

Mobeus Income & Growth VCT plc

A VENTURE CAPITAL TRUST

Unaudited Half-Year Report
for the six months ended 30 June 2018

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

Company Objective

The Objective of the Company is to provide investors with a regular income stream, by way of tax-free dividends generated from income and capital returns, while continuing at all times to qualify as a VCT.

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YOUR PRIVACY

We are committed to protecting and respecting your privacy. To understand how we collect, use and otherwise process personal data relating to you, or that you provide to us, please read our privacy notice, which can be found at www.migvct.co.uk.

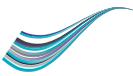
Financial Highlights

Results for the six months ended 30 June 2018

As at 30 June 2018:

Net assets: **£75.38 million**

Net asset value ("NAV") per share: **69.69 pence**

 Net asset value ("NAV") total return per share for the Half-Year was 1.3% while the share price total return per share was 3.2%.

 The Company has declared an interim dividend of 2.00 pence per share, payable on 21 September 2018 to shareholders on the register on 24 August 2018, bringing total cumulative dividends paid to shareholders since inception to 113.80 pence per share.

 Three new investments and three follow-on investments have been made during the period, totalling £3.66 million.

 £25 million was raised from a successful Offer for Subscription which closed in March 2018, fully subscribed.

Performance Summary

The net asset value per share of the Company at 30 June 2018 was 69.69 pence.

The table below shows the recent past performance of the original fundraising launched in 2004. Performance data for all fundraising rounds and for former Matrix Income & Growth 3 VCT plc ("MIG3 VCT") shareholders are shown in the tables on pages 26 and 27 of this Half-Year Report.

Reporting date	Net assets	NAV per Share	Share price (mid-market price) ¹	Cumulative dividends paid per share	Cumulative total return per share to shareholders ²		Dividends per share declared in respect of the period
					(NAV basis)	(Share price basis)	
As at	(£m)	(p)	(p)	(p)	(p)	(p)	(p)
30 June 2018	75.38	69.69	62.00	111.80	181.49	173.80	2.00 ³
31 December 2017	69.90	71.75	63.00	108.80	180.55	171.80	16.00
30 June 2017	62.43	82.58	68.50	95.80	178.38	164.30	9.00

¹ Source: Panmure Gordon (mid-price).

² Cumulative total return per share comprises either the NAV per share (NAV basis) or the mid-market price per share (share price basis), plus cumulative dividends paid since launch in 2004.

³ The Directors have declared an interim dividend of 2.00 pence per share in respect of the six months ended 30 June 2018. The dividend will be paid to shareholders on 21 September 2018.

Chairman's Statement

I am pleased to present the Half-Year Report for Mobeus Income & Growth VCT plc ("MIG") covering the six month period ended 30 June 2018.

Overview

The six month period has produced a satisfactory return for shareholders with a positive income return as well as a small net positive of unrealised gains on portfolio companies and the receipt of some deferred income on realisations in a previous year. The Board is pleased to note the successful completion of the fundraising activity during the period which raised gross funds of £25 million.

The rate and level of new investment has been good with four new growth capital investments and three follow-on investments into existing growth portfolio companies completed so far in 2018. Further details of these investments are included under 'Investment Portfolio' below and in the Investment Review on pages 5 - 6.

These investments reflect the focus on providing growth capital to younger and smaller companies in accordance with the revised Investment Policy approved by shareholders in 2016. By way of reminder, this revised Policy was required to comply with the VCT measures introduced by the Finance (No.2) Act 2015 in November of that year.

More recently, the enactment of the Finance Act 2018 on 15 March 2018 has resulted in further changes to the VCT Scheme (see 'Industry and regulatory developments' below). Your Board does not believe that these further changes will materially affect the Company's existing Investment Policy and strategic objectives.

Performance

At 30 June 2018, your Company was ranked 8th out of 40 VCTs, over the last five years, in the Association of Investment Companies' ("AIC") analysis of NAV Cumulative Total Return.

The Net Asset Value ("NAV") Total Return was 1.3% for the period (compared with 6.0% for the same period last year; a period which reflected the imminent profitable disposal of Entanet).

Fundraising

On 6 September 2017, the Company launched an Offer for Subscription to raise up to £25 million in aggregate. Demand for the Offer was strong and the Company raised the full amount by 13 March 2018, of which £7.82 million of net funds were raised in the current period. The Board would like to thank all new investors and shareholders, their advisers and intermediaries, for their support.

Dividends

On 17 May 2018, following shareholder approval at the annual general meeting, the Company paid a final dividend of 3.00 pence per ordinary share, in respect of the financial year ended 31 December 2017.

The Board has declared an interim capital dividend of 2.00 pence per share in respect of the current financial year, payable on 21 September 2018 to shareholders on the register on 24 August 2018. This dividend will be paid out of the Company's Special Distributable Reserve. Once paid, this will bring cumulative dividends paid per share since the launch of the Company to 113.80 pence (30 June 2017: 104.80 pence) per share.

Your Board is confident of meeting the 4.00 pence per share annual dividend target in respect of the current financial year. The gradual move of the portfolio to growth capital investments may make it more difficult to achieve in future financial years without recourse to the Company's reserves.

Investment Portfolio

Overall the performance of the investment portfolio has been satisfactory in the current environment. The portfolio achieved a gain of £0.78 million (1.9% of the opening value) during the first half of the year and was valued at £45.35 million at the period end (30 June 2017: £49.51 million). The six month period experienced notable increases in the valuations of EOTH, MPB Group and CGI Creative Graphics but the portfolio also saw significant valuation falls over the period for Motorclean, Wetsuit Outlet and Veritek Global.

During the period three new investments and three follow-on investments were made at a total cost of £3.66 million (analysed on pages 5 and 6 and explained within Note 9).

These were:

- Proactive Investors – a provider of investor media services and research.
- Super Carers – an online platform connecting people seeking care.
- Hemmels – a classic car restoration business.
- MPB Group (follow-on) – an online marketplace for used camera and video equipment.
- Tapas Revolution (follow-on) – a leading Spanish restaurant chain in the casual dining sector.
- MyTutor (follow-on) – a digital marketplace connecting people seeking online tutoring.

After the period end, a new investment of £0.57 million was made into Rota Geek, a provider of workforce management software.

The company received cash proceeds of £0.61 million during the period, comprising loan stock repayments from investee companies and deferred consideration arising from realisations which occurred in a previous year.

Further information on the portfolio can be found in the Investment Review on pages 5 - 9.

Revenue account

The net revenue return for the period was £0.87 million compared to £1.15 million recorded this time last year. This is due to two principal factors: firstly, loan interest has decreased, due to the realisation of Entanet and Gro-Group whose loans paid sizeable amounts of loan interest, alongside a provision against loan interest receivable from another portfolio company; secondly, higher net assets and numbers of shareholders, arising from the funds raised under the Offer for Subscription, have resulted in increased VCT expenses, mainly Investment Adviser fees.

Industry and regulatory developments

As mentioned in my Overview above, a number of additional changes to the VCT Scheme were introduced with the enactment of the Finance Act 2018 on 15 March 2018. These changes were designed to exclude tax-motivated

investments where capital is not at risk (that is, principally seeking to preserve investors' capital) and to encourage VCTs to put their money to work faster. They also place further restrictions on the way investments may be structured. Further details of these changes are set out within the Summary of VCT regulation on page 4.

Share buybacks

During the period, the Company bought back for cancellation a total of 410,037 Ordinary shares amounting to 0.4% of its issued share capital at the start of the year. These were bought back at approximately a 10% discount to the Company's latest announced NAV, in accordance with the Company's buyback policy. The reason the Company makes market purchases of its own shares is principally to enhance the liquidity of the Company's shares and also to seek to manage the level and volatility of the discount to NAV at which the Company's shares may trade.

Liquidity

Cash or near cash resources held by the Company as at 30 June 2018, including the liquidity held by companies preparing to trade, was £32.06 million or 42.5% of net assets. After the period end, following the investment into Rota Geek and the payment of the interim dividend in September 2018, the pro forma level of liquidity will be £29.33 million or 40.1% of net assets.

The VCT continues to hold its cash in a selection of money market funds with AAA credit ratings and in a number of deposit accounts, diversified among well-known financial institutions across a range of maturities.

Shareholder event

The Investment Adviser held its eighth annual shareholder event on 30 January 2018. As in previous years, the event was well received by those shareholders who attended. The next event will be held on 5 February 2019, again at the Royal Institute of British Architects in Central London. The programme will contain highlights from the performance of the Mobeus VCTs as well as presentations by representatives of portfolio companies.

Recently, shareholders have received further details and an invitation to the event with their copy of the Mobeus VCT Newsletter.

Outlook

Your Board considers that your Company is well positioned to take advantage of the strong demand for growth capital investments, although entry valuations can be quite full for the most attractive opportunities. The portfolio has a solid foundation of investments made under the previous MBO strategy, the majority of which are mature, generating operating profits and providing attractive income returns. We expect the current trend for follow-on investments into new and existing growth capital portfolio companies to continue in the foreseeable future until such time as these growth investments have achieved scale and sustainable earnings.

The recent successful fundraising will provide the Company with sufficient funds to meet its cash needs and to continue the current investment rate in the medium term. Your Board is also pleased to note that the Investment Adviser continues to expand and strengthen its investment team to source investments that complement the portfolio.

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

Clive Boothman

Chairman

14 August 2018

Investment Policy

The investment policy is designed to meet the Company's objective.

Investments

The Company invests primarily in a diverse portfolio of UK unquoted companies. Investments are made selectively across a number of sectors, principally in established companies. Investments are usually structured as part loan stock and part equity in order to produce a regular income stream and to generate capital gains from realisations.

There are a number of conditions within the VCT legislation which need to be met by the Company and which may change

from time to time. The Company will seek to make investments in accordance with the requirements of prevailing VCT legislation.

Asset allocation and risk diversification policies, including the size and type of investments the Company makes, are determined in part by the requirements of prevailing VCT legislation. No single investment may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment.

Liquidity

The Company's cash and liquid funds are held in a portfolio of readily realisable

interest bearing investments, deposit and current accounts, of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

Borrowing

The Company's articles of association permit borrowings of amounts up to 10% of the adjusted capital and reserves (as defined therein). However, the Company has never borrowed and the Board would only consider doing so in exceptional circumstances.

Summary of VCT regulation

To maintain its status as a VCT, the Company must meet a number of conditions, the most important of which are that:

- the Company must hold at least 70%¹, by VCT tax value², of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;
- all qualifying investments made by VCTs after 5 April 2018, together with qualifying investments made by funds raised after 5 April 2011, are in aggregate required to comprise at least 70% by VCT tax value in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules)³;
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;

- the Company's shares must be listed on a regulated European stock market;
- non-qualifying investments can no longer be made, except for certain exemptions in managing the Company's short-term liquidity; and
- VCTs are now required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of the accounting period.

To be a VCT qualifying holding, new investments must be in companies:

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and £16 million immediately following investment from VCTs;
- whose maximum age is generally up to seven years (ten years for knowledge intensive businesses);
- that receive no more than an annual limit of £5 million and a lifetime limit of £12 million (for knowledge intensive companies the lifetime limit is £20 million, and the annual limit is £10 million), from VCTs and similar sources of State Aid funding;

- that use the funds received from VCTs for growth and development purposes;

In addition, VCTs may not:

- offer secured loans to investee companies, and any returns on loan capital above 10% must represent no more than a commercial return on the principal; and
- make investments that do not meet the new 'risk to capital' condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is genuine risk of loss of capital).

¹ For accounting periods beginning on or after 6 April 2019, this percentage will increase to 80%.

² VCT tax value means as valued in accordance with prevailing VCT legislation. The calculation of VCT tax value is arrived at using tax values, based on the cost of the most recent purchase of an investment instrument in a particular company, which may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 7 - 9.

³ The requirement for VCTs to hold at least 30% of qualifying investments in "eligible shares" (broadly ordinary equity) from funds raised prior to 6 April 2011 has been withdrawn.

Summary of further changes to VCT regulation, enacted in 2018, yet to take effect.

From 6 April 2019:

- the period for reinvestment of proceeds on disposal of qualifying investments will increase from 6 to 12 months.

For the Company's accounting year beginning on 1 January 2020:

- the Company must hold at least 80% by tax value of its total investments in VCT qualifying holdings.

Please note that the above summary is not exhaustive.

Investment Review

New investments in the period

A total of £1.68 million was invested into three companies during the six months under review, comprising new investments into Proactive Investors, Super Carers and Hemmels as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Proactive Investors	Investor media services	January / June 2018	0.50

Proactive Investors specialises in up-to-the-minute multi-media news provision, events organisation, digital services and investor research. Proactive provides breaking news, commentary and analysis on hundreds of small-cap listed companies and pre-IPO businesses across the globe, 24/7. The investment will enable Proactive to expand its services into the US market, which is the largest global market for investor media services in the world. The company's unaudited accounts for the year ended 30 June 2017 show turnover of £3.99 million and a profit before interest, tax and amortisation of goodwill of £0.53 million.

	SuperCarers	Online care provision platform	March 2018	0.58
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Super Carers provides an online platform connecting people, typically family members seeking care for their elderly parents, with experienced independent carers. Carers and care-seekers manage care directly, thus reducing the administrative burden and the need for care managers, enabling care to be delivered with greater flexibility and more cost effectively. The company's unaudited accounts for the year ended 31 March 2017 show revenues of £0.18 million and a loss before interest, tax and amortisation of goodwill of £0.72 million.

	Hemmels	Classic car restoration	March 2018	0.60
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Hemmels commenced trading in September 2016 and specialises in the sourcing, restoration, selling and servicing of high value classic cars, currently focusing on classic Mercedes-Benz. The investment will enable Hemmels to proceed with its expansion plans and secure sufficient stock. The company's accounts for the year ended 31 December 2017 have not yet been finalised.

Further investments in existing portfolio companies in the period

The Company made further investments totaling £1.98 million into three existing portfolio companies during the period under review, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	MPB Group	Online marketplace for used camera and video equipment	February 2018	0.43

MPB is Europe's leading online marketplace for used camera and video equipment. Based in Brighton, its custom-designed pricing technology enables MPB to offer both buy and sell services through the same platform and offers a one-stop shop for all its customers. Having expanded into the US (opening a New York office) and German markets as part of the initial VCT investment round, this follow on investment, alongside funds provided by the Proven VCTs, is to support its continued growth plan. Having doubled its sales over the last year, this investment will give the company sufficient capital to achieve its next phase of expansion. The company's latest audited accounts for the year ended 31 March 2017 show turnover of £13.20 million and a loss before interest, tax and amortisation of goodwill of £0.47 million.

Investment Review

	Company	Business	Date of investment	Amount of new investment (£m)
	Tapas Revolution	Restaurant chain	March 2018	0.56

Based in London, Tapas Revolution is a leading Spanish restaurant chain in the casual dining sector focusing on shopping centre sites with high footfall. Having opened its first restaurant in Shepherd's Bush Westfield, with the support of the initial VCT investment in 2017, the business now operates six established restaurants. This follow on investment is to finance the opening of several new locations around the UK. The company's latest audited accounts for the year ended 29 October 2017 show a turnover of £5.84 million and loss before interest, tax and amortisation of goodwill of £0.68 million.

	My Tutorweb	Online tutoring	May 2018	0.99
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My Tutorweb Limited is a digital marketplace that connects school pupils who are seeking private one-to-one tutoring with university students. The business is satisfying a growing demand from both schools and parents to improve pupils' exam results to enhance their academic and career prospects. This investment supports an opportunity to grow My Tutorweb's market presence and drive technological development within the company. The company's latest unaudited accounts for the year ended 31 December 2017 show turnover of £0.56 million and a loss before interest, tax and amortisation of goodwill of £1.40 million.

New investment post period-end

	Company	Business	Date of investment	Amount of new investment (£m)
	Rota Geek	Workforce management software	August 2018	0.57

Rota Geek is a provider of cloud-based enterprise software that uses data-driven technologies to help predominantly large retail and leisure organisations predict and meet demand to schedule staff effectively and fairly. This investment will be used to further technology development and grow sales from enterprise (i.e. substantial) clients.

Realisations in the period

There have been no realisations during the period under review. £0.18 million was received as deferred consideration arising from the realisations of Gro-Group and Tessella in a previous year.

Loan stock repayments

Loan stock repayments totalled £0.43 million from Plastic Surgeon (formerly TPSFF) and MPB Group during the period under review.

Mobeus Equity Partners LLP

Investment Adviser
14 August 2018

Investment Portfolio Summary

as at 30 June 2018

Qualifying investments	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period ¹	% value of net assets
Unquoted investments						
Tovey Management Limited (trading as Access IS) Provider of data capture and scanning hardware	Software and Computer Services	Oct-15	2,979	3,590	6.3%	4.8%
ASL Technology Holdings Limited Printer and photocopier services	Support services	Dec-10	2,942	3,231	3.6%	4.3%
Virgin Wines Holding Company Limited Online wine retailer	General retailers	Nov-13	2,439	2,777	1.1%	3.7%
EOTH Limited (trading as Rab and Lowe Alpine) Branded outdoor equipment and clothing	General retailers	Oct-11	1,000	2,222	32.8%	2.9%
Turner Topco Limited (trading as Auction Technology Group (formerly ATG Media)) SaaS based online auction marketplace platform	Media	Oct-08	2,494	1,909	(9.7)%	2.5%
CGI Creative Graphics International Limited Vinyl graphics to global automotive, recreational vehicle and aerospace markets	General Industrials	Jun-14	1,808	1,873	38.1%	2.5%
MPB Group Limited Online marketplace for used photographic equipment	General retailers	Jun-16	1,180	1,822	53.8%	2.4%
Vectair Holdings Limited Designer and distributor of washroom products	Support services	Jan-06	139	1,795	5.7%	2.4%
My Tutorweb Limited Digital marketplace connecting school pupils seeking one-to-one online tutoring	Support services	May-17	1,534	1,689	28.3%	2.2%
Vian Marketing Limited (trading as Red Paddle Co) Design, manufacture and sale of stand-up paddleboards and windsurfing sails	Leisure goods	Jul-15	1,189	1,684	(10.1)%	2.2%
Master Removers Group Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van) A specialist logistics, storage and removals business	Support services	Dec-14	614	1,619	14.9%	2.1%
Tharstern Group Limited Software based management information systems	Software and computer services	Jul-14	1,377	1,602	(9.3)%	2.1%
Preservica Limited Seller of proprietary digital archiving software	Software and Computer Services	Dec-15	900	1,466	19.2%	1.9%
Ibericos Etc. Limited (trading as Tapas Revolution) Spanish restaurant chain	Travel & Leisure	Jan-17	1,245	1,453	30.0%	1.9%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	General retailers	Feb-14	2,174	1,354	(29.9)%	1.8%
Media Business Insight Holdings Limited A publishing and events business focused on the creative production industries	Media	Jan-15	2,518	1,307	6.6%	1.7%
The Plastic Surgeon Holdings Limited (formerly TPSFF Holdings Limited) Supplier of snagging and finishing services to the domestic and commercial property markets	Support services	Apr-08	39	1,295	20.2%	1.7%
Pattern Analytics Limited (trading as Biosite) Workforce management and security services for the construction industry	Support services	Nov-16	757	1,136	-	1.5%
Redline Worldwide Limited Provider of security services to the aviation industry and other sectors	Support services	Feb-16	1,088	1,078	(7.5)%	1.4%

¹ - This percentage change in 'like for like' valuations is a comparison of the 30 June 2018 valuations with the 31 December 2017 valuations having adjusted for partial disposals, loan stock repayments or new investments in the period.

Investment Portfolio Summary

as at 30 June 2018

Qualifying investments	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period ¹	% value of net assets
Blaze Signs Holdings Limited Manufacturer and installer of signs	Support services	Apr-06	492	1,018	45.0%	1.4%
RDL Corporation Limited Recruitment consultants for the pharmaceutical, business intelligence and IT industries	Support services	Oct-10	1,558	919	(6.7)%	1.2%
Fullfield Limited (trading as Motorclean) Provider of vehicle cleaning and valet services	Support services	Jul-11	1,626	874	(48.7)%	1.2%
Buster and Punch Holdings Limited (formerly Chatfield Services Limited) Industrial inspired lighting and interiors retailer	General retailers	Mar-17	668	824	23.4%	1.1%
BookingTek Limited Direct booking software for hotel groups	Software and Computer Services	Oct-16	771	771	(24.9)%	1.0%
Super Carers Limited Online platform that connects people seeking home care from experienced independent carers	Support services	Mar-18	580	580	New investment	0.8%
Hemmels Limited Company specialising in the sourcing, restoration, selling and servicing of high price, classic cars	Automobiles parts	Mar-18	598	525	(12.2)%	0.7%
Proactive Group Holdings Inc Provider of media services and investor conferences for companies primarily listed on secondary public markets	Media	Jan-18	505	505	New investment	0.7%
Jablite Holdings Limited Manufacturer of expanded polystyrene products	Construction and materials	Apr-15	502	307	-	0.4%
Veritek Global Holdings Limited Maintenance of imaging equipment	Support services	Jul-13	2,045	194	(72.0)%	0.3%
Lightworks Software Limited Provider of software for CAD vendors	Software and computer services	Apr-06	223	120	(24.5)%	0.2%
Racoon International Group Limited Supplier of hair extensions, hair care products and training	Personal goods	Dec-06	1,213	-	-	0.0%
CB Imports Group Limited (trading as Country Baskets) Importer and distributor of artificial flowers and floral sundries	General retailers	Dec-09	350	-	-	0.0%
Newquay Helicopters (2013) Limited (in members' voluntary liquidation) Helicopter service operator	Support services	Jun-06	30	-	-	0.0%
Total qualifying investments			39,577	41,539	4.2%	55.0%

¹ - This percentage change in 'like for like' valuations is a comparison of the 30 June 2018 valuations with the 31 December 2017 valuations having adjusted for partial disposals, loan stock repayments or new investments in the period.

	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period ¹	% value of net assets
Non-qualifying investments						
Media Business Insight Limited As above	Media	Jan-15	765	830	6.5%	1.1%
Hollydale Management Limited Company seeking to carry on a business in the food sector	Company preparing to trade	Mar-15	938	585	-	0.8%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) As above	General retailers	Feb-14	571	571	-	0.8%
EOTH Limited (trading as Rab and Lowe Alpine) As above	General retailers	Oct-11	298	324	-	0.4%
Backhouse Management Limited Company seeking to carry on a business in the motor sector	Company preparing to trade	Apr-15	787	303	-	0.4%
Barham Consulting Limited Company seeking to carry on a business in the catering sector	Company preparing to trade	Apr-15	787	303	-	0.4%
Creasy Marketing Services Limited Company seeking to carry on a business in the textile sector	Company preparing to trade	Apr-15	787	303	-	0.4%
McGrigor Management Limited Company seeking to carry on a business in the pharmaceutical sector	Company preparing to trade	Apr-15	787	303	-	0.4%
Tovey Management Limited (trading as Access IS) As above	Software and computer services	Oct-15	285	285	-	0.4%
Turner Topco Limited (trading as Auction Technology Group (formerly ATG Media)) As above	Media	Oct-08	7	-	-	0.0%
Watchgate Limited Holding company	Support services	Nov-11	1	-	-	0.0%
Total non-qualifying investments			6,013	3,807	1.8%	5.1%
Total investment portfolio			45,590	45,346	1.9%	60.1%
Current asset investments and Cash at bank and in hand ²				30,267		40.2%
Total investments			45,590	75,613		100.3%
Other assets				232		0.3%
Current liabilities				(466)		(0.6)%
Net assets				75,379		100.0%

¹ - This percentage change in 'like for like' valuations is a comparison of the 30 June 2018 valuations with the 31 December 2017 valuations having adjusted for partial disposals, loan stock repayments or new investments in the period.

² - Disclosed as Current Asset Investments and Cash at bank and in hand within Current assets in the Balance Sheet on page 14.

Statement of the Directors' Responsibilities

Responsibility statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Clive Boothman (Chairman), Bridget Guérin (Chairman of the Nomination & Remuneration and Management Engagement Committees), and Catherine Wall (Chairman of the Audit Committee), being the Directors of the Company, confirm that, to the best of their knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with Financial Reporting Standard 104 "Interim Financial Reporting" gives a true and fair view of the assets, liabilities, financial position and profit of the Company, as required by DTR 4.2.10;
- (b) the Half-Year Management Report which comprises the Chairman's Statement, Investment Policy, Investment Review and Investment Portfolio Summary includes a fair review of the information required by DTR 4.2.7, being an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
- (c) a description of the principal risks and uncertainties facing the Company for the remaining six months is set out below, in accordance with DTR 4.2.7; and
- (d) there were no related party transactions in the first six months of the current financial year that are required to be disclosed in accordance with DTR 4.2.8.

Principal risks and uncertainties

In accordance with DTR 4.2.7, the Board confirms, that the principal risks and uncertainties facing the Company have not changed materially since the publication of the Annual Report and Financial Statements for the year ended 31 December 2017. The Board acknowledges that there is regulatory risk and continues to manage the Company's affairs in such a manner as to comply with section 274 of the Income Tax Act 2007.

The principal risks faced by the Company are:

- Economic;
- Loss of approval as a Venture Capital Trust;
- Investment and strategic;
- Regulatory;
- Financial and operating;
- Market;
- Asset liquidity;
- Market liquidity;
- Counterparty; and
- Key staff.

A detailed explanation of these risks can be found in the Strategic Report on pages 21 to 22 and in Note 15 on pages 56 - 63 of the Annual Report and Financial Statements for the year ended 31 December 2017, copies of which are available on the Investment Adviser's website, www.mobeusequity.co.uk or by going direct to: www.migvct.co.uk.

Going concern

The Board has assessed the Company's operation as a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Half-Year Management Report. The Directors have satisfied themselves that the Company continues to maintain a significant cash position. The majority of companies in the portfolio continue to trade profitably and the portfolio taken as a whole remains resilient and well-diversified. The major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Notes 15 and 16 on pages 56 - 63 of the Annual Report and Financial Statements for the year ended 31 December 2017. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the half-year report and annual financial statements.

Cautionary statement

This report may contain forward looking statements with regards to the financial condition and results of the Company, which are made in the light of current economic and business circumstances. Nothing in this report should be construed as a profit forecast.

For and on behalf of the Board:

Clive Boothman
Chairman

14 August 2018

Unaudited Condensed Financial Statements

for the six months ended 30 June 2018

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Unaudited Condensed Income Statement

for the six months ended 30 June 2018

	Notes	Six months ended 30 June 2018 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains / (losses) on investments	9	-	599,601	599,601
Realised gains on investments	9	-	181,297	181,297
Income	4	1,410,023	-	1,410,023
Investment Adviser's fees	5	(197,296)	(591,886)	(789,182)
Other expenses		(206,876)	-	(206,876)
Profit on ordinary activities before taxation		1,005,851	189,012	1,194,863
Tax on profit on ordinary activities	6	(137,808)	112,458	(25,350)
Profit and total comprehensive income		868,043	301,470	1,169,513
Basic and diluted earnings per share	7	0.83p	0.28p	1.11p

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the unrealised gains/(losses) and realised gains on investments and the proportion of the Investment Adviser's fee charged to capital.

The total column is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). In order to better reflect the activities of a VCT and in accordance with the 2014 Statement of Recommended Practice ("SORP") updated in January 2017 by the Association of Investment Companies ("AIC"), 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.

All the items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period.

The notes on pages 18 - 23 form part of these unaudited Half-Year Financial Statements.

Six months ended 30 June 2017 (unaudited)			Year ended 31 December 2017 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
-	2,891,634	2,891,634	-	(572,662)	(572,662)
-	186,404	186,404	-	5,248,859	5,248,859
1,691,814	-	1,691,814	3,131,481	-	3,131,481
(169,087)	(507,259)	(676,346)	(350,079)	(1,050,237)	(1,400,316)
(171,119)	-	(171,119)	(385,417)	-	(385,417)
1,351,608	2,570,779	3,922,387	2,395,985	3,625,960	6,021,945
(204,510)	97,647	(106,863)	(392,180)	202,170	(190,010)
1,147,098	2,668,426	3,815,524	2,003,805	3,828,130	5,831,935
1.52p	3.53p	5.05p	2.52p	4.82p	7.34p

Unaudited Condensed Balance Sheet

as at 30 June 2018

Company registration number: 05153931

	Notes	As at 30 June 2018 (unaudited) £	As at 30 June 2017 (unaudited) £	As at 31 December 2017 (audited) £
Fixed assets				
Investments at fair value	9	45,346,808	49,509,076	41,515,308
Current assets				
Debtors and prepayments		231,749	331,084	3,976,235
Current asset investments	10	26,933,900	9,646,811	21,803,276
Cash at bank and in hand	10	3,332,817	3,273,445	3,027,719
		30,498,466	13,251,340	28,807,230
Creditors: amounts falling due within one year		(466,012)	(331,187)	(422,761)
Net current assets		30,032,454	12,920,153	28,384,469
Net assets		75,379,262	62,429,229	69,899,777
Capital and reserves				
Called up share capital		1,081,709	755,975	974,257
Capital redemption reserve		19,141	9,440	15,040
Share premium reserve		43,644,698	19,463,849	35,856,430
Revaluation reserve		3,259,646	6,290,934	2,786,782
Special distributable reserve		17,155,736	30,659,875	19,058,094
Realised capital reserve		7,913,691	3,044,076	8,147,387
Revenue reserve		2,304,641	2,205,080	3,061,787
Equity shareholders' funds		75,379,262	62,429,229	69,899,777
Basic and diluted net asset value per share	11	69.69p	82.58p	71.75p

The financial information for the six months ended 30 June 2018 and the six months ended 30 June 2017 has not been audited.

The notes on pages 18 - 23 form part of these unaudited Half-Year Financial Statements.

Unaudited Condensed Statement of Changes in Equity

for the six months ended 30 June 2018

	Notes	Non-distributable reserves			Distributable reserves			Total	
		Called up share capital	Capital redemption reserve	Share premium reserve	Revaluation reserve	Special distributable reserve (note a)	Realised capital reserve (note b)		Revenue reserve (note b)
		£	£	£	£	£	£	£	
At 1 January 2018		974,257	15,040	35,856,430	2,786,782	19,058,094	8,147,387	3,061,787	69,899,777
Comprehensive income for the period									
Profit/(loss) for the period		-	-	-	599,601	-	(298,131)	868,043	1,169,513
Total comprehensive income for the period		-	-	-	599,601	-	(298,131)	868,043	1,169,513
Contributions by and distributions to owners									
Shares issued via Offer for Subscription (note c)		111,553	-	7,788,268	-	(82,001)	-	-	7,817,820
Shares bought back (note d)		(4,101)	4,101	-	-	(257,469)	-	-	(257,469)
Dividends paid	8	-	-	-	-	(1,083,460)	(541,730)	(1,625,189)	(3,250,379)
Total contributions by and distributions to owners		107,452	4,101	7,788,268	-	(1,422,930)	(541,730)	(1,625,189)	4,309,972
Other movements									
Realised losses transferred to special reserve (notes a and e)		-	-	-	-	(479,428)	479,428	-	-
Realisation of previously unrealised appreciation		-	-	-	(126,737)	-	126,737	-	-
Total other movements		-	-	-	(126,737)	(479,428)	606,165	-	-
At 30 June 2018		1,081,709	19,141	43,644,698	3,259,646	17,155,736	7,913,691	2,304,641	75,379,262

Note a: The cancellation of the share premium reserve and capital redemption reserve (as approved at the General Meeting held on 22 February 2014) and by order of the Court dated 12 March 2014) has increased the Company's special distributable reserve. The purpose of this reserve is to fund market purchases of the Company's own shares, write off any existing and future losses and for any other corporate purpose, including dividend distributions. All of this reserve arose from shares issued before 5 April 2014.

Note b: The Realised capital reserve and the Revenue reserve together comprise the Profit and Loss Account of the Company.

Note c: Under the 2017/2018 Offer, 11,155,262 shares were allotted during the period, raising net funds of £7,817,820 for the Company. This figure is net of issue costs of £204,683. Having raised the full amount of funds sought, the Offer was closed on 13 March 2018.

Note d: During the period, the Company purchased 410,037 of its own shares at the prevailing market price for a total cost of £257,469, which were subsequently cancelled. This figure is more than that shown in the Statement of Cash flows by £4,753. This is a net figure arising from a creditor held at the previous year-end of £46,857, which was settled during the period, and a creditor held at this period-end of £51,610, which was settled after the period-end.

Note e: The transfer of £479,428 to the special distributable reserve from the realised capital reserve above is the total of realised losses incurred by the Company this period.

The notes on pages 18 - 23 form part of these unaudited Half-Year Financial Statements.

Unaudited Condensed Statement of Changes in Equity for the six months ended 30 June 2017

Notes	Non-distributable reserves				Distributable reserves			Total £
	Called up share capital £	Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Special distributable reserve £	Realised capital reserve £	Revenue reserve £	
At 1 January 2017	755,975	9,440	19,463,849	3,523,180	35,605,335	2,733,792	1,057,982	63,149,553
Comprehensive income for the period								
Profit/(loss) for the period	-	-	-	2,891,634	-	(223,208)	1,147,098	3,815,524
Total comprehensive income for the period	-	-	-	2,891,634	-	(223,208)	1,147,098	3,815,524
Contributions by and distributions to owners								
Shares bought back	-	-	-	-	-	-	-	-
Dividends paid	8	-	-	-	(4,535,848)	-	-	(4,535,848)
Total contributions by and distributions to owners	-	-	-	-	(4,535,848)	-	-	(4,535,848)
Other movements								
Realised losses transferred to special reserve	-	-	-	-	(409,612)	409,612	-	-
Realisation of previously unrealised appreciation	-	-	-	(123,880)	-	123,880	-	-
Total other movements	-	-	-	(123,880)	(409,612)	533,492	-	-
At 30 June 2017	755,975	9,440	19,463,849	6,290,934	30,659,875	3,044,076	2,205,080	62,429,229

The composition of each of these reserves is explained below:

Called up share capital - The nominal value of shares originally issued increased for subsequent share issues either via an Offer for Subscription or reduced due to shares bought back by the Company.

Capital redemption reserve - The nominal value of shares bought back and cancelled is held in this reserve, so that the Company's capital is maintained.

Share premium reserve - This reserve contains the excess of gross proceeds less issue costs over the nominal value of shares allotted under recent Offers for Subscription.

Revaluation reserve - Increases and decreases in the valuation of investments held at the period-end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

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

Special distributable reserve - The cost of share buybacks is charged to this reserve. In addition, any realised losses on the sale or impairment of investments (excluding transaction costs), and 75% of the Investment Adviser fee expense, and the related tax effect, are transferred from the realised capital reserve to this reserve. The cost of any IFA facilitation fee payable as part of the Offer for Subscription is also charged to this reserve.

Realised capital 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;
- 75% of the Investment Adviser fee expense and 100% of any performance incentive fee payable, together with the related tax effect to this reserve in accordance with the policies; and
- Capital dividends paid.

Revenue reserve - Income and expenses that are revenue in nature are accounted for in this reserve together with the related tax effect, as well as income dividends paid that are classified as revenue in nature.

The notes on pages 18 - 23 form part of these unaudited Half-Year Financial Statements.

Unaudited Condensed Statement of Cash Flows

for the six months ended 30 June 2018

Notes	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
Cash flows from operating activities			
Profit after tax for the financial period	1,169,513	3,815,524	5,831,935
Adjustments for:			
Net unrealised (gains)/losses on investments	(599,601)	(2,891,634)	572,662
Net realised gains on investments	(181,297)	(186,404)	(5,248,859)
Tax charge for current period	25,350	106,863	190,010
Decrease/(increase) in debtors	291,594	41,613	(197,500)
Increase/(decrease) in creditors and accruals	13,147	(24,522)	92,991
Net cash inflow from operations	718,706	861,440	1,241,239
Corporation tax paid	-	-	(109,090)
Net cash inflow from operating activities	718,706	861,440	1,132,149
Cash flows from investing activities			
Purchases of investments	(3,656,065)	(630,103)	(1,649,533)
Disposals of investments	4,058,356	6,663,279	13,821,745
Decrease in bank deposits with a maturity over three months	19	1,942	1,715
Net cash inflow from investing activities	402,310	6,035,118	12,173,927
Cash flows from financing activities			
Shares issued net of issue costs as part of Offer for subscription	7,817,820	-	16,524,906
Equity dividends paid	(3,250,379)	(4,535,848)	(15,231,922)
Share capital bought back	(252,716)	-	(327,838)
Net cash inflow/(outflow) from financing activities	4,314,725	(4,535,848)	965,146
Net increase in cash and cash equivalents	5,435,741	2,360,710	14,271,222
Cash and cash equivalents at start of period	23,825,443	9,554,221	9,554,221
Cash and cash equivalents at end of period	29,261,184	11,914,931	23,825,443
Cash and cash equivalents comprise:			
Cash at bank and in hand	3,332,817	3,273,445	3,027,719
Cash equivalents	25,928,367	8,641,486	20,797,724

The notes on pages 18 - 23 form part of these unaudited Half-Year Financial Statements.

Notes to the Unaudited Condensed Financial Statements for the six months ended 30 June 2018

1. Company information

Mobeus Income and Growth VCT plc is a public limited company incorporated in England, registration number 5153931. The registered office is 30 Haymarket, London, SW1Y 4EX.

2. Basis of preparation of the Financial Statements

These Financial Statements are prepared in accordance with accounting policies consistent with Financial Reporting Standard 102 ("FRS 102"), Financial Reporting Standard 104 ("FRS 104") - Interim Financial Reporting, with the Companies Act 2006 and the 2014 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP') (updated in January 2017) issued by the Association of Investment Companies ("AIC"). The Financial Statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in note 9.

The Half-Year Report has not been audited, nor has it been reviewed by the Auditor pursuant to the Financial Reporting Council's (FRC) guidance on Review of Interim Financial Information.

3. Principal accounting policies

The accounting policies have been applied consistently throughout the period. Full details of principal accounting policies will be disclosed in the Annual Report, while the policy in respect of investments is included within an outlined box at the top of note 9 on investments.

4. Income

	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
Dividends	280,543	289,217	359,021
Money-market funds	53,552	7,938	23,657
Loan stock interest	1,064,680	1,386,114	2,723,814
Bank deposit interest	11,248	8,545	17,793
Other interest	-	-	7,196
Total Income	1,410,023	1,691,814	3,131,481

5. Investment Adviser's fees

In accordance with the policy statement published under "Management and Administration" in the Company's prospectus dated 9 July 2004, the Directors have charged 75% of the Investment Adviser's fees to the capital reserve. This is in line with the Board's expectation of the long-term split of returns from the investment portfolio of the Company. For further details, see note 4 on page 46 of the 2017 Annual Report and Financial Statements.

With effect from 1 April 2018, the Investment Adviser's fee upon the net funds raised from use of the over-allotment facility of £10 million under the recent Offer has been reduced from 2% to 1% for one year.

6. Taxation

There is a tax charge for the period as the Company has taxable income in excess of deductible expenses.

	Six months ended 30 June 2018 (unaudited)			Six months ended 30 June 2017 (unaudited)			Year ended 31 December 2017 (audited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
a) Analysis of tax charge:									
UK Corporation tax on profit for the period	137,808	(112,458)	25,350	204,510	(97,647)	106,863	392,180	(202,170)	190,010
Total current tax charge/(credit)	137,808	(112,458)	25,350	204,510	(97,647)	106,863	392,180	(202,170)	190,010
Corporation tax is based on a rate of 19.0% (2017: 19.3%)									
b) Profit on ordinary activities before tax	1,005,851	189,012	1,194,863	1,351,608	2,570,779	3,922,387	2,395,985	3,625,960	6,021,945
Profit on ordinary activities multiplied by rate of corporation tax in the UK of 19.0% (2017: 19.3%)	191,112	35,912	227,024	260,185	494,876	755,061	461,227	697,997	1,159,224
Effect of:									
UK dividends	(53,304)	-	(53,304)	(55,675)	-	(55,675)	(69,047)	-	(69,047)
Unrealised (gains)/losses not taxable/allowable	-	(113,924)	(113,924)	-	(556,640)	(556,640)	-	110,237	110,237
Realised gains not taxable	-	(34,446)	(34,446)	-	(35,883)	(35,883)	-	(1,010,404)	(1,010,404)
Actual current tax charge	137,808	(112,458)	25,350	204,510	(97,647)	106,863	392,180	(202,170)	190,010

7. Basic and diluted earnings per share

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

	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
i) Total earnings after taxation	1,169,513	3,815,524	5,831,935
Basic and diluted earnings per share (Note a)	1.11p	5.05p	7.34p
ii) Revenue earnings from ordinary activities after taxation	868,043	1,147,098	2,003,805
Basic and diluted revenue earnings per share (Note b)	0.83p	1.52p	2.52p
Net unrealised capital gains/(losses) on investments	599,601	2,891,634	(572,662)
Net realised capital gains on investments	181,297	186,404	5,248,859
Capital Investment Adviser's fees less taxation	(479,428)	(409,612)	(848,067)
iii) Total capital earnings	301,470	2,668,426	3,828,130
Basic and diluted capital earnings per share (Note c)	0.28p	3.53p	4.82p
iv) Weighted average number of shares in issue in the period	104,969,255	75,597,471	79,475,780

Notes:

- Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
- Basic revenue earnings per share is the revenue earnings after taxation divided by the weighted average number of shares in issue.
- Basic capital earnings per share is the total capital earnings after taxation divided by the weighted average number of shares in issue.

Notes to the Unaudited Condensed Financial Statements for the six months ended 30 June 2018

8. Dividends paid

Dividend	Type	For the year ended 31 December	Pence per share	Date paid	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
Second interim	Capital	2016	6.00p*	31 March 2017	-	4,535,848	4,535,848
Interim	Capital	2017	9.00p*	13 September 2017	-	-	6,796,071
Second interim	Capital	2017	4.00p*	8 December 2017	-	-	3,900,003
Final	Income	2017	1.50p	17 May 2018	1,625,189	-	-
Final	Capital	2017	0.50p	17 May 2018	541,730	-	-
Final	Capital	2017	1.00p*	17 May 2018	1,083,460	-	-
					3,250,379	4,535,848	15,231,922

* - These dividends were paid out of the Company's special distributable reserve.

9. Summary of movement on investments during the period

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments at "fair value through profit and loss" (FVTPL). All investments held by the Company are classified as FVTPL and assessed in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines, as updated in December 2015. 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 on 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. Where the terms of a disposal state that consideration may be received at some future date and, subject to the conditionality and materiality of the amount of deferred consideration, an estimate of the fair value, discounted for the time value of money may be recognised through the Income Statement. In other cases, the proceeds will only be recognised once the right to receive payment is established and there is no reasonable doubt that payment will be received.

Unquoted investments are stated at fair value by the Directors in accordance with the following rules, which are consistent with the IPEV 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, each investment is considered as a whole on a 'unit of account' basis alongside consideration of:

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

or:-

- b) where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate.
- (iii) Premiums, to the extent that they are considered capital in nature and that will be received upon repayment of loan stock investments, are accrued at fair value when the Company receives the right to the premium and when considered recoverable.
- (iv) Where a multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

Capital gains and losses on investments, whether realised or unrealised, are dealt with in the profit and loss and revaluation reserves and movements in the period are shown in the Income Statement.

All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

A key judgement made in applying the above accounting policy relates to investments that are permanently impaired. Where the value of an investment has fallen permanently below cost, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Adviser, will agree the values that represent the extent to which an investment 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.

The methods of fair value measurement are classified into hierarchy based on the reliability of the information used to determine the valuation.

- Level 1 - Fair value is measured based on quoted prices in an active market.
- Level 2 - Fair value is measured based on directly observable current market prices or indirectly being derived from market prices.
- Level 3 - Fair value is measured using valuation techniques using inputs that are not based on observable market data.

Notes to the Unaudited Condensed Financial Statements for the six months ended 30 June 2018

	Unquoted equity shares Level 3 £	Unquoted preference shares Level 3 £	Unquoted loan stock Level 3 £	Total £
Valuation at 1 January 2018	14,834,851	746,377	25,934,080	41,515,308
Purchases at cost	2,493,361	-	1,162,704	3,656,065
Sales - proceeds	(181,297)	-	(424,166)	(605,463)
- realised gains	181,297	-	-	181,297
Unrealised gains/(losses) on investments in the period	1,541,058	235	(941,692)	599,601
Valuation at 30 June 2018	18,869,270	746,612	25,730,926	45,346,808
Book cost at 30 June 2018	20,588,097	27,744	24,974,354	45,590,195
Permanent impairment in value of investments	(3,503,033)	-	-	(3,503,033)
Unrealised gains at 30 June 2018	1,784,206	718,868	756,572	3,259,646
Valuation at 30 June 2018	18,869,270	746,612	25,730,926	45,346,808
Gains on investments				
Net realised gains based on historical cost	181,297	-	126,737	308,034
Less amounts recognised as unrealised gains in previous years	-	-	(126,737)	(126,737)
Net realised gains based on carrying value at 31 December 2017	181,297	-	-	181,297
Net movement in unrealised gains/(losses) in the period	1,541,058	235	(941,692)	599,601
Gains/(losses) on investments for the six months ended 30 June 2018	1,722,355	235	(941,692)	780,898

Reconciliation to Condensed Statement of Cash Flows

Sales proceeds above of £605,463 are less than that shown in the Condensed Statement of Cash Flows of £4,058,356 by £3,452,893. This amount is cash proceeds arising from the realisation of Gro-Group which was held within debtors at the previous year-end.

There has been no significant change in the risk analysis as disclosed in Note 15 of the Financial Statements in the Company's Annual Report. The decrease in unrealised valuations of the loan stock investments above reflect the changes in the entitlement to loan premiums, and/or in the underlying enterprise value of the investee company. The decrease does not arise from assessments of credit or market risk upon these instruments.

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

	As at 30 June 2018 (unaudited) £	As at 30 June 2017 (unaudited) £	As at 31 December 2017 (audited) £
Cost (reviewed for impairment)	525,014	-	-
Estimated realisation proceeds	-	6,123,453	-
Multiple of earnings, revenue, or gross margin, as appropriate	38,121,718	34,669,112	34,759,532
Net asset value	306,679	-	306,679
Recent investment price	6,393,397	8,716,511	6,449,097
	45,346,808	49,509,076	41,515,308

10. Current asset investments and Cash at bank and in hand

	As at 30 June 2018 (unaudited) £	As at 30 June 2017 (unaudited) £	As at 31 December 2017 (audited) £
OEIC Money market funds	25,928,367	8,641,486	20,797,724
Cash equivalents per Statement of Cash Flows	25,928,367	8,641,486	20,797,724
Bank deposits that mature after three months	1,005,533	1,005,325	1,005,552
Current asset investments	26,933,900	9,646,811	21,803,276
Cash at bank and in hand	3,332,817	3,273,445	3,027,719

11. Basic and diluted net asset value per share

	As at 30 June 2018 (unaudited)	As at 30 June 2017 (unaudited)	As at 31 December 2017 (audited)
Net assets	£75,379,262	£62,429,229	£69,899,777
Number of shares in issue	108,170,944	75,597,471	97,425,719
Basic and diluted net asset value per share (pence)	69.69p	82.58p	71.75p

12. Post balance sheet events

On 13 August 2018, the Company made a new investment of £0.57 million into Rota Geek.

13. Financial statements for the period ended 30 June 2018

The information for the period ended 30 June 2018 does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Financial Statements for the year ended 31 December 2017 have been filed with the Registrar of Companies. The auditor has reported on these Financial Statements and that report was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

14. Half-Year Report

This Half-Year Report will shortly be made available on our website: www.migvct.co.uk and will be circulated by post to those shareholders who have requested copies of the Report. Further copies are available free of charge from the Company's registered office, 30 Haymarket, London, SW1Y 4EX or can be downloaded via the website.

Shareholder Information

Communication with shareholders

We aim to communicate regularly with our shareholders. In addition to the Half-Year and Annual Reports, shareholders receive a twice-yearly VCT newsletter from the Investment Adviser, approved by the Board. The May annual general meeting provides a useful platform for the Board to meet shareholders and exchange views. Your Board welcomes your attendance at general meetings to give you the opportunity to meet your Directors and representatives of the Investment Adviser. The Company releases Interim Management Statements in respect of those quarters where it does not publish half or full year accounts.

The Investment Adviser holds an annual shareholder event. The next event will be held on 5 February 2019 at the Royal Institute of British Architects in Central London.

Shareholders wishing to follow the Company's progress can visit its website at www.migvct.co.uk. The website includes dedicated pages on the Company providing up-to-date details on fund performance and dividends as well as publicly available information on the Company's portfolio of investments and copies of company reports. There is also a link to the London Stock Exchange's website at: www.londonstockexchange.com where shareholders can obtain up to the minute details of the share price and the latest NAV announcements, etc.

Shareholder enquiries:

The Registrars may be contacted via their website at the address given above, or by post or phone: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, tel: 0370 707 1155.

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

Financial calendar

Mid-August 2018	Announcement of the Company's Half-Year results and circulation of the Half-Year Report for the six months ended 30 June 2018 to shareholders.
24 August 2018	Record date for shareholders to be eligible for the interim dividend.
21 September 2018	Interim dividend in respect of the six months ended 30 June 2018 to be paid to shareholders.
31 December 2018	Year-end.
5 February 2019	Shareholder event.
March 2019	Announcement of the Company's annual results and circulation of Annual Report and Financial Statements for the year ended 31 December 2018 to shareholders.
May 2019	Annual General Meeting.

Selling your shares

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. **However, to ensure that you obtain the best price, shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2716/7 before agreeing a price with their stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares.

Dividends

Shareholders who wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be updated online by visiting www.investorcentre.co.uk or, alternatively, they can be obtained by contacting the Company's Registrars, Computershare Investor Services PLC at the address given at the end of this section.

Shareholders are encouraged to ensure that the Registrars maintain up-to-date details for them and to check whether they have received and banked all dividends payable to them. This is particularly important if they have recently moved house or changed their bank. We are aware that a number of dividends remain unclaimed by shareholders and whilst we will endeavour to contact you if this is the case, we cannot guarantee that we will be able to do so if the Registrars do not have an up-to-date postal and/or email address for you. You can update your contact details and view any unclaimed dividend payments on the Computershare Investor Centre at www.investorcentre.co.uk.

Common Reporting Standard and Foreign Account Tax Compliance Act (“FATCA”)

With effect from 1 January 2016 new tax legislation under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information was introduced. The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase their shares. As an affected entity, the Company will have to provide information annually to HMRC on the tax residencies of a number of non-UK based certificated shareholders. All new shareholders, excluding those whose shares are held in CREST, who are entered onto the share register from 1 January 2016 will be asked to provide the relevant information. Additionally, HMRC changed its policy position on the FATCA in June last year. This will mean that as a result of the restricted secondary market in VCT shares the Company’s shares will not be considered to be “regularly traded” which will mean that the Company will also be an affected entity for the purposes of this legislation and as such will have to provide information annually to HMRC on the tax residencies of shareholders who are resident for tax purposes in the United States.

For further information, please see HMRC’s Quick Guide: Automatic Exchange of Information – information for account holders: <https://www.gov.uk/government/publications/exchange-of-information-account-holders>.

Performance Data at 30 June 2018

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

Total return data, which includes cumulative dividends paid to date, is shown on both a share price and a NAV basis as at 30 June 2018. The NAV basis enables shareholders to evaluate more clearly the performance of the Investment Adviser, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector.

MIG VCT Fundraisings

Share price as at 30 June 2018 **62.00p¹**

NAV per share as at 30 June 2018 **69.69p**

Allotment date(s)	Allotment price (p)	Net allotment price ² (p)	Cumulative dividends paid per share ³ (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)
Funds raised 2004/05					
Between 5 October 2004 and 29 June 2005	100.00	60.00	111.80	173.80	181.49
Funds raised 2011 (Linked offer)					
21 January 2011	98.00	68.60	90.50	152.50	160.19
28 February 2011	102.30	71.61	90.50	152.50	160.19
22 March 2011	102.30	71.61	90.50	152.50	160.19
01 April 2011	102.30	71.61	90.50	152.50	160.19
05 April 2011	102.30	71.61	90.50	152.50	160.19
10 May 2011	100.60	70.42	90.50	152.50	160.19
06 July 2011	95.30	66.71	85.50	147.50	155.19
Funds raised 2012 (Linked offer)					
08 March 2012	101.20	70.84	85.00	147.00	154.69
04 April 2012	101.20	70.84	85.00	147.00	154.69
05 April 2012	101.20	70.84	85.00	147.00	154.69
10 May 2012	101.20	70.84	85.00	147.00	154.69
10 July 2012	95.50	66.85	78.75	140.75	148.44
Funds raised 2013 (Linked offer)					
14 January 2013	94.60	66.22	73.75	135.75	143.44
28 March 2013	97.40	68.18	73.75	135.75	143.44
04 April 2013	97.40	68.18	73.75	135.75	143.44
05 April 2013	97.40	68.18	73.75	135.75	143.44
10 April 2013 pre RDR ⁴	99.80	69.86	73.75	135.75	143.44
10 April 2013 post RDR ⁴	97.40	68.18	73.75	135.75	143.44
07 May 2013	95.40	66.78	71.75	133.75	141.44
Funds raised 2014 (Linked offer)					
09 January 2014	100.01 ⁵	70.01	67.75	129.75	137.44
11 February 2014	100.28 ⁵	70.20	67.75	129.75	137.44
31 March 2014	106.71 ⁵	74.70	67.75	129.75	137.44
03 April 2014	107.19 ⁵	75.03	67.75	129.75	137.44
04 April 2014	106.54 ⁵	74.58	67.75	129.75	137.44
06 June 2014	108.50 ⁵	75.95	64.50	126.50	134.19
Funds raised 2015 (Joint offer)					
14 January 2015	96.90 ⁵	67.83	47.50	109.50	117.19
17 February 2015	98.37 ⁵	68.86	47.50	109.50	117.19
10 March 2015	99.40 ⁵	69.58	47.50	109.50	117.19
Funds raised 2017 (Joint offer)					
28 September 17	74.70 ⁵	52.29	7.00	69.00	76.69
20 October 17	74.89 ⁵	52.42	7.00	69.00	76.69
9 November 17	75.82 ⁵	53.07	7.00	69.00	76.69
20 November 17	76.98 ⁵	53.89	7.00	69.00	76.69
21 November 17	76.90 ⁵	53.83	7.00	69.00	76.69
24 January 18	72.68 ⁵	50.88	3.00	65.00	72.69
13 March 18	72.64 ⁵	50.85	3.00	65.00	72.69

¹ - Source: Panmure Gordon & Co (mid-price basis), when the latest announced NAV was 68.54p after deducting a 3.00 pence dividend paid on 17 May 2018.

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

³ - For derivation, see table on page 27.

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

⁵ - Average effective offer price. Shares were allotted pursuant to the 2013/14, 2014/15, and 2017/18 Offers at individual prices for each investor in accordance with the allotment formula as set out in each Offer's Securities Note.

MIG 3 VCT Fundraising

Share price as at 30 June 2018 **66.06p¹**

NAV per share as at 30 June 2018 **74.25p**

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

Allotment date(s)	Allotment price (p)	Net allotment price ² (p)	Cumulative dividends paid per share ³ (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)
Funds raised 2006³					
Between 24 January 2006 and 5 April 2006	100.00	60.00	105.98	172.04	180.23

¹ - Source: Panmure Gordon & Co (mid-price basis), as adjusted for the merger ratio.

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

³ - For derivation, see table below.

Cumulative dividends paid

Payment date	2004 (MIG VCT) (p)	2006 (MIG 3 VCT) (p)	2011 (Linked offer) (p)	2012 (Linked offer) (p)	2013 (Linked offer) (p)	2014 (Linked offer) (p)	2015 (Joint offer) (p)	2017 (Joint offer) (p)
27 September 2005	0.30							
16 May 2006	0.70							
14 September 2006	0.80							
18 May 2007	1.40	1.25						
20 September 2007	1.00	1.00						
21 May 2008	7.80	1.50						
11 September 2008	3.30	1.00						
15 May 2009	1.00	0.80						
21 April 2010	5.00	4.00						
20 May 2010 Merger of MIG VCT and MIG 3 VCT								
27 May 2011	5.00	5.33 ¹	5.00					
15 September 2011	0.50	0.53 ¹	0.50					
22 May 2012	6.25	6.66 ¹	6.25	6.25				
20 September 2012	5.00	5.33 ¹	5.00	5.00				
15 May 2013	2.00	2.13 ¹	2.00	2.00	2.00			
18 September 2013	4.00	4.26 ¹	4.00	4.00	4.00			
14 May 2014	3.25	3.46 ¹	3.25	3.25	3.25	3.25		
17 September 2014	17.00	18.11 ¹	17.00	17.00	17.00	17.00		
30 April 2015	7.00	7.46 ¹	7.00	7.00	7.00	7.00	7.00	
17 September 2015	3.00	3.20 ¹	3.00	3.00	3.00	3.00	3.00	
31 May 2016	7.00	7.46 ¹	7.00	7.00	7.00	7.00	7.00	
20 September 2016	8.50	9.06 ¹	8.50	8.50	8.50	8.50	8.50	
31 March 2017	6.00	6.39 ¹	6.00	6.00	6.00	6.00	6.00	
13 September 2017	9.00	9.59 ¹	9.00	9.00	9.00	9.00	9.00	
08 December 2017	4.00	4.26 ¹	4.00	4.00	4.00	4.00	4.00	4.00
17 May 2018	3.00	3.20 ¹	3.00	3.00	3.00	3.00	3.00	3.00
Total dividends paid²	111.80	105.98	90.50	85.00	73.75	67.75	47.50	7.00

¹ - The dividends paid after the merger, on MIG VCT shareholdings arising from former MIG 3 VCT shareholdings, have been restated for the merger conversion ratio.

² - The above data relates to an investor in the first allotment of each fundraising. The precise amount of dividends paid to shareholders by date of allotment is shown on page 26 and above.

Corporate Information

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Bridget Guérin
Catherine Wall

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