	888,889	1,486,110	767,907	3,142,906	40.0
Youngman Group Limited	1,000,052	1,000,052	1,000,052	3,000,156	29.7
DiGiCo Europe Limited	325,594	1,984,959	495,651	2,806,204	30.0
Racoon International Holdings Limited	550,852	1,213,035	878,527	2,642,414	49.0
Focus Pharma Holdings Limited	516,900	1,370,126	660,238	2,547,264	13.0
Monsal Holdings Limited	426,164	1,181,856	770,717	2,378,737	30.1
CB Imports Group Limited	1,000,000	1,000,000	-	2,000,000	24.0
Vanir Consultants Limited	-	1,000,000	1,000,000	2,000,000	50.0
Bladon Castle Management Limited	1,000,000	1,000,000	-	2,000,000	50.0
Fullfield Limited	1,000,000	1,000,000	-	2,000,000	50.0
Backbarrow Limited	1,000,000		1,000,000	2,000,000	50.0
VSI Limited	245,596	907,993	308,643	1,462,232	48.9
Faversham House Holdings Limited	487,744	527,214	374,870	1,389,828	31.4
The Plastic Surgeon Holdings Limited	406,082	478,421	392,264	1,276,767	30.0
Westway Services Holdings (2010) Limited	422,122	602,778	-	1,024,900	13.0
Vectair Holdings Limited	215,914	560,302	243,784	1,020,000	24.0
Rusland Management Limited	1,000,000	-	-	1,000,000	49.0
Torvar Limited	1,000,000	-	-	1,000,000	49.0
Omega Diagnostics Group plc	279,996	305,000	214,998	799,994	9.8
Duncary 8 Limited	634,923	-	-	634,923	39.8
Legion Group plc (formerly SectorGuard plc)	150,000	150,106	150,106	450,212	2.9
Letraset Limited	350,000	-	-	350,000	10.0

12 Debtors

	2011	2010
	£	£
Amounts due within one year:		
Accrued income	96,896	102,353
Prepayments	12,474	12,155
Other debtors	1,838,695	25,194
	1,948,065	139,702

Other debtors include £1,833,065 receivable from the first allotment of shares on 21 January 2011 arising from Joint VCT fundraising offer. These funds were held in the receiving agent account "The Income & Growth VCT plc For Matrix VCTs Linked Offer" prior to allotment, after which the Company became entitled to this sum, and were received shortly after the period end.

13 Current asset investments

	2011	2010
	£	£
Monies held pending investment	3,644,741	5,975,819

These comprise investments in six Dublin based, and one UK based, OEIC money market funds. £3,634,303 (2010: £5,965,431) of this sum is subject to same day access while £10,438 (2010: £10,388) is subject to two day access. These sums are regarded as monies held pending investment and are treated as liquid resources in the Cash Flow Statement and note 19.

14 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	45,268	145,636
Other creditors	26,002	14,745
Accruals	138,411	94,968
	209,681	255,349

15 Called up share capital

	2011	2010
	£	£
Allotted, called-up and fully paid:		
Ordinary Shares of 1p each: 22,455,802 (2010: 19,957,572)	224,558	199,576
	224,558	199,576

During the year the Company purchased 610,555 (2010: 150,228) of its own shares for cash (representing 2.7% (2010: 0.8%) of the shares in issue at the year end) at the prevailing market price for a total cost of £582,286 (2010: £124,256).

Under the top up offer launched on 20 January 2010, 1,458,290 shares were allotted on 31 March 2010 and 21,030 shares were allotted on 1 April 2010, both at 112.40p per share raising net funds of £1,572,913.

Under the linked offer for subscription launched on 12 November 2010, 1,589,376 shares were allotted on 27 January 2011 at 121.80p per share raising net funds of £1,833,065.

Under the terms of the Dividend Investment Scheme, a total of 40,089 (2010: nil) shares were allotted during the year for a total consideration of £38,319 (2010: £nil).

16 Movement in share capital and reserves

	Called up Share capital	Share Premium	Capital redemption reserve	Revaluation reserve	Special distributable reserve *	Profit and loss account *	Total
	£		£	£	£	£	£
At 1 February 2010	199,576	-	885,245	(1,473,847)	16,540,857	5,070,711	21,222,542
Share buybacks	(6,106)	-	6,106	-	(582,286)	-	(582,286)
Shares issued via Dividend re-investment Scheme	401	37,918	-	-	-	-	38,319
Shares issued via Offer for Subscriptions	30,687	3,375,746	-	-	-	-	3,406,433
Transfer of realised losses to Special distributable reserve (note)	-	-	-	-	(702,570)	702,570	-
Realisation of previously unrealised appreciation	-	-	-	346,565	-	(346,565)	-
Dividends paid	-	-	-	-	-	(633,619)	(633,619)
Profit for the year	-	-	-	2,119,702	-	(225,912)	1,893,790
As at 31 January 2011	**224,558**	**3,413,664**	**891,351**	**992,420**	**15,256,001**	**4,567,185**	**25,345,179**

* - These reserves total £19,823,186 (2010: £21,611,568) and are regarded as distributable reserves for the purpose of assessing the Company's ability to pay dividends to shareholders.

The cancellation of the Company's Share Premium Account (as approved by a Special Resolution of the Company passed on 20 June 2001 and confirmed by an Order of the Court dated 5 September 2001) and the cancellation of the share premium on the further allotted shares (by an Order of the Court dated 19 December 2007) has provided the Company with a special reserve. One of the purposes of the special reserve is to be treated as distributable profits for the purposes of funding purchases of the Company's own shares.

The Company is also able to write off existing and future realised capital losses against this reserve, now that the Company has revoked its investment company status and is obliged to take into account capital losses in determining distributable reserves. Accordingly, a transfer of £702,570 has been made from the Special Reserve to the Profit and Loss account, representing current year realised losses.

17 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 22,455,802 (2010: 19,957,572) 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 above figures currently represent both basic and diluted net asset value per share.

18 Reconciliation of profit on ordinary activities before taxation to net cash outflow from operating activities

	2011	2010
	£	£
Profit on ordinary activities before taxation	1,893,790	713,131
Net gains on realisations of investments	(16,077)	(268,469)
Net unrealised gains on investments	(2,119,702)	(700,336)
Decrease in debtors	24,702	100,314
(Decrease)/increase in creditors and accruals	(90,204)	149,382
Net cash outflow from operating activities	(307,491)	(5,978)

19 Analysis of changes in net funds

	Cash	Liquid resources	Total
	£	£	£
At beginning of year	70,404	5,975,819	6,046,223
Cash flows	990,760	(2,331,078)	(1,340,318)
At 31 January 2011	1,061,164	3,644,741	4,705,905

20 Financial instruments

The Company's financial instruments in both years 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 January 2011:

	2011 (Book value)	2011 (Fair value)	2010 (Book value)	2010 (Fair value)
	£	£	£	£
Assets at fair value through profit and loss:				
Investment portfolio	18,900,890	18,900,890	15,291,966	15,291,966
Current investments	3,644,741	3,644,741	5,975,819	5,975,819
Loans and receivables				
Accrued income	96,896	96,896	102,353	102,353
Other debtors	1,838,695	1,838,695	25,194	25,194
Cash at bank	1,061,164	1,061,164	70,404	70,404
Liabilities at amortised cost or equivalent				
Other creditors	(209,681)	(209,681)	(255,349)	(255,349)
Total for financial instruments	25,332,705	25,332,705	21,210,387	21,210,387
Non financial instruments	12,474	12,474	12,155	12,155
Total net assets	25,345,179	25,345,179	21,222,542	21,222,542

The investment portfolio principally consists of unquoted investments 98.7% (2010: 99.6%). The investment portfolio has a 100% (2010:100%) concentration of risk towards small UK based, sterling denominated companies, and represents 74.6% (2010: 72.1%) of net assets at the year-end.

Current investments are money market funds, discussed under credit risk below, which represent 14.4% (2010: 28.2%) of net assets at the year-end.

The main risks arising from the Company's financial instruments are due to fluctuations in market prices (market price risk), credit risk and cash flow interest rate risk, although liquidity risk and currency risk are 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.

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, which was a maximum of £18,900,890 at the year-end (2010: £15,291,966). It represents the potential gain or loss that the Company might benefit or 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 Investment Objective, as set out on the inside front cover. 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 Manager. 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 mainly 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 Manager 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% (2010: 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% (2010: 20%), and that the actual portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. 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.

	2011	**2010**
	£	**£**
	Profit and net assets	**Profit and net assets**
If overall share prices fell by 20% (2010: 20%), with all other variables held constant – decrease	(3,780,178)	(3,058,393)
Decrease in earnings, and net asset value, per Ordinary share (in pence)	(16.83)p	(15.32)p

	2011	2010
	£	£
	Profit and net assets	**Profit and net assets**
If overall share prices increase by 20% (2010: 20%), with all other variables held constant – increase	3,780,178	3,058,393
Increase in earnings, and net asset value, per Ordinary share (in pence)	16.83p	15.32p

The impact of a change of 20% (2010: 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.

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:

	2011	2010
	£	£
Loan stock investments	10,675,582	9,250,627
Money market funds	3,644,741	5,975,819
Accrued income and other debtor	1,935,591	127,547
Cash at bank	1,061,164	70,404
	17,317,078	15,424,397

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 accrued income and other debtors shown above was all due within three months of the year-end with £1,833,065 being settled on 9 February 2011.

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 maybe repaid.

	2011	2010
Repayable within	£	£
0 to 1 year	1,462,347	1,409,787
1 to 2 years	5,190,627	491,268
2 to 3 years	927,882	4,325,682
3 to 4 years	1,377,909	838,764
4 to 5 years	1,716,817	2,185,126
Total	10,675,582	9,250,627

Two loans with values totalling £440,305 are now past their repayment date but have not yet been renegotiated. Two loans valued at £nil not yet past their repayment date have been renegotiated in the year; both of which are not currently paying interest and one has converted its outstanding interest into share capital. 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 below. 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) is received late or missed. The loans in the table below are all considered to be past due only because interest on the loan is outstanding with the exception of the two referred to above. We are required to report in this format and include the full value of the loan even though it is only in respect of interest that they are in default.

	0-6 months	6-12 months	over 12 months	2011 Total
	£	£	£	£
Loans to investee companies past due	876,207	-	1,301,891	2,178,098

	0-6 months	6-12 months	over 12 months	2010 Total
	£	£	£	£
Loans to investee companies past due	-	460,664	640,005	1,100,669

The loan amount of £876,207 is included in the note as 0 - 6 months past due in the table above because contractually, interest relating to this amount was due at the balance sheet date. However this interest, in addition the loan amount, was paid by the investee company shortly after the year end.

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. These money market funds are all triple A rated funds, and so credit risk is considered to be relatively low in current circumstances. The cash at bank of £1,061,164 is held with 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.

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 January 2011 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	8,208,860	-	-	8,208,860		
Preference shares	-	16,448	-	16,448	5.48	1.68
Loan stocks	-	6,944,017	3,731,565	10,675,582	4.42	2.43
Money market funds	-	-	3,644,741	3,644,741	0.65	
Cash	-	-	1,061,164	1,061,164	1.19	
Debtors	1,935,591	-	-	1,935,591		
Creditors	(209,681)	-	-	(209,681)		
Total for financial instruments	9,934,770	6,960,465	8,437,470	25,332,705		
Non-financial instruments	12,474	-	-	12,474		
Total net assets	9,947,244	6,960,465	8,437,470	25,345,179		

The interest rate profile of the Company's financial net assets at 31 January 2010 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	6,033,767	-	-	6,033,767		
Preference shares	-	7,572	-	7,572	-	2.58
Loan stocks	-	5,347,532	3,903,095	9,250,627	4.41	2.99
Money market funds	-	-	5,975,819	5,975,819	0.53	
Cash	-	-	70,404	70,404	0.15	
Debtors	127,547	-	-	127,547		
Creditors	(255,349)	-	-	(255,349)		
Total for financial instruments	5,905,965	5,355,104	9,949,318	21,210,387		
Non-financial instruments	12,155	-	-	12,155		
Total net assets	5,918,120	5,355,104	9,949,318	21,222,542		

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:

	2011	2010
	£	£
	Profit and net assets	Profit and net assets
If interest rates fell by 1%, with all other variables held constant – decrease	(66,656)	(78,043)
Decrease in earnings, and net asset value, per Ordinary share (in pence)	(0.30)p	(0.39)p

	2011	2010
	£	£
	Profit and net assets	Profit and net assets
If interest rates rose by 1%, with all other variables held constant – increase	66,656	78,043
Increase in earnings, and net asset value, per Ordinary share (in pence)	0.30p	0.39p

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. 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 above 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 Manager 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 which are, as reported in Note 13, nearly all accessible on an immediate basis.

Currency risk
All assets and liabilities are denominated in sterling and therefore there is no currency risk.

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

Financial assets at fair value through profit and loss At 31 January 2011	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity investments	241,664	-	7,967,196	8,208,860
Preference shares	-	-	16,448	16,448
Loan stock investments	-	-	10,675,582	10,675,582
Money market funds	3,644,741	-	-	3,644,741
Total	3,886,405	-	18,659,226	22,545,631

Financial assets at fair value through profit and loss At 31 January 2010	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity investments	64,323	-	5,969,444	6,033,767
Preference shares	-	-	7,572	7,572
Loan stock investments	-	-	9,250,627	9,250,627
Money market funds	5,975,819	-	-	5,975,819
Total	6,040,142	-	15,227,643	21,267,785

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 on below:

	Equity investments £'000	Preference shares £'000	Loan stock investments £'000	Total £'000
Opening balance at 1 February 2010	5,969,444	7,572	9,250,627	15,227,643
Purchases	605,067	1,000	1,616,817	2,222,884
Sales	(14,427)	-	(971,007)	(985,434)
Transfers into Level 3	64,323	-	-	64,323
Total gains/(losses) included in gains/(losses) on investments in the Income Statement:				
- on assets sold or impaired	(49,896)	-	101,670	51,774
- on assets held at the year end	1,392,685	7,876	677,475	2,078,036
Closing balance at 31 January 2011	7,967,196	16,448	10,675,582	18,659,226

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:

	31 January 2011 £	31 January 2010 £
Investment methodology		
Cost (reviewed for impairment)	6,114,709	6,114,709
Asset value supporting security held	349,983	349,983
Recent investment price	2,194,554	1,878,249
Earnings multiple	9,999,980	6,438,836
Realisation proceeds	-	445,866
	18,659,226	15,227,643

The unquoted equity and loan stock investments had the following movements between valuation methodologies between 31 January 2010 and 31 January 2011:

Change in investment methodology (2010 to 2011)	Carrying value as at 31 January 2011 £	Explanatory note
Recent investment price to earnings multiple	2,662,822	More appropriate basis for determining fair value

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 January 2011.

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 £1,723k or 8.8% lower. Using the upside alternatives the value would be increased by £1,381k or 7.1%. In arriving at both these figures, a 5% change to earnings multiples was applied. In addition, for the upward alternative, the earnings of five investee companies were increased where it was considered reasonable to do so. Within the downside, one company's earnings was reduced and another had a 50% cost impairment applied.

21 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 be, and 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.

22 Segmental analysis

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

23 Post balance sheet events

Following the year end, 2,824,210 shares have been issued in a series of allotments on 28th February, 22nd March, 1st April, 5th April and 10th May as part of the joint fundraising offer, raising £3.25 million for the Company.

On 8 February 2011, IGLU.com Holidays Limited prepaid all of their loan stock to the Company realising £882,408 proceeds including £131,737 premium and £6,201 outstanding interest.

On 31 March 2011, Vectair Holdings Limited repaid its entire loan stock to the Company, realising £91,417 proceeds, including a premium of £15,054 and outstanding interest of £1,095.

The Company has committed to invest a further £158,577 as a further follow-on investment in Monsal Holdings Limited.

Matrix Income & Growth 4 VCT PLC

(Registered in England and Wales No. 3707697)

NOTICE of the ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at 11.00 am on Monday, 20 June 2011 at One Vine Street, London W1J 0AH for the purpose of considering and, if thought fit, passing the following resolutions of which, resolutions numbered 1 to 9 will be proposed as ordinary resolutions and resolutions numbered 10 and 11 will be proposed as special resolutions:

1. To receive the audited annual accounts of the Company for the financial year ended 31 January 2011 together with the Directors' Report and the Auditor's report on those accounts and on the auditable part of the Directors' Remuneration Report.

2. To approve the Directors' Remuneration Report for the year ended 31 January 2011 which is set out in the Annual Report of the Company for the year ended 31 January 2011.

3. To appoint PKF (UK) LLP as Auditor to the Company until the conclusion of the next Annual General Meeting.

4. To authorise the Directors to determine PKF (UK) LLP's remuneration as Auditor of the Company.

5. To elect Andrew Robson as a Director of the Company.

6. To re-elect Helen Sinclair as a Director of the Company.

7. To re-elect Christopher Moore as a Director of the Company.

8. To approve the payment of a final dividend for the year ended 31 January 2011 of 3 pence per ordinary share of 1 pence each in the capital of the Company ("Ordinary Shares"), payable on 24 June 2011 to shareholders on the register on 3 June 2011.

9. 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 pence 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 £350,560, provided that the authority conferred by this Resolution 9 shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the annual general meeting of the Company to be held in 2012 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.

To consider and, if thought fit, to pass the following resolution as a special resolution:

10. That, in substitution for any existing authorities, the directors of the Company be and hereby are empowered pursuant to sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in section 560(1) of the Act) for cash, pursuant to the authority given pursuant to Resolution 9 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 expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the annual general meeting of the Company to be held in 2012, and provided further that this power shall be limited to:-

(i) the allotment and issue of equity securities up to an aggregate nominal value representing £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; 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

where the proceeds may be used, in whole or part, to purchase the Company's Shares.

To consider and, if thought fit, to pass the following resolutions as special resolutions:

11. That, in substitution for any existing authorities, the Company be and hereby is empowered to make one or more market purchases (within the meaning of section 693(4) of the Act) of its own Shares on such terms and in such manner as the directors of the Company may determine (either for cancellation or for the retention as treasury shares for future re-issue or transfer) provided that:

(i) the aggregate number of Ordinary which may be purchased shall not exceed 3,789,474;

(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 is an amount equal to the higher of (a) an amount equal to five per cent above the average of the middle market quotations for a Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day 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 (unless previously renewed or revoked in general meeting) expire on the conclusion of the annual general meeting of the Company to be held in 2012; and

(v) the Company may make a contract or contracts to purchase its own Shares under the authority conferred by this resolution 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

Matrix Private Equity Partners LLP
Company Secretary

Registered Office
One Vine Street
London W1J 0AH

Dated: 16 May 2011

Notes:

1. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 6.00 pm on 16 June 2011 (or, in the event of any adjournment, 6.00 pm on the date which is two days before the time 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 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 Registrars, on 0871 664 0300 (lines are open between 8.30 am and 5.30 pm Monday to Friday, calls cost 10p per minute (including VAT) plus network extras – if calling from overseas please dial +44 208 639 3399 (international rates will apply)) to request additional copies of the proxy form. Different charges may apply to calls from mobile telephones and call may be recorded and randomly monitored for security and training purposes. For legal reasons Capita Registrars 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 1 to 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 manager 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 Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received not later than 11.00 am on 16 June 2011 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 RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

9. 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.

10. 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.

11. 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 11.00am on 16 June 2011. 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.

12. 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.

13. As at 16 May 2011 (being the last business day prior to the publication of this notice), the Company's issued share capital consisted of 25,280,012 Ordinary Shares of 1p, carrying one vote each. Therefore, the total voting rights in the Company as at 16 May 2011 were 25,280,012.

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 corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. 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 Companies 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 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.

Corporate Information

Directors (Non-executive)
Christopher Moore (Chairman)
Andrew Robson (appointed 1 August 2010)
Helen Sinclair
Colin Hook (resigned 27 September 2010)

Secretary
Matrix Private Equity Partners LLP
One Vine Street
London W1J 0AH

Company's Registered Office and Head Office
One Vine Street
London W1J 0AH

Company Registration Number
3707697

Investment Manager, Promoter and Administrator
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Solicitors
Martineau
No 1 Colmore Square
Birmingham
B4 6AA

Stockbroker
Matrix Corporate Capital LLP
One Vine Street
London W1J 0AH

Registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
Tel: 0871 664 0300 (calls cost 10p per minute plus net work extras. Lines are open 8.30am-5.30pm Mon-Fri. If calling from overseas please ring +44 208 639 2157)

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