

Mobeus Income & Growth VCT plc

A VENTURE CAPITAL TRUST

Unaudited Half-Year Report
for the six months ended 30 June 2015

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

Company Objective

The Company’s Objective is to provide investors with a regular income stream, by way of tax-free dividends generated from income and capital returns.

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Financial Highlights

Results for the six months ended 30 June 2015

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Net asset value (“NAV”) total return per share for the period was 2.6% while the share price total return per share for the period was 5.2%.
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Shareholders received a second interim dividend of 7.00 pence per share in respect of 2014 on 30 April 2015. An interim dividend for the current year of 3.00 pence per share has been declared. This dividend will bring cumulative dividends paid per share since launch to 74.30 pence.
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The Company invested a total of £6.27 million into new and existing investments during the period.
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The cash position was enhanced by the Mobeus VCT Offers in 2015. The Company’s Offer closed earlier than planned, having raised the full £15 million offered for subscription.

Performance Summary

The net asset value per share of the Company at 30 June 2015 was 95.01 pence

The table below shows the recent past performance of the original funds raised in 2004/05. Performance data for all fundraising rounds and for former Matrix Income & Growth 3 VCT shareholders are shown in a table on pages 27 – 28 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 in respect of the period
As at	(£m)	(p)	(p)	(p)	(NAV basis)	(Share price basis)	(p)
30 June 2015	72.19	95.01	83.50	71.30	166.31	154.80	3.00 ³
31 December 2014	60.41	99.44	86.00	64.30	163.74	150.30	24.00 ⁴
30 June 2014	67.88	111.55	94.50	47.30	158.85	141.80	17.00 ⁴

¹ Source: London Stock Exchange.

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.

³ The Directors have declared an interim dividend of 3.00 pence per share in respect of the six months ended 30 June 2015. The dividend will be paid to shareholders on 17 September 2015.

⁴ 24.00 pence is dividends paid per share in respect of the year ended 31 December 2014 and therefore includes the 17.00 pence paid in respect of the six months ended 30 June 2014.

Chairman's Statement

I am pleased to present the Half-Year Report for Mobeus Income & Growth VCT plc covering the six month period ended 30 June 2015.

The Finance Bill 2015-16 published in July proposed new regulations on VCT investment which may restrict the universe of companies that your Company can invest in under its present Investment Policy. Further details are set out later in my statement in the section headed VCT tax rules.

Net asset value (NAV) and NAV total return to shareholders

The net asset value per share as at 30 June 2015 was 95.01 pence compared with the previously reported NAV per share of 99.44 pence as at 31 December 2014. After taking into account the second interim dividend of 7.00 pence per share in respect of the year ended 31 December 2014 paid during this period, the Company's total return (NAV basis) for the half-year was 2.6% (2014: 12.4%). Meanwhile, the cumulative NAV total return per share (being the closing net asset value plus total dividends paid to date since launch) rose during the six month period by 1.6%, from 163.74 pence to 166.31 pence.

The positive NAV total return over the period principally reflected a rise in the overall value of the investment portfolio, with notable increases in the valuations of Tessella, Veritek, Blaze and Tharstern. The portfolio also saw valuation declines over the period, principally in the investments in Turner Topco (ATG Media), Fullfield (Motorclean) and Gro-Group.

A table showing the returns to shareholders from each allotment has been included at the back of this Half-Year Report on pages 27 – 28. This is to assist shareholders who originally invested in any of the individual fundraisings (including Matrix Income & Growth 3 VCT plc "MIG 3 VCT") to monitor the performance of their investment (including dividend payments) on a consistent basis.

Interim dividend

The Directors have declared an interim dividend of 3.00 pence per share comprising an income dividend of 1.00 penny per share and a capital dividend of 2.00 pence per share to be paid on 17 September 2015 to shareholders on the

Register on 21 August 2015. This dividend will bring cumulative dividends paid per share since the launch of the Company to 74.30 pence (2014: 64.30 pence) per share.

Investment portfolio

Overall the investment portfolio recorded a gain of £2.29 million (6.9% of the opening value) during the first half of the year and was valued at £54.52 million at the period-end. The portfolio continued to perform well during this six month period following last year's exceptional number and size of successful realisations. The investments, taken as a whole, are now less mature compared with the start of last year and the Investment Adviser will continue to focus on consolidating and adding to the portfolio over the coming months.

A total of £6.27 million (including £2.64 million from two acquisition vehicles) was invested in two new and two existing portfolio companies. In January, the Company invested £3.28 million into Media Business Insight ("MBI") a publishing and events business focused on the creative production industries. In April, a new investment of £1.50 million was made into Jablite, the UK's largest domestic manufacturer of Expanded Polystyrene products, of which £0.91 million has already been returned to the Company to date in partial loan stock pre-payments and associated premiums.

Within the total invested above, £1.49 million of follow-on investment was provided to two existing portfolio companies, Entanet and CGI Creative Graphics International, to support growth plans. In addition to the above transactions, a further sum was invested into a number of new acquisition vehicles shortly before the end of the 2014/15 tax year.

Shortly after the period-end, a new investment of £1.19 million was made in Tushingham Sails, a leading supplier of stand up paddleboards.

After last year's exceptional number of successful realisations, there were no investment realisations during this reporting period. However, strong cash generation at a number of portfolio companies contributed to a total of £1.21 million in partial loan stock pre-payments being received from six companies including Jablite, Ward Thomas (both relatively new investments) and Tessella.

Comment on the performance of the portfolio and details of all these transactions can be found in the Investment Review on pages 5 – 6 of this Half-Year Report.

Revenue account

The net revenue return for the period was £0.74 million, a fall of £0.73 million from £1.47 million achieved this time last year. This was principally because dividend income fell by £0.40 million from £0.52 million to £0.12 million while loan interest income fell by £0.31 million from £1.51 million to £1.20 million. These reductions arose because last year's income benefited from the receipt of both a number of preference dividends and of loan interest arrears. Other interest fell by £0.05 million as interest rates on bank deposits continued to fall.

In line with the reduction in the revenue return, there was a fall in the tax charge of £0.11 million, but this was partially offset by a rise in the fees paid to the Investment Adviser and other costs totalling £0.08 million.

VCT fundraising

As reported in my Statement at the year-end, the Company participated with the other three Mobeus VCTs in a further successful fundraising launched on 10 December 2014. The Company's Offer closed earlier than planned on 10 March 2015, having raised the full £15 million sought. The Board would like to thank the 707 existing shareholders and extend a very warm welcome to the 594 new shareholders, who invested in the Company through this fundraising. The Company had 5,498 shareholders as at 30 June 2015. The Board will reserve a decision in respect of further fundraising until later in 2015, but based on our current understanding of the impact of the Budget proposals on future investment activities (see VCT tax rules on facing page), it is unlikely that the Company will fundraise in the current tax year.

Liquidity

The Directors continue to seek opportunities to increase returns on the liquid assets of the Company without compromising the overriding requirement that risk to capital is minimised. The VCT continues to hold the majority of its cash and current asset investments in a number of deposit accounts diversified among well-known financial institutions across a range of

maturities totalling £16.06 million at 30 June 2015. The balance of £1.63 million was held in a selection of money market funds with AAA credit ratings.

In addition, the Company holds a number of acquisition vehicle investments, which, themselves, hold cash or cash equivalents pending using those funds to acquire suitable business opportunities.

Performance incentive fee

The Board reported in both the fundraising prospectus and the Annual Report on its proposal to pay the Investment Adviser a Performance Bonus Payment of £250,000 (inclusive of VAT) and to consider implementing a revised Performance Incentive Agreement (PIA) with the Investment Adviser. In the case of the latter, it was decided that it was not appropriate to introduce a new agreement but instead, a number of clarifications to the existing PIA have been agreed between the Board and the Investment Adviser.

Shareholders are being asked to approve the Performance Bonus Payment at a General Meeting to be held on 3 September 2015. The full proposal and details of the clarifications to the PIA are set out in the Shareholder Circular dated 24 July 2015.

Board appointments

The Board appointed Clive Boothman as a non-executive Director of the Company with effect from 1 August 2015. Clive was with Schroders for seventeen years from 1983 during which time he was, at different times, Managing Director of Investment Funds and the Private Client Group. Since leaving Schroders, he has been Chief Executive of Gerrard Limited and Cofunds Limited and London Representative of Jersey Finance Limited. More recently, until December 2014, he was non-executive chairman of Investment Funds Direct Limited (Ascentric), a whole-of-market wrap platform which provides dealing, valuation and reporting services to IFAs and their clients. In July 2015 he was appointed non-executive chairman of Platform One Group Limited, another wrap platform, targeted at providing services to international IFAs.

Shareholders will have the opportunity to ratify Mr Boothman's appointment at the next Annual General Meeting of the Company, to be held in May 2016.

Catherine Wall succeeded Tom Sooke as Chairman of the Audit Committee with effect from 1 July 2015.

Investment in qualifying holdings

The Company is required to meet the target set by HM Revenue & Customs ("HMRC") of investing at least 70% of the funds raised in qualifying unquoted and AIM quoted companies. The Company exceeded this limit (based on VCT cost as defined in tax legislation which differs from the actual cost given in the Investment Portfolio Summary on pages 7 – 10) throughout the period. The balance of the portfolio was invested in non-qualifying investments and cash.

Share buy-backs

During the six months ended 30 June 2015, the Company bought back 31,723 of its own shares, representing 0.05% of the issued share capital at the beginning of the period, at an average price, including costs, of 82.93 pence per share. All of the shares bought-back in the period were subsequently cancelled by the Company. Continuing shareholders benefit from the difference between the NAV per share and the price per share at which the shares are bought back and cancelled.

VCT tax rules

At the Budget in March this year, it was announced that some further amendments would be introduced to the VCT legislation, most of which were specifically aimed at enabling the scheme to gain continued approval under the European Commission's new State Aid guidelines. These changes were not enacted in the truncated Finance Act passed prior to the General Election, but were proposed for a Finance Bill later in 2015. Somewhat unexpectedly, the Summer Budget 2015, announced in July, has proposed additional new rules to prevent VCTs acquiring businesses by means of a Management Buyout ("MBO") even if using funds raised up to 5 April 2012, or if the holding is non-qualifying. The rules also prevent VCT funds from being used directly or indirectly to acquire existing businesses, regardless of whether it is through a purchase of shares or assets. Key aspects of the new proposed rules include:

- Introducing an 'age of company' restriction of a maximum of seven years at the time of first investment;
- Introducing a lifetime investment limit of £12 million; and
- Prohibiting VCT investment to finance acquisitions (as mentioned above).

The proposals remain subject to approval by the European Commission so the date when these proposals become legislation is uncertain, but is expected to be in October 2015, and to apply to investments made on or after that date. The precise details and full implications for the VCT's future investment programme will only be fully clear once the legislation is enacted. However, in the longer term, the Investment Adviser does anticipate a material reduction in the current range of companies that the VCT could consider as potential investments under its present investment strategy.

Until State Aid approval is given and the new legislation is enacted, there remain uncertainties regarding new investments made by VCTs. In the meantime, the Investment Adviser, along with others in the industry, is in discussions with HM Treasury about the restrictive nature of the proposed new rules, the impact on smaller company funding and the way in which these changes are being introduced.

Shareholder event

After the successful event held on 27 January 2015, the next workshop is to be held on 26 January 2016. An invitation to this event is enclosed with shareholders' copies of this Half-Year Report.

Outlook

Confidence in the prospects for the UK economy is growing with the general election result providing some longer term certainty for the business sector.

As outlined above, the measures proposed in the recent Finance Bill mean that there is some uncertainty around the Company's future Investment Policy. Along with its advisers, your Board is carefully considering these matters. I shall report to shareholders, again, once the full impact of the new legislation is clear.

In the meantime, the Investment Adviser's deal flow continues to be strong and the investment focus remains on building the portfolio by making new and follow-on investments.

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

Keith Niven

Chairman

11 August 2015

Investment Policy

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

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

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

VCT regulation

The investment policy is designed to ensure that the VCT continues to qualify and is approved as a VCT by HMRC. Amongst other conditions, the VCT may not invest more than 15% of its investments in a single company or group of companies and must have at least 70% by value of its investments throughout the period in shares or securities comprised of VCT qualifying holdings, of which a minimum overall of 30% by value (70% for funds raised on or after 6 April

2011) must be in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules). The VCT can invest less than 30% by value (70% for funds raised on or after 6 April 2011) of an investment in a specific company in ordinary shares. It must have at least 10% by value of its total investments in each VCT qualifying company in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules).

UK companies

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

Asset mix

The VCT holds its liquid funds in a portfolio of readily realisable interest-bearing investments and deposits. The investment portfolio of qualifying investments has been built up over time with the aim of investing and maintaining around 80% of net funds raised in qualifying investments.

Risk diversification and maximum exposures

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

Co-investment

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

Borrowing

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

Management

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

Investment Review

Investments remain spread across a number of sectors, primarily in support services, general retailers, media and fixed line telecommunications. Valuations of the investments rose overall largely due to Tessella, Veritek, Blaze and Tharstern all performing well, with the latter moving from investment cost to an earnings based valuation. In contrast, the valuations of Turner Topco, Fullfield, and Gro-Group fell during the period, reflecting weaker performances by these companies.

New investment

A total of £6.27 million was invested during the six months under review. This included substantial new investments to support the MBOs of Media Business Insight and Jablite.

Principal new investments in the half-year

	Company	Business	Date of investment	Amount of new investment (£m)
	Media Business Insight	Events and publishing	January 2015	3.28*

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

* £1.38 million was invested into the acquisition vehicle, South West Services Investment (SWSI) adding to its earlier investment of £1.14 million. This enabled SWSI to acquire MBI. The Company has also advanced a non-qualifying loan of £0.76 million to MBI. SWSI subsequently changed its name to Media Business Insight Holdings Limited.

	Jablite	Expanded polystyrene products	April 2015	1.50 *
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Jablite is the UK's largest domestic manufacturer of Expanded Polystyrene ("EPS") products operating under two divisions, manufacturing packaging (Styropak) and construction (Jablite) products. The business was bought out from its Dutch parent and operates from five production sites in the UK. For the year ended 31 December 2013, Jablite Limited and Styropak (UK) Limited, generated annual sales of £27.43 million and £15.33 million respectively and profit/(loss) before interest, tax and amortisation of goodwill of £0.66 million and £(0.001) million respectively.

* £1.50 million was invested into the acquisition vehicle Duncary 16 on 2 April 2015. This enabled Duncary 16 to acquire Jablite on 23 April 2015. Duncary 16 has subsequently changed its name to Jablite Holdings Limited.

The VCT also invested £15.04 million into new acquisition vehicles in the period that are preparing to carry on qualifying trades.

Investment Review

Further investments into existing portfolio companies in the half-year

	Company	Business	Date of investment	Amount of new investment (£m)
	Entanet	Wholesale provider of internet connectivity solutions	February 2015	1.00

Entanet is one of the UK's leading independent wholesale voice and data communications providers. The VCT made a further loan stock investment in February 2015 which had been negotiated at the time of the original investment in February 2014. Entanet had a turnover of £25.75 million and generated a profit before interest, tax and amortisation of goodwill of £1.82 million during the eleven months to 31 December 2014.

	Creative Graphics International	Producer of adhesive decorative graphics for vehicles	June 2015	0.49
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Creative Graphics is a leading specialist provider of adhesive decorative graphics to the automotive, recreational vehicle and airline markets. It operates from two centres, in Bedford and Cape Town, South Africa. The VCT made a further loan stock investment in June 2015 which had been negotiated at the time of the original investment in June 2014. The Company's latest audited accounts for the year ended 30 November 2012 show annual sales of £12.64 million and profit before interest, tax and amortisation of goodwill of £2.49 million.

New investment post period-end

	Company	Business	Date of investment	Amount of new investment (£m)
	Tushingham Sails	Supplier of watersports equipment	July 2015	1.19*

Tushingham Sails is a supplier of sails to the UK windsurfing market. It has recently moved into the young and rapidly expanding watersport of stand up paddleboarding as the manufacturer of its own fast-growing brand called Red Paddle. The company's design ethos and historic market knowledge has enabled Tushingham to penetrate this world market and we are optimistic that it will continue to increase its sales. The company had a turnover of £7.54 million and generated an adjusted profit before interest, tax and amortisation of goodwill of £1.08 million during the year ended 28 February 2015.

* £1.19 million held in Vian Marketing, an acquisition vehicle, was used to acquire Tushingham Sails Limited. This resulted in a net repayment to the Company of £0.32 million.

The VCT made a further investment of £1.52 million into an existing acquisition vehicle, Manufacturing Services Investment, in July 2015.

Realisations in the half-year

Whilst there were no full realisations during the period, the Company continued to receive loan stock repayments from a number of companies totalling £1.21 million, as summarised below:-

Company	Business	Month	Amount £000's
Jablite	Expanded polystyrene products	May and June	605
Fullfield (Motorclean)	Vehicle cleaning and valeting services	February – April	245
Leap New Co (Ward Thomas)	Logistics, removal and storage	May and June	147
Tharstern	Software for the printing industry	March	104
Aussie Man & Van	Domestic removals and storage	May and June	62
Tessella	Consultancy services	March and June	48
Total			1,211

Mobeus Equity Partners LLP

Investment Adviser
11 August 2015

Investment Portfolio Summary

as at 30 June 2015

	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period ¹	% value of net assets
Qualifying investments						
Unquoted investments						
Entanet Holdings Limited Wholesale communications provider	Support services	Feb-14	2,713	4,046	4.2%	5.6%
ASL Technology Holdings Limited Printer and photocopier services	Support services	Dec-10	2,942	3,376	1.2%	4.7%
Virgin Wines Holding Company Limited Online wine retailer	General retailers	Nov-13	2,439	2,811	9.5%	3.9%
Veritek Global Holdings Limited Maintenance of imaging equipment	Support services	Jul-13	2,045	2,669	29.8%	3.7%
Tessella Holdings Limited Technology consultancy	Support services	Jul-12	1,378	2,600	39.6%	3.6%
Media Business Insight Holdings Limited (formerly South West Services Investment Limited)² A publishing and events business focused on the creative production industries	Media	Jan-15	2,517	2,517	New investment	3.5%
CGI Creative Graphics International Limited Vinyl graphics to global automotive, recreational vehicle and aerospace markets	Support services	Jun-14	1,808	2,053	18.6%	2.8%
Turner Topco Limited (trading as ATG Media) Publisher and on-line auction platform operator	Media	Oct-08	2,501	2,045	(18.8)%	2.8%
Tharstern Group Limited Software based management information systems	Software & computer services	Jul-14	1,377	1,852	34.9%	2.6%
Fullfield Limited (trading as Motorclean) Provider of vehicle cleaning and valet services	Support services	Jul-11	1,963	1,604	(21.1)%	2.2%
Backhouse Management Limited Company seeking to acquire a business in the motor sector	Support services	Apr-15	1,514	1,514	New investment	2.1%
Barham Consulting Limited Company seeking to acquire a business in the catering sector	Support services	Apr-15	1,514	1,514	New investment	2.1%
Chatfield Services Limited Company seeking to acquire a business in the retail sector	Support services	Apr-15	1,514	1,514	New investment	2.1%
Creasy Marketing Services Limited Company seeking to acquire a business in the textile sector	Support services	Apr-15	1,514	1,514	New investment	2.1%
McGrigor Management Limited Company seeking to acquire a business in the pharmaceutical sector	Support services	Apr-15	1,514	1,514	New investment	2.1%
Pound FM Consultants Limited Company seeking to acquire a business in the construction sector	Support services	Apr-15	1,514	1,514	New investment	2.1%
Tovey Management Limited Company seeking to acquire a business in the support services sector	Support services	Apr-15	1,514	1,514	New investment	2.1%

¹ - This percentage change in 'like for like' valuations is the result of dividing the total of the closing valuation of the investment plus any proceeds in the period from partial disposals, with the valuation at the start of the period or, for a new investment, with the cost of that new investment.

² - A further £1.38 million was invested into the acquisition vehicle, South West Services Investment (SWSI) adding to its earlier investment of £1.14 million. This enabled SWSI to acquire Media Business Insight Limited ("MBI"). The Company also advanced a non-qualifying of £0.76 million to MBI. SWSI subsequently changed its name to Media Business Insight Holdings Limited.

Investment Portfolio Summary

as at 30 June 2015

	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period ¹	% value of net assets
Vian Marketing Limited Former acquisition vehicle used to support the investment in Tushingham Sails Limited after the period-end	Support services	Apr-15	1,514	1,514	New investment	2.1%
Blaze Signs Holdings Limited Manufacturer and installer of signs	Support services	Apr-06	492	1,480	52.0%	2.1%
Hollydale Management Limited Company seeking to acquire businesses in the food sector	Support services	Mar-15	1,465	1,465	New investment	2.0%
Knighton Management Limited Company seeking to acquire businesses in the engineering sector	Support services	Mar-15	1,465	1,465	New investment	2.0%
Westway Services Holdings (2014) Limited Installation, service and maintenance for air conditioning systems	Support services	Jun-09	214	1,415	4.4%	2.0%
Leap New Co Limited (trading as Ward Thomas Removals and Bishopsgate) A specialist logistics, storage and removals business	Support services	Dec-14	1,264	1,264	–	1.8%
EOTH Limited (trading as Rab and Lowe Alpine) Branded outdoor equipment and clothing	General retailers	Oct-11	1,000	1,250	15.0%	1.7%
Gro-Group Holdings Limited Baby sleep products	General retailers	Mar-13	1,975	1,191	(33.4)%	1.6%
Manufacturing Services Investment Limited Company seeking to acquire a business in the manufacturing sector	Support services	Feb-14	1,142	1,142	–	1.6%
Jablite Holdings Limited (formerly Duncary 16 Limited) Manufacturer of expanded polystyrene products	Construction & Materials	Apr-15	1,060	1,060	New investment	1.5%
The Plastic Surgeon Holdings Limited Supplier of snagging and finishing services to the domestic and commercial property markets	Support services	Apr-08	478	1,029	11.4%	1.4%
RDL Corporation Limited Recruitment consultant for the pharmaceutical, business intelligence and IT industries	Support services	Oct-10	1,557	825	(1.3)%	1.1%
Aussie Man & Van Limited Domestic removals and storage	Support services	Dec-14	559	559	–	0.8%
Vectair Holdings Limited Designer and distributor of washroom products	Support services	Jan-06	139	533	26.0%	0.7%
Newquay Helicopters (2013) Limited Helicopter service operator	Support services	Jun-06	226	396	–	0.5%
Lightworks Software Limited Provider of software for CAD vendors	Software & computer services	Apr-06	223	108	67.2%	0.1%
CB Imports Group Limited (trading as Country Baskets) Importer and distributor of artificial flowers and floral sundries	General retailers	Dec-09	350	33	100.0%	0.0%
PXP Holdings Limited (trading as Avebury Projects) Designer, manufacturer and supplier of timber frames for buildings	Construction & Materials	Dec-06	1,278	–	–	0.0%

	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period ¹	% value of net assets
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	Personal goods	Dec-06	1,213	–	(100.0)%	0.0%
Legion Group plc (in liquidation) Provider of manned guarding, mobile patrolling and alarm response services	Support services	Aug-05	150	–	–	0.0%
Watchgate Limited Holding company	Support services	Nov-11	1	–	–	0.0%
Total unquoted investments			50,046	52,900	6.8%	73.1%
AIM quoted investments						
Omega Diagnostics Group plc In-vitro diagnostics for food intolerance, autoimmune diseases and infectious diseases	Health care equipment and services	Dec-10	305	534	16.6%	0.7%
Total AIM quoted investments			305	534		0.7%
Total qualifying investments			50,351	53,434	6.9%	73.8%
Non-qualifying investments						
Media Business Insight Limited	Media	Jan-15	764	764	New investment	1.1%
EOTH Limited (trading as Rab and Lowe Alpine)	General retailers	Oct-11	298	323	15.0%	0.4%
Total non-qualifying investments			1,062	1,087		1.5%
Total portfolio investments			51,413	54,521	6.9%	75.3%

¹ - This percentage change in 'like for like' valuations is the result of dividing the total of the closing valuation of the investment plus any proceeds in the period from partial disposals, with the valuation at the start of the period or, for a new investment, with the cost of that investment.

Investment Portfolio Summary

as at 30 June 2015

	Total book cost	Valuation	% value of net assets
	£'000	£'000	
Monies held pending investment			
Barclays Bank plc ¹	3,527	3,527	4.9%
Santander UK plc ¹	2,000	2,000	2.8%
Total Monies held pending investment	5,527	5,527	7.7%
Current investments and Cash at bank			
Cash at NatWest Bank plc ²	3,986	3,986	5.5%
Nationwide Building Society ³	2,514	2,514	3.5%
HSBC Bank plc ³	2,015	2,015	2.8%
Lloyds Bank plc ³	2,011	2,011	2.8%
GS Funds plc (Goldman Sachs) ³	816	816	1.1%
Insight Liquidity Funds plc (Insight Investment Management) ³	271	271	0.4%
Institutional Cash Series plc (BlackRock) ³	256	256	0.4%
AAM Global Liquidity Funds plc (Aberdeen Asset Management) ³	176	176	0.2%
Fidelity Institutional Cash Fund plc (FIL Fund Management) ³	115	115	0.2%
Total Current investments and Cash at bank	12,160	12,160	16.9%
Total investments	69,100	72,208	99.9%
Other assets		219	0.4%
Current liabilities		(242)	(0.3)%
Net assets		72,185	100.0%

¹ - Disclosed as Monies held pending investment within Fixed assets in the Statement of Financial Position on page 14.

² - Disclosed as Cash at bank and in hand within Current assets in the Statement of Financial Position on page 14.

³ - Disclosed as Current Investments within Current assets in the Statement of Financial Position on page 14.

Responsibility Statement of the Directors in Respect of the Half-Year Financial Report

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Keith Niven (Chairman), Clive Boothman, Bridget Guérin (Chairman of the Nominations & Remuneration and Management Engagement Committees), Tom Sooke (Senior Independent Director) and Catherine Wall (Chairman of the Audit Committee), the Directors of the Company, confirm that to the best of their knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with the statement, "Half-Yearly Reports", issued by the Accounting Standards Board, gives a true and fair view of the assets, liabilities, financial position and profit of the Company, as required by DTR 4.2.4;
- (b) the Half-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 have been 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

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 level of regulatory uncertainty has increased following the publication of the Finance Bill 2015-16. The VCT tax rules contained in section 274 will be amended although the prospective new rules have not yet been finalised. With this exception, the Board confirms in accordance with DTR 4.2.7, that the principal risks and uncertainties facing the Company have not changed materially since the publication of the Annual Report and Accounts for the year ended 31 December 2014.

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.

A more detailed explanation of these risks can be found in the Strategic Report on pages 24 – 25 and in Note 19 on pages 60 – 67 of the Annual Report and Accounts for the year ended 31 December 2014, 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 and has raised additional funds during the period. The majority of companies in the portfolio continue to trade profitably and the portfolio taken as a whole remains resilient and well-diversified. The major cash outflows of the Company (namely investments, buy-backs and dividends) are within the Company's control.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Note 19 on pages 60 - 67 of the Annual Report and Accounts for the year ended 31 December 2014. 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.

On behalf of the Board:

Keith Niven
Chairman

11 August 2015

Unaudited Income Statement

for the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains on investments	10	–	2,013,959	2,013,959
Realised gains on investments	10	–	275,238	275,238
Income	4	1,362,484	–	1,362,484
Investment Adviser's fees	5	(193,488)	(580,465)	(773,953)
Other expenses		(269,597)	–	(269,597)
Profit on ordinary activities before taxation		899,399	1,708,732	2,608,131
Tax on profit on ordinary activities	6	(157,985)	118,038	(39,947)
Profit attributable to equity shareholders		741,414	1,826,770	2,568,184
Basic and diluted earnings per ordinary share	7	1.03p	2.53p	3.56p

The total column of this statement is the Income Statement of the Company.

The notes on pages 18 – 23 form part of these half-year financial statements.

Six months ended 30 June 2014 (unaudited)			Year ended 31 December 2014 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
–	3,310,223	3,310,223	–	698,348	698,348
–	3,380,466	3,380,466	–	8,379,750	8,379,750
2,111,620	–	2,111,620	3,624,232	–	3,624,232
(166,887)	(500,663)	(667,550)	(342,773)	(1,028,318)	(1,371,091)
(208,051)	–	(208,051)	(389,175)	–	(389,175)
1,736,682	6,190,026	7,926,708	2,892,284	8,049,780	10,942,064
(262,957)	107,643	(155,314)	(429,911)	221,088	(208,823)
1,473,725	6,297,669	7,771,394	2,462,373	8,270,868	10,733,241
2.55p	10.90p	13.45p	4.15p	13.94p	18.09p

Unaudited Statement of Financial Position

as at 30 June 2015

Company registration number: 5153931

	Notes	As at 30 June 2015 (unaudited) £	As at 30 June 2014 (unaudited) £	As at 31 December 2014 (audited) £
Fixed assets				
Investments at fair value	3b, 10	54,521,302	39,662,044	33,358,706
Monies held pending investment	11	5,527,224	2,009,872	7,017,054
		60,048,526	41,671,916	40,375,760
Current assets				
Debtors and prepayments		218,965	3,272,913	346,127
Current investments	11	8,173,786	10,643,500	12,152,104
Cash at bank and in hand		3,986,168	12,885,788	7,852,487
		12,378,919	26,802,201	20,350,718
Creditors: amounts falling due within one year				
		(242,378)	(595,449)	(316,401)
Net current assets				
		12,136,541	26,206,752	20,034,317
Net assets				
		72,185,067	67,878,668	60,410,077
Capital and reserves				
Called up share capital		759,730	608,500	607,500
Capital redemption reserve		5,685	4,367	5,367
Share premium reserve		19,463,849	4,938,202	4,938,201
Revaluation reserve		5,748,940	9,800,394	3,734,981
Special distributable reserve		41,297,702	43,181,014	41,911,188
Profit and loss account		4,909,161	9,346,191	9,212,840
Equity shareholders' funds				
		72,185,067	67,878,668	60,410,077
Basic and diluted net asset value per ordinary share				
	9	95.01p	111.55p	99.44p

The notes on pages 18 – 23 form part of these half-year financial statements.

Unaudited Statement of Changes in Equity

for the six months ended 30 June 2015

	Six months ended 30 June 2015 (unaudited)						
	Called up share capital £	Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Special distributable reserve £	Profit and loss account £	Total £
At 1 January 2015	607,500	5,367	4,938,201	3,734,981	41,911,188	9,212,840	60,410,077
Comprehensive income for the period							
Profit for the period	–	–	–	2,013,959	–	554,225	2,568,184
Other comprehensive income for the period	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	2,013,959	–	554,225	2,568,184
Contributions by and distributions to owners							
Shares issued under Offer for Subscription (note a)	152,548	–	14,525,648	–	(124,753)	–	14,553,443
Shares bought back (note b)	(318)	318	–	–	(26,307)	–	(26,307)
Dividends paid	–	–	–	–	–	(5,320,330)	(5,320,330)
Total contributions by and distributions to owners	152,230	318	14,525,648	–	(151,060)	(5,320,330)	9,206,806
Other movements							
Realised losses transferred to special reserve (note b)	–	–	–	–	(462,426)	462,426	–
Total other movements	–	–	–	–	(462,426)	462,426	–
At 30 June 2015	759,730	5,685	19,463,849	5,748,940	41,297,702	4,909,161	72,185,067

Note a: As part of the 2015 Offer for Subscription, a total of 15,254,642 ordinary shares were allotted at average effective offer prices ranging from 96.90 pence to 99.40 pence per share, raising net funds of £14,553,443.

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

Unaudited Statement of Changes in Equity (continued)

	Six months ended 30 June 2014 (unaudited)						
	Called up share capital £	Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Special distributable reserve £	Profit and loss account £	Total £
At 1 January 2014	531,126	186,520	15,361,612	9,867,216	25,580,251	2,741,643	54,268,368
Comprehensive income for the period							
Profit for the period	–	–	–	3,310,223	–	4,461,171	7,771,394
Other comprehensive income for the period	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	3,310,223	–	4,461,171	7,771,394
Contributions by and distributions to owners							
Shares issued under Offer for Subscription	81,741	–	8,115,663	–	(3,489)	–	8,193,915
Shares bought back	(4,367)	4,367	–	–	(394,540)	–	(394,540)
Dividends paid	–	–	–	–	–	(1,960,469)	(1,960,469)
Total contributions by and distributions to owners	77,374	4,367	8,115,663	–	(398,029)	(1,960,469)	5,838,906
Other movements							
Cancellation of share premium account	–	(186,520)	(18,539,073)	–	18,725,593	–	–
Realised losses written off to special reserve	–	–	–	–	(726,801)	726,801	–
Realisation of previously unrealised appreciation	–	–	–	(3,377,045)	–	3,377,045	–
Total other movements	–	(186,520)	(18,539,073)	(3,377,045)	17,998,792	4,103,846	–
At 30 June 2014	608,500	4,367	4,938,202	9,800,394	43,181,014	9,346,191	67,878,668

The notes on pages 18 – 23 form part of these half-year financial statements.

Unaudited Statement of Cash Flows

for the six months ended 30 June 2015

Notes	Six months ended 30 June 2015 (unaudited) £	Six months ended 30 June 2014 (unaudited) £	Year ended 31 December 2014 (audited) £
Cash flows from operating activities			
Profit for the financial period	2,568,184	7,771,394	10,733,241
Adjustments for:			
Net unrealised gains on investments	(2,013,959)	(3,310,223)	(698,348)
Net gains on realisations of investments	(275,238)	(3,380,466)	(8,379,750)
Tax charge for current period	39,947	155,314	208,823
Decrease in debtors	29,313	50,694	361,027
Increase in creditors	18,045	32,846	81,016
Net cash inflow from operations	366,292	1,319,559	2,306,009
Corporation tax paid	(110,774)	–	(402,098)
Net cash inflow from operating activities	255,518	1,319,559	1,903,911
Cash flows from investing activities			
Acquisitions of investments	10 (20,161,579)	(4,321,087)	(9,731,308)
Disposals of investments	10 1,386,029	8,741,449	24,670,194
Decrease/(increase) in monies held pending investment	1,489,830	(5,618)	(5,012,800)
Net cash (outflow)/inflow from investing activities	(17,285,720)	4,414,744	9,926,086
Cash flows from financing activities			
Shares issued as part of Offer for Subscription	14,553,443	7,405,079	8,193,915
Equity dividends paid	8 (5,320,330)	(1,960,469)	(12,304,975)
Share capital bought back	(47,548)	(445,457)	(510,178)
Net cash inflow/(outflow) from financing activities	9,185,565	4,999,153	(4,621,238)
Net (decrease)/increase in cash and cash equivalents	(7,844,637)	10,733,456	7,208,759
Cash and cash equivalents at start of period	20,004,591	12,795,832	12,795,832
Cash and cash equivalents at end of period	12,159,954	23,529,288	20,004,591
Cash and cash equivalents comprise:			
Cash at bank and in hand	3,986,168	12,885,788	7,852,487
Cash equivalents	8,173,786	10,643,500	12,152,104

The notes on pages 18 – 23 form part of these half-year financial statements.

Notes to the Unaudited Financial Statements

1. Company information

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

2. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ("FRS102"), the Companies Act 2006 and the 2014 Statement of Recommended practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the SORP) issued by the Association of Investment Companies. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

This is the first period in which the financial statements have been prepared under FRS102. There has been no material change in the accounting policies and so there has been no restatement of comparatives.

3. Principal accounting policies

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

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

a) Presentation of the Income Statement

In order better to 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.

b) Investments

Investments are accounted for on a trade date basis.

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

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

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

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

- (i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used.
- (ii) In the absence of i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:-
 - a) an earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Adviser compared to the sector including, inter alia, a lack of marketability).

or:-

b) Where an earnings multiple is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

or:-

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

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

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.

4. Income

	Six months ended 30 June 2015 (unaudited) £	Six months ended 30 June 2014 (unaudited) £	Year ended 31 December 2014 (audited) £
Dividends	119,557	515,427	902,426
Money-market funds	3,454	2,948	6,414
Loan stock interest	1,198,534	1,506,324	2,552,507
Bank deposit interest	39,994	51,901	116,879
Interest on preference share dividend arrears	945	30,287	30,287
Other income	–	4,733	15,719
Total income	1,362,484	2,111,620	3,624,232

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.

Notes to the Unaudited Financial Statements

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 2015 (unaudited)			Six months ended 30 June 2014 (unaudited)			Year ended 31 December 2014 (audited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
a) Analysis of tax charge:									
UK Corporation tax on profits/ (losses) for the period	157,985	(118,038)	39,947	262,957	(107,643)	155,314	429,911	(221,088)	208,823
Total current tax charge/(credit)	157,985	(118,038)	39,947	262,957	(107,643)	155,314	429,911	(221,088)	208,823
Corporation tax is based on a rate of 20.08% (2014: 21.50%)									
b) Profit on ordinary activities before tax	899,399	1,708,732	2,608,131	1,736,682	6,190,026	7,926,708	2,892,284	8,049,780	10,942,064
Profit on ordinary activities multiplied by rate of corporation tax in the UK of 20.08% (2014: 21.50%)	180,626	343,165	523,791	373,387	1,330,855	1,704,242	621,841	1,730,703	2,352,544
Effect of:									
UK dividends	(24,011)	–	(24,011)	(110,817)	–	(110,817)	(194,022)	–	(194,022)
Unrealised gains not allowable	–	(404,463)	(404,463)	–	(711,698)	(711,698)	–	(150,145)	(150,145)
Realised gains not taxable	–	(55,276)	(55,276)	–	(726,800)	(726,800)	–	(1,801,646)	(1,801,646)
(Under)/over provision in prior period	(94)	–	(94)	–	–	–	–	–	–
Losses brought forward	–	–	–	–	–	–	2,092	–	2,092
Marginal rate	1,464	(1,464)	–	–	–	–	–	–	–
Expenses not deductible	–	–	–	387	–	387	–	–	–
Actual current tax charge	157,985	(118,038)	39,947	262,957	(107,643)	155,314	429,911	(221,088)	208,823

7. Basic and diluted earnings and return per ordinary share

The basic and diluted earnings, revenue return and capital return per ordinary 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 2015 (unaudited) £	Six months ended 30 June 2014 (unaudited) £	Year ended 31 December 2014 (audited) £
i) Total earnings after taxation	2,568,184	7,771,394	10,733,241
Basic and diluted total earnings per ordinary share	3.56p	13.45p	18.09p
ii) Net revenue from ordinary activities after taxation	741,414	1,473,725	2,462,373
Basic and diluted revenue earnings per ordinary share	1.03p	2.55p	4.15p
iii) Net unrealised gains	2,013,959	3,310,223	698,348
Net realised capital gains	275,238	3,380,466	8,379,750
Capital expenses (net of taxation)	(462,427)	(393,020)	(807,230)
Total capital return	1,826,770	6,297,669	8,270,868
Basic and diluted capital earnings per ordinary share	2.53p	10.90p	13.94p
iv) Weighted average number of ordinary shares in issue in the period	72,122,291	57,794,080	59,331,055

8. Dividends paid

	Six months ended 30 June 2015 (unaudited) £	Six months ended 30 June 2014 (unaudited) £	Year ended 31 December 2014 (audited) £
Final income dividend paid for year ended 31 December 2013 of 1.75p per ordinary share paid on 14 May 2014	–	1,055,637	1,055,637
Final capital dividend paid for year ended 31 December 2013 of 1.50p per ordinary share paid on 14 May 2014	–	904,832	904,833
Interim income dividend paid for year ended 31 December 2014 of 2.00p per ordinary share paid on 17 September 2014	–	–	1,217,001
Interim capital dividend paid for year ended 31 December 2014 of 15.00p per ordinary share paid on 17 September 2014	–	–	9,127,504
Second interim income dividend paid for year ended 31 December 2014 of 1.20p per ordinary share paid on 30 April 2015	912,060	–	–
Second interim capital dividend paid for year ended 31 December 2014 of 5.80p per ordinary share paid on 30 April 2015	4,408,270	–	–
	5,320,330	1,960,469	12,304,975

9. Basic and diluted net asset value per ordinary share

	As at 30 June 2015 (unaudited) £	As at 30 June 2014 (unaudited) £	As at 31 December 2014 (audited) £
Net assets	72,185,067	67,878,668	60,410,077
Number of ordinary shares in issue	75,972,951	60,850,032	60,750,032
Basic and diluted net asset value per ordinary share (pence)	95.01p	111.55p	99.44p

Notes to the Unaudited Financial Statements

10. Summary of investments at fair value during the period

	Traded on AIM £	Unquoted equity shares £	Unquoted preference shares £	Loan stock £	Total £
Valuation at 1 January 2015	457,515	7,418,224	301,433	25,181,534	33,358,706
Purchases at cost	–	7,325,131	302	12,836,305	20,161,738
Sales - proceeds	–	(76,427)	–	(1,211,912)	(1,288,339)
- realised gains	–	76,427	–	198,811	275,238
Reclassification at valuation	–	1,000	–	(1,000)	–
Unrealised gains/(losses)	76,253	2,425,907	(67,235)	(420,966)	2,013,959
Valuation at 30 June 2015	533,768	17,170,262	234,500	36,582,772	54,521,302
Book cost at 30 June 2015	305,030	16,789,605	79,311	34,239,277	51,413,223
Permanent impairment in value of investments	–	(1,592,791)	(3,078)	(1,044,992)	(2,640,861)
Unrealised gains at 30 June 2015	228,738	1,973,448	158,267	3,388,487	5,748,940
Valuation at 30 June 2015	533,768	17,170,262	234,500	36,582,772	54,521,302
Gains on investments					
Net realised gains based on historical cost	–	76,427	–	198,811	275,238
Less amounts recognised as unrealised gains/(losses) in previous years	–	–	–	–	–
Net realised gains based on carrying value at 31 December 2014	–	76,427	–	198,811	275,238
Net movement in unrealised gains/(losses) in the period	76,253	2,425,907	(67,235)	(420,966)	2,013,959
Gains/(losses) on investments for the six months ended 30 June 2015	76,253	2,502,334	(67,235)	(222,155)	2,289,197

Reconciliation to Statement of Cash Flows

Purchases above of £20,161,738 are greater than that shown in the Statement of Cash Flows of £20,161,579 by £159, which relates to the purchase of shares via options in an investee company which completed in the period. Sales proceeds above of £1,288,339 are less than that shown in the Statement of Cash Flows of £1,386,029 by £97,690. This sum relates to deferred cash proceeds receivable from investments realised in the previous year, received in the current period.

11. Monies held pending investment and Current investments at fair value

Monies held pending investment total £5,527,224 (30 June 2014: £2,009,872; 31 December 2014: £7,017,054) and are held in bank deposits accounts repayable within one year.

Current investments comprise investments of £1,633,728 (30 June 2014: £1,633,268; 31 December 2014: £1,633,516) held in six OEIC money market funds, £6,540,058 (30 June 2014: £9,010,232; 31 December 2014: £10,518,588) held in bank deposits, both subject to immediate access. These sums are regarded as current investments and are treated as cash equivalents in the Statement of Cash Flows.

12. Post balance sheet events

On 7 July 2015, a further £1.52 million was invested into Manufacturing Services Investment Limited, one of the Company's acquisition vehicles.

On 24 July 2015, funds of £1.19 million held by Vian Marketing Limited, one of the company's acquisition vehicles, were used to acquire Tushingam Sails Limited. This resulted in a net repayment of £0.32 million.

On 31 July 2015, Fullfield Limited (trading as Motorclean) repaid £0.12 million of loan stock.

On 31 July 2015, Jablite Holdings Limited repaid £0.30 million of loan stock, including £0.08 million premium.

13. Financial statements for the year ended 31 December 2014

The information for the period ended 30 June 2015 does not comprise full financial statements within the meaning of Section 435 of the Companies Act 2006. The financial statements for the year ended 31 December 2014 have been filed with the Registrar of Companies. The auditor has reported on these financial statements and that report was unqualified and did not contain a statement under section 498(2) of the Companies Act 2006.

14. Half-Year Report

This Half-Year Report will shortly be circulated to shareholders and will be made available on the Company's website: www.migvct.co.uk. Further copies are available free of charge from the Company's registered office, 30 Haymarket, London, SW1Y 4EX.

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 annual general meetings, held in May of each year, provide a useful platform for the Board to meet shareholders and exchange views. Your Board welcomes shareholder's attendance at general meetings which give you the opportunity to meet your Directors and representatives of the Investment Adviser. Recent changes to the UKLA's Disclosure and Transparency Rules mean that the Company is no longer required to publish quarterly Interim Management Statements. However, the Board intends to continue doing so, to keep shareholders informed of the Company's progress.

Shareholders wishing to follow the Company's progress can visit its website at www.migvct.co.uk. This also contains a link to the London Stock Exchange's website at: www.londonstockexchange.com where shareholders can obtain up to the minute details of the share price and latest NAV announcements, etc. A number of commentators such as Tax Efficient Review at www.taxefficientreview.com provide comparative performance figures for the VCT sector as a whole.

Shareholder event

The Investment Adviser held a further successful shareholder event on 27 January 2015 at the Royal Institute of British Architects in Central London. The workshop provided a forum for about 270 Mobeus VCT shareholders to hear presentations from the Investment Adviser and to learn more about its investment activity in greater depth from the Managing Director of Virgin Wines and the Chairman of Tessella and Tharstern. The Investment Adviser is holding a similar event on 26 January 2016, again at the Royal Institute of British Architects.

Mobeus website

Shareholders can check the performance of the VCT by visiting the Investment Adviser's website at www.mobeusequity.co.uk. This is regularly updated with information on your investment including case studies of portfolio companies and details of fundraisings while they are open. The Company continues to have its own dedicated section of the website which shareholders may prefer to access directly by going to www.migvct.co.uk. This includes 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. Videos of the presentations and Q & A sessions from the 2015 shareholder event can also be viewed here.

Net asset value per share

The Company's NAV per share as at 30 June 2015 was 95.01 pence. The Company announces its unaudited NAVs on a quarterly basis.

Dividends

The Directors have declared an interim dividend in respect of the six months ended 30 June 2015 of 3.00 pence per share (comprising 2.00 pence from capital and 1.00 penny from income). This dividend will be paid on 17 September 2015 to shareholders on the Register on 21 August 2015.

Shareholders who wish to have their 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, 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 Registrar maintains 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 Registrar does not have an up-to-date telephone number and/or email address for you. Shareholders can update their contact details, and view any unclaimed dividends that may be owed to them, on the Computershare website at www.investorcentre.co.uk.

Financial calendar

Mid August 2015	Announcement of the Company's half-year results and circulation of Half-Year Report for the six months ended 30 June 2015 to shareholders.
21 August 2015	Record date for shareholders to be eligible for interim dividend.
3 September 2015	General Meeting to approve a bonus payment (as defined in the circular to shareholders of the Company dated 24 July 2015) to Mobeus.
17 September 2015	Interim dividend in respect of the six months ended 30 June 2015 to be paid to shareholders.
31 December 2015	Year-end.
26 January 2016	Shareholder event.
Late March 2016	Announcement of the Company's annual results and circulation of the Annual Report for the year ended 31 December 2015 to shareholders.
Early May 2016	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.

Managing your shareholding online

The Company has adopted electronic communications, which enables shareholders to choose between electing to receive communications by email or as hard copies through the post. Many shareholders who have not specifically chosen either of these options receive a letter notifying them where to access the reports on the website.

For details on your individual shareholding and to manage your account online, shareholders may log into or register with the Computershare Investor Centre by going to: www-uk.computershare.com/Investor

This provides the most efficient way of checking information on your account and making changes to your instructions. You can use the Investor Centre to change your address details, check your holding balance and transactions, view the dividends you have received, add and amend your bank details and manage how you receive your dividends. You can also use the site to manage your options for receiving communications from the Company, including submitting proxy votes for general meetings.

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.

Shareholder enquiries:

The Registrars may be contacted via their website at the address given above, or by phone or post:

Computershare Investor Services PLC, PO Box 82, 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 vcts@mobeusequity.co.uk.

Shareholder Information

Boiler room fraud and unsolicited communications to shareholders

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

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

The practice of boiler room fraud has been highlighted by the Financial Conduct Authority (FCA) and the Institute of Chartered Secretaries and Administrators ("ICSA") and their advice to shareholders who believe that they may have been approached by such an organisation includes:

- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FCA before getting involved by visiting www.fca.org.uk/register and contacting the firm using the details on the register.
- Report the matter to the FCA either by calling 0800 111 6768 or visiting www.moneyadvice.service.org.uk.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme.

An incident can be reported to the FCA by completing an online form which can be found under investment scams on their website.

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

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

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

Performance Data at 30 June 2015

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 2015. 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 2015 **83.50 pence¹**
 NAV per share as at 30 June 2015 **95.01 pence**

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) (p)	(NAV basis) (p)
Funds raised 2004/05					
Between 5 October 2004 and 29 June 2005	100.00	60.00	71.30	154.80	166.31
Funds raised 2011 (Linked offer)					
21 January 2011	98.00	68.60	50.00	133.50	145.01
28 February 2011	102.30	71.61	50.00	133.50	145.01
22 March 2011	102.30	71.61	50.00	133.50	145.01
1 April 2011	102.30	71.61	50.00	133.50	145.01
5 April 2011	102.30	71.61	50.00	133.50	145.01
10 May 2011	100.60	70.42	50.00	133.50	145.01
6 July 2011	95.30	66.71	45.00	128.50	140.01
Funds raised 2012 (Linked offer)					
8 March 2012	101.20	70.84	44.50	128.00	139.51
4 April 2012	101.20	70.84	44.50	128.00	139.51
5 April 2012	101.20	70.84	44.50	128.00	139.51
10 May 2012	101.20	70.84	44.50	128.00	139.51
10 July 2012	95.50	66.85	38.25	121.75	133.26
Funds raised 2013 (Linked offer)					
14 January 2013	94.60	66.22	33.25	116.75	128.26
28 March 2013	97.40	68.18	33.25	116.75	128.26
4 April 2013	97.40	68.18	33.25	116.75	128.26
5 April 2013	97.40	68.18	33.25	116.75	128.26
10 April 2013 pre RDR ⁴	99.80	69.86	33.25	116.75	128.26
10 April 2013 post RDR ⁴	97.40	68.18	33.25	116.75	128.26
7 May 2013	95.40	66.78	31.25	114.75	126.26
Funds raised 2014 (Linked offer)					
9 January 2014	100.01 ⁵	70.01	27.25	110.75	122.26
11 February 2014	100.28 ⁵	70.20	27.25	110.75	122.26
31 March 2014	106.71 ⁵	74.70	27.25	110.75	122.26
3 April 2014	107.19 ⁵	75.03	27.25	110.75	122.26
4 April 2014	106.54 ⁵	74.58	27.25	110.75	122.26
6 June 2014	108.50 ⁵	74.95	24.00	107.50	119.01
Funds raised 2015 (Joint offer)					
14 January 2015	96.90 ⁵	67.83	7.00	90.50	102.01
17 February 2015	98.37 ⁵	68.86	7.00	90.50	102.01
10 March 2015	99.40 ⁵	69.58	7.00	90.50	102.01

¹ - Source: London Stock Exchange (mid-price), when the latest announced NAV was 91.68p (as adjusted for a 7p dividend paid on 30 April 2015).

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 28.

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 and 2014/15 offers at individual prices for each investor in accordance with the pricing formula set out in each offer's respective Securities Note.

Performance Data at 30 June 2015

MIG 3 VCT Fundraising

Share price as at 30 June 2015	88.97 pence ¹
NAV per share as at 30 June 2015	101.23 pence

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

Allotment date(s)	Allotment price (p)	Net allotment price ² (p)	Cumulative dividends paid per share ³ (p)	Total return per share to shareholders since allotment	
				(Share price) (p)	(NAV basis) (p)
Funds raised 2006					
Between 24 January 2006 and 5 April 2006	100.00	60.00	62.82	151.79	164.05

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

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)
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
Total dividends paid²	71.30	62.82	50.00	44.50	33.25	27.25	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 27.

Corporate Information

Directors

Keith Niven (Chairman)
Clive Boothman (from 1 August 2015)
Bridget Guérin
Tom Sooke (Senior Independent Director)
Catherine Wall

Company's registered office

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Investment Adviser, Promoter, Company Secretary and Administrator

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