

# Mobeus Income & Growth 4 VCT plc

A VENTURE CAPITAL TRUST

**Unaudited Half-Year Report**  
for the six months ended 30 June 2016

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

## Company Objective

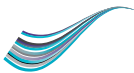




The Objective of the Company is to provide investors with a regular income stream by way of tax-free dividends and to generate capital growth through portfolio realisations which can be distributed by way of additional tax-free dividends, while continuing at all times to qualify as a VCT.

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# Financial Highlights

Results for the six months ended 30 June 2016

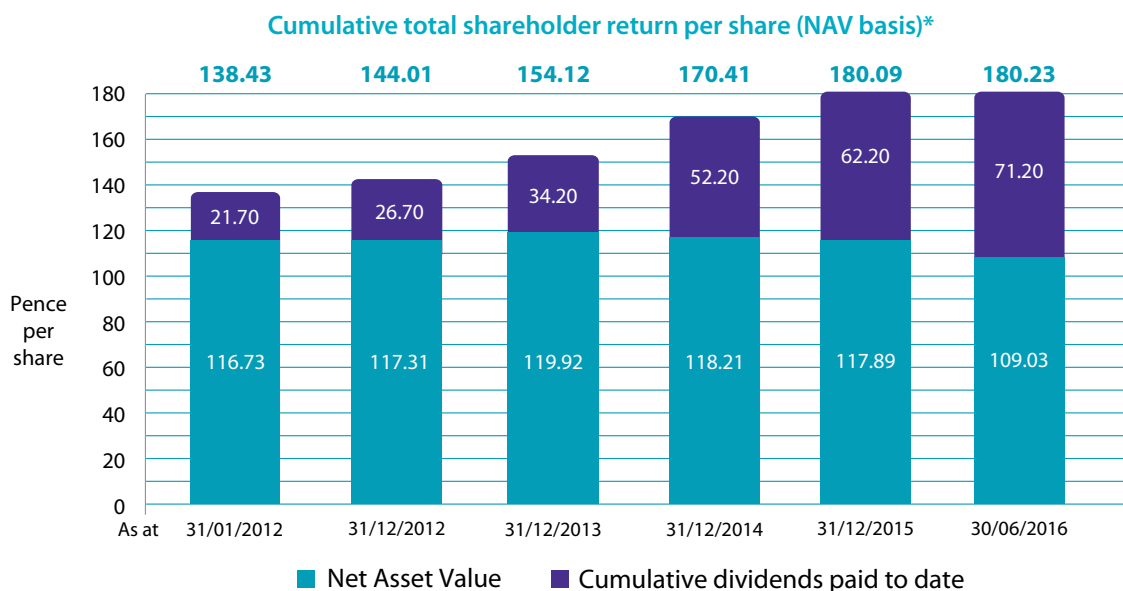
-  Net Asset Value ("NAV") Total Return per share of 0.1% for the half-year.
-  Share Price Total Return per share of 2.6% for the half-year.
-  Shareholders received a final dividend in respect of the year ended 31 December 2015 of 9.00 pence per share on 25 May 2016.
-  The Company has declared an interim dividend of 2.00 pence per share, payable on 8 September 2016 to shareholders on the register on 12 August 2016, bringing total cumulative dividends paid to shareholders since inception to 73.20 pence per share.
-  Two investments have been made under the new VCT rules into Redline Worldwide and MPB Group, totalling £1.31 million.

## Performance Summary

### Cumulative total shareholder return per share (NAV basis)\*

The net asset value (NAV) per share as at 30 June 2016 was 109.03 pence.

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



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

The chart above shows the recent past performance of the original funds raised in 1999. The original subscription price was 200 pence per share before the benefit of income tax relief. Subscription prices from subsequent fundraisings and historic performance data from 2008 are shown in the Investor Performance Appendix on the Company's website.

On 1 August 2006, Mobeus became sole Investment Adviser to the Company. The cumulative NAV total return at this date was 122.51 pence.

# Chairman's Statement

I am pleased to present this Half-Year Report for Mobeus Income & Growth 4 VCT plc covering the six months ended 30 June 2016.

## Overview

The result of the EU Referendum has triggered a period of UK economic uncertainty and volatility in financial markets. This half-year has been a period of consolidation as the Investment Adviser develops and evaluates a pipeline of opportunities that comply with the Company's new Investment Policy ("the Policy").

By way of reminder, shareholders approved a revised Investment Policy at the Company's AGM on 13 May 2016. This policy was required to enable the Company to continue to comply with changes to the VCT Scheme introduced by the Finance (No 2) Act 2015, enacted last November ("the New VCT Rules"). In summary, the Company may now only make new VCT investments in younger and smaller companies for growth and development purposes. Further information was given in the 2015 Annual Report and an update on this matter is also provided in the section on "Industry developments" later in this Chairman's Statement.

As a consequence of the new, more restrictive criteria in the recent VCT legislation, a lower level of investment activity has occurred. HM Revenue Customs' ("HMRC") process for approving proposed new investments has also been slower than previously experienced and this is slowing the conversion rate for VCT deals in the pipeline into completed investments. In the period, the Company's new investment level fell to £1.31 million, which compared to £5.09 million for the same period last year. This lower level of new investment is consistent with the sharp decline in the generalist VCT industry's completed new investment over this same period. Independent research is showing that new investment across generalist VCTs as a whole fell by 66% for the six month period.

Nevertheless, it is pleasing to report that the Company has completed two new investments under the Company's new Policy and descriptions of these investments are set out in the Investment Review.

## Performance

The NAV total return to shareholders for the half-year was 0.1% (2015: 2.6%) (being the closing NAV plus dividends paid in the period, divided by the opening NAV). This figure is after adding back the final dividend of 9.00 pence per share for the year ended 31 December 2015, which was paid to shareholders on 25 May 2016. The NAV per share as at 30 June 2016 was 109.03 pence.

The slight rise in NAV total return over the period is principally due to a positive revenue return slightly exceeding a fall in the overall value of the investment portfolio.

To enable shareholders to monitor the performance of their investment (including dividend payments) on a consistent basis, a table showing the returns to shareholders from each allotment is available on the Company's website.

## Interim dividend

The Board has declared an interim dividend of 2.00 pence per share (comprising 1.00 pence from capital and 1.00 pence from income) which will be paid on 8 September 2016 to shareholders on the Register on 12 August 2016. This payment will bring cumulative dividends paid per share since launch to 73.20 pence.

## Investment portfolio

The investment portfolio recorded a small loss of £0.10 million during the first half of the year (0.3% of the 1 January, 2016 value) and was valued at £37.45 million at the period-end. The portfolio as a whole, which principally comprises MBO investments made prior to the change in the VCT Rules in November of last year, has continued to perform acceptably. The six month period experienced notable increases in the valuations of Jablite and Tushingham. The portfolio also saw valuation declines over the period, principally in the investments in Entanet, Virgin Wines and Bourn Bioscience. Redline Worldwide ("Redline") and Access IS, two recent additions to the portfolio, both made strong starts.

A total of £1.31 million was invested into two new portfolio companies. In February, the Company invested £0.84 million into Redline, a market leader in the provision of

security consultancy and training services to airlines, governments, airports and global distribution companies. In June, a new investment of £0.47 million was made into MPB Group Limited ("MPB"), a leading online marketplace for used photo and video equipment.

Following an exceptional period of realisations in 2014 and 2015, the Company has not exited any investments during this period, although a total of £1.64 million of capital proceeds have been received. These were from two principal sources, being firstly £0.38 million of deferred consideration, most of which was received in respect of Focus Pharma (sold in 2014). Secondly, strong cash generation at three portfolio companies (Ward Thomas, Jablite and Fullfield (Motorclean)) contributed to a total of £1.07 million in full and partial loan stock repayments. Ward Thomas has now fully repaid its loan stock and Jablite has so far returned around 92% of the original investment made in April 2015 by the Company.

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

## Industry Developments

Details of the New VCT Rules and their potential impact on the Company and its returns were set out in the 2015 Annual Report and a summary of current VCT regulation for the Company is provided on page 4.

Your Board, together with the Investment Adviser and the whole VCT industry, has sought greater clarity from HMRC at a more detailed, practical level of what investments will or will not be permitted by the legislation. The draft guidance, published by HMRC in May, has now clarified some (but not all) of the implications of these New VCT Rules. The Investment Adviser, together with the Company's VCT Status Adviser, is seeking further clarification of aspects of this guidance. Further practical experience in applying these New VCT Rules to particular transactions is needed.

Despite Brexit, we are assuming that any changes to the existing legislation will not occur in the near future. Industry bodies are still continuing discussions with HMRC and HM Treasury to try to secure an amendment to the VCT Rules to permit

VCTs to provide some replacement capital as part of an investment. If obtained, this would enlarge the pool of possible investment opportunities for VCTs compared to the more restricted regime that now applies under the New VCT Rules.

The Board's view remains that the changes in VCT legislation restrict the universe of companies that the Company can invest in. These changes may cause new investments to carry a higher risk, but could also hold the prospect of higher but more variable returns. The VCT's recent investments into Redline and MPB are examples of the type of investment the Company is likely to make in the future.

### Revenue account

The net revenue return for the period fell by £0.01 million from £0.62 million at 30 June 2015, to £0.61 million for this half-year. Income has risen by £0.01 million, primarily due to an increase in loan interest income of £0.03 million as a result of new investments such as Access IS and Redline. Dividend income fell by £0.02 million to £0.03 million, due to a lower level of preference dividends received.

Running costs rose as Investment Adviser fees charged to revenue rose by £0.01 million due to rising net assets. Other costs fell marginally over the period, and finally the revenue tax charge has risen by £0.01 million.

### Liquidity

The Company continues to hold £10.60 million in a selection of money market funds with AAA credit ratings at 30 June 2016. The balance of cash and current asset investments of £5.31 million is held in deposit accounts with a number of well-known financial institutions across a range of maturities. Alternative ways of prudently investing cash continue to be sought, although the risk of a loss of capital remains the overriding consideration. In addition, there is £8.78 million invested in companies preparing to trade.

### Fundraising

As stated in the Annual Report, the Company is not currently anticipating any fundraising until the Board understands more fully the implications of the changes to the VCT legislation discussed above

and until its financial projections indicate a need for further fundraising.

### Investment in qualifying holdings

The Company is required to meet the threshold set by HMRC of investing 70% of the funds raised in qualifying unquoted and AIM quoted companies. The Company exceeded this threshold (based on VCT cost as defined in tax legislation, which differs from the actual cost given in the Investment Portfolio Summary on pages 7 - 8) throughout the period. The balance of the portfolio continues to be held in non-qualifying investments and cash.

### Share buybacks

During the six months ended 30 June 2016, the Company bought back 118,500 Ordinary shares in the Company representing 0.3% of the issued share capital at the beginning of the period, at a price of 97.99 pence per share (including costs) which was at a discount of approximately 10% to the latest announced NAV.

All of the shares offered were bought-back in the period and were subsequently cancelled by the Company. Continuing shareholders benefit from the difference between NAV per share and the price per share at which the shares are bought back and cancelled.

### Dividend Investment Scheme

The Company's Dividend Investment Scheme ("the Scheme") is a convenient, easy and cost effective way for shareholders to build up their shareholding in the Company. Instead of receiving cash dividends they can elect to receive new shares in the Company.

Shareholders who already participate, or are considering whether to participate, in the Scheme should give some consideration to the Industry Developments section above and the implications of the changes in VCT Rules. There is an associated five year holding period required to secure income tax relief when new shares are allotted under the Scheme.

Further information on the Scheme, including details of where to obtain an application form, can be found in Shareholder Information on pages 22 and 23.

### Shareholder Communications

The Investment Adviser held its sixth annual shareholder event on 26 January 2016. The event was well attended and we were pleased to hear from the Investment Adviser that it received positive feedback from shareholders. The next event is to be held on Tuesday, 24 January 2017, again at the Royal Institute of British Architects in Central London. The programme will again include presentations on the investment activity and performance of the Mobeus VCTs as well as an update on the recent regulatory changes and talks from investee companies. Shareholders have been sent further details, and an invitation to the event, with the shareholder newsletter sent last month.

### Outlook

The outcome of the UK's EU Referendum vote on June 23 has had significant and unexpected political repercussions and created a high degree of economic uncertainty. The prospect of greater political certainty in the UK following the appointment of a new Prime Minister and Cabinet has allowed global markets partially to rebalance, with the exception of currency markets, from the initial negative reactions. Uncertainty is likely to prevail until the direction of, and potential outcome from, Brexit negotiations with the EU and with other economies, becomes clearer.

In this context, it is too early to comment definitively on the outlook for your Company, but both the Board and Investment Adviser remain positive around future prospects. It is a time to keep operating normally and to resist undue distractions until clear trends emerge.

While further clarity at a detailed level is required to apply the New VCT Rules effectively, we are pleased to have completed two new investments that meet these rules and are in accordance with the Company's new Investment Policy. The Investment Adviser has enlarged its team and is focused on developing a strong pipeline of similar opportunities.

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

**Christopher Moore**  
*Chairman*

3 August 2016

# 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 per cent. (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 per cent. 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 assist shareholders, the following table contains a summary of the most important rules that determine VCT approval.

To achieve continued 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%, by VCT tax value\*, of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;
- Of these qualifying holdings, an overall minimum of 30% by VCT tax 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);
- 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;

To be a VCT qualifying holding, a new investment 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 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 (£20 million for knowledge intensive companies), from VCTs and similar sources of State Aid funding;
- that use the funds received from VCTs for growth and development purposes.

\*VCT tax value means as valued in accordance with prevailing VCT legislation.

The above takes into account legislation up to the Finance (No 2) Act 2015 enacted on 18 November 2015. Further draft legislation states that, from 6 April 2016 onwards, non-qualifying investments can no longer be made, except for certain exceptions in managing the Company's short-term liquidity.

# Investment Review

## Overview

Activity in the portfolio over these six months has been at a lower level than in recent years. This is principally due to the impact of the introduction of the Finance (No 2) Act 2015 in November 2015.

This has required all VCTs to reconsider the type of investments that VCTs can make in future. The changes in VCT legislation contained in the Finance (No 2) Act 2015 are a significant change for the VCT industry and we, along with other Investment Advisers, have been focused on familiarising ourselves with the practical implications of the rules on the types of prospective opportunities we can now consider for VCT investment. That process is continuing. Further clarification is awaited both from HMRC's draft Guidance so far published and from additional practical experience gained from assessing more prospective opportunities at a detailed level.

These factors have inevitably caused a reduction in the level of new investment. Despite these uncertainties, we are pleased to report that two new investments have been completed under these new rules and the pipeline of prospective opportunities is increasing. We are hopeful that new investment levels may increase in the second half of the year, particularly if further clarification of the rules at a detailed level is forthcoming.

The valuation of the portfolio has fallen slightly by 0.3% on a like for like basis. The underlying performance of the investment portfolio, the significant majority of which comprises investments made prior to the introduction of the new rules, remains solid and cash generative. A number of companies have made loan repayments, with one company, Leap New Co Limited (trading as Ward Thomas), fully repaying its loan in just over a year since investment. Jablite has returned 92% of its original investment cost in a little over a year.

Investments remain spread across a number of sectors, primarily in support services, general retailers, media and fixed line telecommunications.



## Impact of Brexit

It is too early to comment on the eventual impact upon the portfolio of the UK leaving the European Union. The increase in uncertainty over the outlook for the UK economy, and recent increased market volatility, are unwelcome, but may present opportunities as the small company sector adapts to meet the change in the political and economic environment.

## New investment

A total of £1.31 million was invested during the six months under review. This was made up of new investments in Redline and more recently MPB, a UK based online marketplace for used photo and video equipment.

## Principal new investments in the half-year

	Company	Business	Date of investment	Amount of new investment (£m)
	Redline	Provision of security products and services	February 2016	0.84*
<p>Redline is a market leader in the provision of security consultancy and training services to airlines, governments, airports and global distribution companies. Redline currently operates predominantly in the aviation security market and is at the forefront of counter terrorism training and services. The investment will be applied to enable the company to grow in its core aviation market and in other sectors. The company's latest accounts for the year ended 31 March 2015 show turnover of £4.81 million and profit before interest, tax and amortisation of goodwill of £0.82 million.</p> <p>* £1.13 million held in Pound FM Consultants Limited, a company preparing to trade, was used for this investment. This resulted in a net repayment of £0.29 million. Pound FM Consultants Limited subsequently changed its name to Redline Worldwide Limited.</p>				
	MPB Group	Online marketplace for used photo and video equipment	June 2016	0.47

MPB is Europe's leading online marketplace ([www.mpb.com](http://www.mpb.com)) for used photo 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. The investment is to fund expansion of its platform globally, beginning with launches into both the US and German markets. The company's latest audited accounts for the year ended 31 March 2015 show turnover of £7.49 million and profit before interest, tax and amortisation of goodwill of £0.30 million.

# Investment Review

## Realisations in the half-year

There have been no full realisations in the period, although the Company received cash proceeds of £1.64 million in the form of loan stock repayments of £1.07 million (detailed below), deferred consideration of £0.38 million and other receipts of £0.19 million. Deferred consideration included £0.37 million received as deferred proceeds from the sale of Focus Pharma, which was realised in 2014. Other receipts were £0.18 million returned to the Company by Pound FM Consultants Limited, a company preparing to trade via a share buyback, and £0.01 million received as an interim distribution resulting from the members' voluntary liquidation of Newquay Helicopters (2013) Limited.

## Loan stock repayments

Loan stock repayments totalled £1.07 million for the half-year. These proceeds are summarised below:-

Company	Business	Month	Amount (£000s)
Leap New Co (Ward Thomas)	Logistics, storage and removals business	January	837
Pound FM Consultants	Company preparing to trade	February	111
Fullfield (Motorclean)	Vehicle cleaning and valeting services	February	64
Jablite	Expanded polystyrene products	April	57
		<b>Total</b>	<b>1,069</b>

## Mobeus Equity Partners LLP

Investment Adviser  
3 August 2016



# Investment Portfolio Summary

## at 30 June 2016

Mobeus Equity Partners LLP	Total cost at 30 June 2016 £	Total Valuation at 31 December 2015 £	Total Valuation at 30 June 2016 £	% of equity held	% of portfolio by value
<b>Virgin Wines Holding Company Limited</b> Online wine retailer	1,930,813	2,784,729	2,579,204	9.7%	6.9%
<b>Tovey Management Limited (trading as Access IS)</b> Provider of data capture and scanning hardware	2,469,013	2,469,013	2,469,013	10.1%	6.6%
<b>Entanet Holdings Limited</b> Wholesale communications provider	2,167,662	3,338,043	2,389,494	9.6%	6.4%
<b>Media Business Insight Holdings Limited</b> A publishing and events business focused on the creative production industries	2,722,760	2,282,607	2,219,121	15.7%	5.9%
<b>ASL Technology Holdings Limited</b> Printer and photocopier services	1,933,591	2,234,937	2,152,696	9.5%	5.8%
<b>Manufacturing Services Investment Limited</b> Company seeking to carry on a business in the manufacturing sector	2,016,900	2,016,900	2,016,900	11.4%	5.4%
<b>Veritek Global Holdings Limited</b> Maintenance of imaging equipment	1,620,086	1,659,063	1,666,371	10.3%	4.4%
<b>Fullfield Limited (trading as Motorclean)</b> Vehicle cleaning and valet services	1,131,444	1,379,974	1,583,444	9.8%	4.2%
<b>CGI Creative Graphics International Limited</b> Vinyl graphics to global automotive, recreation vehicle and aerospace markets	1,449,746	1,179,872	1,439,959	6.3%	3.8%
<b>Jablite Holdings Limited</b> Manufacturer of expanded polystyrene products	376,083	1,097,406	1,410,288	9.1%	3.8%
<b>Tharstern Group Limited</b> MIS & Commercial print software solutions	1,091,886	1,518,767	1,334,257	12.2%	3.6%
<b>Backhouse Management Limited</b> Company seeking to carry on a business in the motor sector	1,134,000	1,134,000	1,134,000	11.3%	3.0%
<b>Barham Consulting Limited</b> Company seeking to carry on a business in the catering sector	1,134,000	1,134,000	1,134,000	11.3%	3.0%
<b>Chatfield Services Limited</b> Company seeking to carry on a business in the retail sector	1,134,000	1,134,000	1,134,000	11.3%	3.0%
<b>Creasy Marketing Services Limited</b> Company seeking to carry on a business in the textile sector	1,134,000	1,134,000	1,134,000	11.3%	3.0%
<b>McGrigor Management Limited</b> Company seeking to carry on a business in the pharmaceutical sector	1,134,000	1,134,000	1,134,000	11.3%	3.0%
<b>Vian Marketing Limited (trading as Tushingam Sails)</b> Design, manufacture and sale of stand-up paddleboards and windsurfing sails	899,074	899,074	1,104,104	7.1%	2.9%
<b>Hollydale Management Limited</b> Company seeking to carry on a business in the food industry	1,095,500	1,095,500	1,095,500	11.0%	2.9%
<b>EOTH Limited (trading as Equip Outdoor Technologies)</b> Branded outdoor equipment and clothing	951,471	1,008,235	1,028,125	1.7%	2.7%
<b>Turner Topco Limited (trading as ATG Media)</b> Publisher and online auction platform operator	1,529,075	828,610	1,000,494	3.8%	2.7%
<b>Gro-Group Holdings Limited</b> Baby sleep products	1,577,977	1,138,860	987,033	8.4%	2.6%
<b>The Plastic Surgeon Holdings Limited</b> Snagging and finishing of domestic and commercial properties	458,935	840,837	928,244	8.6%	2.5%
<b>Redline Worldwide Limited (formerly Pound FM Consultants Limited)<sup>1</sup></b> Provider of security services to the aviation industry and other sectors	838,377	1,134,000	838,377	6.7%	2.2%

1 - £838,377 invested in Pound FM Consultants Limited, a company preparing to trade, was used for the investment into Redline Assured Security Limited ("Redline"). This resulted in a net repayment to the Company of £295,623. Pound FM Consultants Limited subsequently changed its name to Redline Worldwide Limited.

# Investment Portfolio Summary

## at 30 June 2016

	Total cost at 30 June 2016 £	Total Valuation at 31 December 2015 £	Total Valuation at 30 June 2016 £	% of equity held	% of portfolio by value
<b>Mobeus Equity Partners LLP</b>					
<b>Bourn Bioscience Limited</b> Bourn Hall In-vitro fertilisation clinics	1,132,521	895,428	769,106	7.7%	2.1%
<b>Leap New Co Limited (trading as Ward Thomas Removals, Bishopsgate and Aussie Man &amp; Van)</b> A specialist logistics, storage and removals business	511,855	1,485,897	657,318	4.3%	1.8%
<b>RDL Corporation Limited</b> Recruitment consultants within the pharmaceutical, business intelligence and IT industries	1,000,000	622,056	590,424	9.1%	1.6%
<b>MPB Group Limited</b> Online marketplace for used photographic equipment	471,216	-	471,216	5.3%	1.3%
<b>Omega Diagnostics plc</b> In-vitro diagnostics for food intolerance, auto-immune diseases and infectious diseases	200,028	258,347	266,680	1.5%	0.7%
<b>Blaze Signs Holdings Limited</b> Manufacturer and installer of signs	190,631	356,486	250,318	5.7%	0.7%
<b>Vectair Holdings Limited</b> Designer and distributor of washroom products	24,732	123,079	109,582	2.1%	0.3%
<b>Racoon International Holdings Limited</b> Supplier of hair extensions, hair care products and training	484,347	77,542	77,542	10.5%	0.3%
<b>Lightworks Software Limited</b> Provider of software for CAD and CAM vendors	9,329	24,858	25,217	4.2%	0.1%
<b>BG Training Limited</b> City-based provider of specialist technical training	14,167	14,167	14,167	0.0%	0.0%
<b>Newquay Helicopters (2013) Limited (in members' voluntary liquidation)</b> Helicopter service operator	16,542	21,250	-	2.5%	0.0%
<b>PXP Holdings Limited (dissolved 12 July 2016)</b> Former designer, manufacturer and supplier of timber frames for buildings	712,925	-	-	4.4%	0.0%
<b>CB Imports Group Limited</b> Importer and distributor of artificial flowers, floral sundries and home decor products	175,000	-	-	5.8%	0.0%
<b>Watchgate Limited</b> Holding company	1,000	-	-	33.3%	0.0%
<b>Preservica Limited</b> Seller of proprietary digital archiving software	-	-	-	4.6%	0.0%
<b>Sub-total</b>	<b>36,874,686</b>	<b>38,455,537</b>	<b>37,144,194</b>		<b>99.2%</b>
<b>Former Elderstreet Private Equity Limited Portfolio</b>					
<b>Cashfac Limited</b> Provider of virtual banking application software solutions to corporate customers	260,101	187,108	184,639	2.9%	0.5%
<b>Sparesfinder Limited</b> Supplier of industrial spare parts online	250,854	46,977	77,958	2.0%	0.2%
<b>Sift Limited</b> Developer of business-to-business internet communities	135,391	27,048	43,716	1.3%	0.1%
<b>Sub-total</b>	<b>646,346</b>	<b>261,133</b>	<b>306,313</b>		<b>0.8%</b>
<b>Total Investment Portfolio</b>	<b>37,521,032</b>	<b>38,716,670</b>	<b>37,450,507</b>		<b>100.0%</b>

# Statements of the Directors in respect of the Half-Year Report

## Responsibility Statements

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Christopher Moore (Chairman), Andrew Robson (Chairman of the Audit Committee and Remuneration and Nomination Committee) and Helen Sinclair (Chairman of the Investment 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 the 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 from those identified in the Annual Report and Accounts for the year ended 31 December 2015.

The principal risks faced by the Company are:

- economic risk;
- loss of approval as a Venture Capital Trust;
- investment risk;
- regulatory risk;
- financial and operating risk;
- market risk;
- asset liquidity risk;
- market liquidity risk; and
- counterparty risk.

A more detailed explanation of these risks can be found in the Strategic Report on pages 25 – 26 and in Note 15 on pages 65 – 72 of the Annual Report and Accounts for the year ended 31 December 2015, copies of which are available on the Investment Adviser's website, [www.mobeusequity.co.uk](http://www.mobeusequity.co.uk) or by going directly to the VCT's website, [www.mig4vct.co.uk](http://www.mig4vct.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 which comprises the Chairman's

Statement, Investment Policy, Investment Review and Investment Portfolio Summary. 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, buybacks and dividends) are within the Company's control.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Notes 15 and 16 on pages 65 – 72 of the Annual Report and Accounts for the year ended 31 December 2015. 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

Christopher Moore  
**Chairman**

3 August 2016

# Unaudited Condensed Income Statement

## for the six months ended 30 June 2016

	Notes	Six months ended 30 June 2016 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised (losses)/gains on investments held at fair value	10	-	(479,479)	(479,479)
Realised gains on investments held at fair value	10	-	381,087	381,087
Income	4	1,054,766	-	1,054,766
Investment Adviser's fees	5	(156,674)	(470,021)	(626,695)
Other expenses		(187,868)	-	(187,868)
<b>Profit on ordinary activities before taxation</b>		<b>710,224</b>	<b>(568,413)</b>	<b>141,811</b>
Tax on profit on ordinary activities	6	(101,479)	94,004	(7,475)
<b>Profit and total comprehensive income</b>		<b>608,745</b>	<b>(474,409)</b>	<b>134,336</b>
<b>Basic and diluted earnings per ordinary share</b>	7	<b>1.26p</b>	<b>(0.98)p</b>	<b>0.28p</b>

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the unrealised gains/(losses) and realised gains/(losses) 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 Statement of Recommended Practice ("SORP") issued in November 2014 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 periods/year.

The Notes on pages 16 - 21 form part of these Half-Year Financial Statements.

Six months ended 30 June 2015 (unaudited)			Year ended 31 December 2015 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
-	1,168,300	1,168,300	-	1,094,287	1,094,287
-	363,926	363,926	-	3,302,320	3,302,320
1,049,392	-	1,049,392	2,202,056	-	2,202,056
(151,050)	(453,150)	(604,200)	(303,725)	(911,176)	(1,214,901)
(188,387)	-	(188,387)	(402,156)	-	(402,156)
709,955	1,079,076	1,789,031	1,496,175	3,485,431	4,981,606
(91,622)	91,622	-	(184,209)	184,209	-
<b>618,333</b>	<b>1,170,698</b>	<b>1,789,031</b>	<b>1,311,966</b>	<b>3,669,640</b>	<b>4,981,606</b>
<b>1.30p</b>	<b>2.47p</b>	<b>3.77p</b>	<b>2.74p</b>	<b>7.67p</b>	<b>10.41p</b>

# Unaudited Condensed Balance Sheet

## as at 30 June 2016

	Notes	30 June 2016 (unaudited) £	30 June 2015 (unaudited) £	31 December 2015 (audited) £
<b>Fixed assets</b>				
Investments at fair value	10	37,450,507	40,719,809	38,716,670
<b>Current assets</b>				
Debtors and prepayments		227,399	198,428	561,950
Current asset investments	11	13,308,457	11,592,074	14,619,207
Cash at bank	11	2,596,622	2,295,224	3,386,635
		16,132,478	14,085,726	18,567,792
<b>Creditors: amounts falling due within one year</b>		(167,128)	(196,711)	(276,680)
<b>Net current assets</b>		15,965,350	13,889,015	18,291,112
<b>Net assets</b>		<b>53,415,857</b>	<b>54,608,824</b>	<b>57,007,782</b>
<b>Capital and reserves</b>				
Called up share capital		489,909	481,870	483,562
Share premium reserve		13,364,351	12,461,332	12,629,944
Capital redemption reserve		8,012	6,827	6,827
Revaluation reserve		1,050,205	2,758,561	1,545,364
Special distributable reserve		32,129,885	32,991,954	32,622,021
Realised capital reserve		5,192,452	4,822,308	8,422,420
Revenue reserve		1,181,043	1,085,972	1,297,644
<b>Equity shareholders' funds</b>		<b>53,415,857</b>	<b>54,608,824</b>	<b>57,007,782</b>
<b>Basic and diluted net asset value per share</b>	9	<b>109.03p</b>	<b>113.33p</b>	<b>117.89p</b>

The Notes on pages 16 - 21 form part of these Half-Year Financial Statements.

# Unaudited Condensed Statement of Changes in Equity

## for the six months ended 30 June 2016

	Non-distributable reserves				Distributable reserves			Total
	Called up share capital	Share premium reserve	Capital redemption reserve	Revaluation reserve	Special distributable reserve (Note a)	Realised capital reserve (Note b)	Revenue reserve (Note b)	
	£	£	£	£	£	£	£	£
<b>At 1 January 2016</b>	483,562	12,629,944	6,827	1,545,364	32,622,021	8,422,420	1,297,644	57,007,782
<b>Comprehensive income for the period</b>								
Profit for the period	-	-	-	(479,479)	-	5,070	608,745	134,336
<b>Total comprehensive income for the period</b>	-	-	-	<b>(479,479)</b>	-	<b>5,070</b>	<b>608,745</b>	<b>134,336</b>
<b>Contributions by and distributions to owners</b>								
Dividends re-invested into new shares	7,532	734,407	-	-	-	-	-	741,939
Shares bought back	(1,185)	-	1,185	-	(116,119)	-	-	(116,119)
Dividends paid	-	-	-	-	-	(3,626,735)	(725,346)	(4,352,081)
<b>Total contributions by and distributions to owners</b>	<b>6,347</b>	<b>734,407</b>	<b>1,185</b>	<b>-</b>	<b>(116,119)</b>	<b>(3,626,735)</b>	<b>(725,346)</b>	<b>(3,726,261)</b>
<b>Other movements</b>								
Realised losses transferred to special reserve (note a)	-	-	-	-	(376,017)	376,017	-	-
Realisation of previously unrealised appreciation	-	-	-	(15,680)	-	15,680	-	-
<b>Total other movements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,680)</b>	<b>(376,017)</b>	<b>391,697</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2016</b>	<b>489,909</b>	<b>13,364,351</b>	<b>8,012</b>	<b>1,050,205</b>	<b>32,129,885</b>	<b>5,192,452</b>	<b>1,181,043</b>	<b>53,415,857</b>

### Notes

a): The cancellation of the share premium reserve and capital redemption reserve 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. All of this reserve arose from shares issued before 5 April 2014.

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

The Notes on pages 16 - 21 form part of these Half-Year Financial Statements.

# Unaudited Condensed Statement of Changes in Equity

## for the six months ended 30 June 2015

	Non-distributable reserves				Distributable reserves			Total £
	Called up share capital £	Share premium reserve £	Capital redemption reserve £	Revaluation reserve £	Special distributable reserve £	Realised capital reserve £	Revenue reserve £	
<b>At 1 January 2015</b>	425,434	5,985,042	5,143	1,214,933	33,748,039	7,968,451	943,995	50,291,037
<b>Comprehensive income for the period</b>								
Profit for the period	-	-	-	1,168,300	-	2,398	618,333	1,789,031
<b>Total comprehensive income for the period</b>	-	-	-	<b>1,168,300</b>	-	<b>2,398</b>	<b>618,333</b>	<b>1,789,031</b>
<b>Contributions by and distributions to owners</b>								
Shares issued via Offer for Subscription	51,679	5,841,843	-	-	(26,070)	-	-	5,867,452
Dividends re-invested into new shares	6,441	634,447	-	-	-	-	-	640,888
Shares bought back	(1,684)	-	1,684	-	(168,734)	-	-	(168,734)
Dividends paid	-	-	-	-	-	(3,334,494)	(476,356)	(3,810,850)
<b>Total contributions by and distributions to owners</b>	<b>56,436</b>	<b>6,476,290</b>	<b>1,684</b>	<b>-</b>	<b>(194,804)</b>	<b>(3,334,494)</b>	<b>(476,356)</b>	<b>2,528,756</b>
<b>Other movements</b>								
Realised losses transferred to special reserve	-	-	-	-	(561,281)	561,281	-	-
Realisation of previously unrealised depreciation	-	-	-	375,328	-	(375,328)	-	-
<b>Total other movements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>375,328</b>	<b>(561,281)</b>	<b>185,953</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2015</b>	<b>481,870</b>	<b>12,461,332</b>	<b>6,827</b>	<b>2,758,561</b>	<b>32,991,954</b>	<b>4,822,308</b>	<b>1,085,972</b>	<b>54,608,824</b>

The Notes on pages 16 - 21 form part of these Half-Year Financial Statements.



# Unaudited Condensed Statement of Cash Flows

## for the six months ended 30 June 2016

Notes	Six months ended 30 June 2016 (unaudited) £	Six months ended 30 June 2015 (unaudited) £	Year ended 31 December 2015 (audited) £
<b>Cash flows from operating activities</b>			
Profit for the financial period	134,336	1,789,031	4,981,606
<b>Adjustments for:</b>			
Unrealised losses/(gains) on investments	479,479	(1,168,300)	(1,094,287)
Realised gains on investments	(381,087)	(363,926)	(3,302,320)
Decrease/(increase) in debtors	29,330	(10,457)	(68,758)
(Decrease)/increase in creditors and accruals	(110,131)	(71,482)	8,948
<b>Net cash inflow from operating activities</b>	<b>151,927</b>	<b>174,866</b>	<b>525,189</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	10 (471,216)	(15,443,897)	(16,809,665)
Disposal of investments	10 1,944,207	1,311,736	7,239,803
(Increase)/decrease in bank deposits with a maturity over three months	(621,023)	(22,632)	453,120
<b>Net cash inflow/(outflow) from investing activities</b>	<b>851,968</b>	<b>(14,154,793)</b>	<b>(9,116,742)</b>
<b>Cash flows from financing activities</b>			
Share issued as part of Offer for Subscription	-	5,867,452	5,867,452
Equity dividends paid	8 (3,610,142)	(3,169,962)	(3,963,579)
Purchase of own shares	(115,539)	(168,274)	(168,734)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(3,725,681)</b>	<b>2,529,216</b>	<b>1,735,139</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,721,786)</b>	<b>(11,450,711)</b>	<b>(6,856,414)</b>
Cash and cash equivalents at start of period	15,920,712	22,777,126	22,777,126
<b>Cash and cash equivalents at end of period</b>	<b>13,198,926</b>	<b>11,326,415</b>	<b>15,920,712</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand	11 2,596,622	2,295,224	3,386,635
Cash equivalents	11 10,602,304	9,031,191	12,534,077

The Notes on pages 16 - 21 form part of these Half-Year Financial Statements.

# Notes to the Unaudited Condensed Financial Statements for the six months ended 30 June 2016

## 1. Company information

Mobeus Income and Growth 4 VCT plc is a public limited company incorporated in England, registration number 03707697. 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 ("FRS102"), Financial Reporting Standard 104 ("FRS104") - 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') issued by the Association of Investment Companies ("AIC").

The Company has elected to apply early the revised disclosure requirements as set out in Amendments to FRS102 - Fair Value hierarchy disclosures, issued in March 2016.

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.

### Comparatives

The comparatives to these Unaudited Condensed Financial Statements are those disclosed in each prior period/year's financial statements other than in relation to Monies held pending investment, Current asset investments and Cash at bank. These comparative figures have been reallocated to reflect more accurately the nature of the underlying instruments. This is just a presentational change and has had no effect on net assets.

## 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 10 on investments.

## 4. Income

	Six months ended 30 June 2016 (unaudited) £	Six months ended 30 June 2015 (unaudited) £	Year ended 31 December 2015 (audited) £
Dividends	29,140	45,858	61,752
Loan stock interest	967,555	942,879	2,031,331
Money-market funds	29,864	14,074	30,470
Bank deposit interest	28,207	46,412	78,334
Interest on preference share dividend arrears	-	169	169
<b>Total Income</b>	<b>1,054,766</b>	<b>1,049,392</b>	<b>2,202,056</b>

## 5. Investment Adviser's fees

In accordance with the policy statement published under "Management and Administration" in the Company's prospectus dated 8 February 1999, the Directors have charged 75% of the Investment Adviser's fees to the capital account. This is in line with the Board's expectation of the long-term split of returns from the investment portfolio of the Company. For further details, see Note 4 on page 55 of the 2015 Annual Report.

## 6. Taxation

	Six months ended 30 June 2016 (unaudited)			Six months ended 30 June 2015 (unaudited)			Year ended 31 December 2015 (audited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
<b>a) Analysis of tax charge:</b>									
UK Corporation tax on profits/(losses) for the period	101,479	(94,004)	7,475	91,622	(91,622)	-	184,209	(184,209)	-
Total current tax charge/(credit)	101,479	(94,004)	7,475	91,622	(91,622)	-	184,209	(184,209)	-
Corporation tax is based on a rate of 20.0% (2015: 20.0%)									
<b>b) Profit on ordinary activities before tax</b>									
Profit on ordinary activities multiplied by rate of corporation tax in the UK of 20.0% (2015: 20.0%)	710,224	(568,413)	141,811	709,955	1,079,076	1,789,031	1,496,175	3,485,431	4,981,606
<b>Effect of:</b>									
UK dividends	(5,828)	-	(5,828)	(9,172)	-	(9,172)	(12,350)	-	(12,350)
Unrealised losses/(gains) not allowable	-	95,896	95,896	-	(233,660)	(233,660)	-	(218,857)	(218,857)
Realised gains not taxable	-	(76,217)	(76,217)	-	(72,785)	(72,785)	-	(660,464)	(660,464)
Marginal relief	-	-	-	992	(992)	-	1,974	(1,974)	-
Losses brought forward	(34,738)	-	(34,738)	(42,189)	-	(42,189)	(104,650)	-	(104,650)
Actual current tax charge	101,479	(94,004)	7,475	91,622	(91,622)	-	184,209	(184,209)	-

A tax charge arises as tax losses brought forward from previous years have been exceeded by taxable profits for the period.

## 7. Basic and diluted earnings per share

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

	Six months ended 30 June 2016 (unaudited) £	Six months ended 30 June 2015 (unaudited) £	Year ended 31 December 2015 (audited) £
i) Total earnings after taxation:	134,336	1,789,031	4,981,606
<b>Basic and diluted earnings per share (pence)</b>	<b>0.28p</b>	<b>3.77p</b>	<b>10.41p</b>
ii) Revenue earnings from ordinary activities after taxation	608,745	618,333	1,311,966
<b>Basic and diluted revenue earnings per share (pence)</b>	<b>1.26p</b>	<b>1.30p</b>	<b>2.74p</b>
Net unrealised capital (losses)/gains on investments	(479,479)	1,168,300	1,094,287
Net realised capital gains on investments	381,087	363,926	3,302,320
Capital Investment Adviser's fees less taxation	(376,017)	(361,528)	(726,967)
iii) Capital earnings	(474,409)	1,170,698	3,669,640
<b>Basic and diluted capital earnings per share (pence)</b>	<b>(0.98)p</b>	<b>2.47p</b>	<b>7.67p</b>
iv) Weighted average number of shares in issue in the period	48,504,551	47,431,807	47,857,465

# Notes to the Unaudited Condensed Financial Statements for the six months ended 30 June 2016

## 8. Dividends paid

Dividend	Type	For the year ended 31 December	Pence per share	Date paid	Six months ended 30 June 2016 (unaudited) £	Six months ended 30 June 2015 (unaudited) £	Year ended 31 December 2015 (audited) £
<b>Second interim</b>	Income	2014	1.00p	6 May 2015	-	476,356	476,355
<b>Second interim</b>	Capital	2014	7.00p	6 May 2015	-	3,334,494	3,334,494
<b>Interim</b>	Income	2015	1.00p	25 September 2015	-	-	481,961
<b>Interim</b>	Capital	2015	1.00p	25 September 2015	-	-	481,961
<b>Final</b>	Income	2015	1.50p	25 May 2016	725,346	-	-
<b>Final</b>	Capital	2015	7.50p	25 May 2016	3,626,735	-	-
					<b>4,352,081*</b>	3,810,850*	4,774,771*

\* - £4,352,081 (30 June 2015: £3,810,850; 31 December 2015: £4,774,771) disclosed above differs to that shown in the Condensed Statement of Cash Flows of £3,610,142 (30 June 2015: £3,169,962; 31 December 2015: £3,963,579) due to £741,939 (30 June 2015: £640,888; 31 December 2015: £811,192) of new shares issued under the Company's Dividend Investment Scheme.

## 9. Net asset value per share

	as at 30 June 2016 (unaudited)	as at 30 June 2015 (unaudited)	as at 31 December 2015 (audited)
Net assets	£53,415,857	£54,608,824	£57,007,782
Number of shares in issue	48,990,948	48,186,955	48,356,210
<b>Net asset value per share (pence)</b>	<b>109.03p</b>	<b>113.33p</b>	<b>117.89p</b>

## 10. Summary of movement on investments during the period

All investments held by the Company are classified as "fair value through profit and loss", and valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") 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 in organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

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

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

- (i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used.
- (ii) In the absence of i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:-
  - a) an earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Adviser compared to the sector including, inter alia, a lack of marketability).or:-
  - b) where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate. Where the value of an investment has fallen permanently below cost, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Adviser, will agree the values that represent the extent to which an investment has become realised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value.
- (iii) Premiums that will be received upon repayment of loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.
- (iv) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

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.

The methods of fair value measurement are classified into a 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 2016

## 10. Summary of movement on investments during the period (continued)

	Traded on AIM Level 1 £	Unquoted equity shares Level 3 £	Unquoted preference shares Level 3 £	Unquoted Loan Stock Level 3 £	Total £
Valuation at 31 December 2015	258,347	11,262,657	13,051	27,182,615	38,716,670
Purchases at cost	-	359,022	-	112,194	471,216
Sales - proceeds	-	(570,205)	-	(1,068,782)	(1,638,987)
- realised gains	-	381,087	-	-	381,087
Unrealised gains/(losses) on investments in the period	8,333	(1,550,832)	-	1,063,020	(479,479)
<b>Valuation at 30 June 2016</b>	<b>266,680</b>	<b>9,881,729</b>	<b>13,051</b>	<b>27,289,047</b>	<b>37,450,507</b>
Book cost at 30 June 2016	200,028	11,997,198	15,144	25,308,662	37,521,032
Unrealised gains/(losses) at 30 June 2016	66,652	(1,563,874)	(444)	2,547,871	1,050,205
Permanent impairment of investments	-	(551,595)	(1,649)	(567,486)	(1,120,730)
<b>Valuation at 30 June 2016</b>	<b>266,680</b>	<b>9,881,729</b>	<b>13,051</b>	<b>27,289,047</b>	<b>37,450,507</b>
Gains on investments	-	381,087	-	15,680	396,767
Less amounts recognised as unrealised gains in previous years	-	-	-	(15,680)	(15,680)
Realised gains based on carrying value at 31 December 2015	-	381,087	-	-	381,087
Net movement in unrealised appreciation/ (depreciation) in the period	8,333	(1,550,832)	-	1,063,020	(479,479)
<b>Gains/(losses) on investments for the six months ended 30 June 2016</b>	<b>8,333</b>	<b>(1,169,745)</b>	<b>-</b>	<b>1,063,020</b>	<b>(98,392)</b>

Sales proceeds above of £1,638,987 are less than that shown in the Condensed Statement of Cash Flows of £1,944,207 by £305,220. This amount is deferred cash proceeds received in the current period that related to investments realised in previous years.

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 increase 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 increase does not arise from assessments of credit or market risk upon these instruments.

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

	as at 30 June 2016 (unaudited) £	as at 30 June 2015 (unaudited) £	as at 31 December 2015 (audited) £
<b>Valuation methodology</b>			
Estimated realisation proceeds	14,167	56,500	35,417
Recent investment price	12,638,548	18,735,584	13,362,029
Earnings multiple	24,531,112	21,577,707	25,060,877
<b>Total</b>	<b>37,183,827</b>	<b>40,369,791</b>	<b>38,458,323</b>

## 11. Current asset investments and Cash at bank

	as at 30 June 2016 (unaudited) £	as at 30 June 2015 (unaudited) £	as at 31 December 2015 (audited) £
OEIC Money market funds	10,597,771	6,527,581	12,529,513
Bank deposits that mature within three months but are not immediately repayable	4,533	2,503,610	4,564
<b>Cash equivalents per Condensed Statement of Cash Flows</b>	<b>10,602,304</b>	<b>9,031,191</b>	<b>12,534,077</b>
Bank deposits that mature after three months	2,706,153	2,560,883	2,085,130
<b>Current asset investments</b>	<b>13,308,457</b>	<b>11,592,074</b>	<b>14,619,207</b>
<b>Cash at bank</b>	<b>2,596,622</b>	<b>2,295,224</b>	<b>3,386,635</b>

## 12. Post balance sheet events

There have been no significant post balance sheet events.

## 13. Financial statements for the year ended 31 December 2015

The financial information for the period ended 30 June 2016 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 2015 have been filed with the Registrar of Companies. The auditor has reported on the financial statements for the year ended 31 December 2015 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.mig4vct.co.uk](http://www.mig4vct.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.

Recent changes to the European Commission's Transparency Directive 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 development can also visit the Company website at [www.mig4vct.co.uk](http://www.mig4vct.co.uk) which contains publicly available information or links to information about the Company's largest investments, the latest NAV and the share price. The London Stock Exchange's website at: [www.londonstockexchange.com](http://www.londonstockexchange.com) provides 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](http://www.taxefficientreview.com) provide comparative performance figures for the VCT sector as a whole.

## Shareholder event

The Investment Adviser held a successful shareholder event on 26 January 2016 at the Royal Institute of British Architects in Central London. The next event will be held on Tuesday, 24 January 2017, again at the Royal Institute of British Architects in Central London. The programme will again include presentations on the investment activity and performance of the Mobeus VCTs as well as an update on the recent regulatory changes and talks from investee companies. Shareholders have been sent further details, and an invitation to the event, with the shareholder newsletter sent last month.

## Mobeus website

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

## 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 obtained by contacting the Company's Registrars, Capita Asset Services at the address given on page 25.

**Shareholders are encouraged to ensure that the Registrars maintain up-to-date details for yourselves and to check whether you have received all dividends payable to you. This is particularly important if you have recently moved house or changed your bank. We are aware that a number of dividends remain unclaimed by shareholders and whilst we will endeavour to contact shareholders 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 address and/or email address.**

## Dividend Investment Scheme

The Scheme is a convenient, easy and cost effective way to build up your shareholding in the Company. Application forms for the Scheme are available on the Company website. If shareholders wish to reinvest the recently declared dividend of 2.00 pence per share in further shares, the application form must be received by Capita by 24 August 2016. There are three benefits available to shareholders by opting to receive your dividend in this manner:

- The dividend is tax free to you;
- Shareholders are allotted new shares which will, subject to your particular circumstances, attract VCT income tax relief applicable for the tax year in which the shares are allotted. The tax relief currently available to investors in new VCT shares is 30% for the 2016/17 tax year for investments up to £200,000 in any one tax year; and
- The Scheme also has one other, particular advantage. Under its terms, a member is able to re-invest at an advantageous price, being the average market price of the shares for the five business days prior to the dividend being paid. This price is likely to be at a discount of 10% to the underlying net asset value (provided that this is greater than 70% of the latest published net asset value per share).



Shareholders who already participate, or are considering whether to participate, in the Scheme should be aware of the current uncertainties and regulatory changes enacted in the Finance (No 2) Act 2015, as referred to on page 2 and 3 of the Chairman's Statement. There is an associated five year holding period required to secure income tax relief when new shares are allotted under the Scheme. Shareholders may wish to defer or suspend their participation until the implications of these changes are clearer. If you are in any doubt about whether to participate in the Scheme or not, you should consult your financial adviser.

### Financial calendar

August 2016	Half-Year Report for the six months ended 30 June 2016 to be announced and circulated to shareholders.
8 September 2016	Payment date for an interim dividend of 2.00 pence per share.
31 December 2016	Year-end.
24 January 2017	Shareholder event.
May 2017	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 shareholders obtain the best price, if you wish to sell your shares, you are strongly advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2717 before agreeing a price with their stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares.

### Managing your shareholding online

For details on your individual shareholding and to manage your account online, shareholders may log into or register with the Capita Shareholder Portal at: [www.capitashareportal.com](http://www.capitashareportal.com).

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

### Common Reporting Standard ("CRS") 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 is being introduced. The legislation will require investment trust companies to provide personal and financial account information to HMRC on certain investors who purchase their shares including details of their shareholding and income from the shares. As an affected entity, the Company will have to provide information annually to HMRC relating to a number of non-UK based certificated shareholders who are deemed to be resident for tax purposes in any of the 90 plus countries who have joined CRS. 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 of this year. We understand that 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". This 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 relating to shareholders who are resident for tax purposes in the United States.

All new shareholders, excluding those whose shares are held in CREST, who are entered onto the share register from 1 January 2016 will be sent a certification form for the purposes of collecting this information.

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>.

**Boiler room fraud:** Details on what to do to combat boiler room fraud can be found on the Company's website.

### Shareholder enquiries

For enquiries concerning the Company, please contact the Investment Adviser, Mobeus Equity Partners LLP, on 020 7024 7600 or by e-mail to [vcts@mobeusequity.co.uk](mailto:vcts@mobeusequity.co.uk).

For information on your holding, to notify the Company of a change of address or to request a dividend mandate form (should you wish to have future dividends paid directly into your bank account) please contact the Company's Registrars:

Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or by e-mail at [www.capitashareportal.com](http://www.capitashareportal.com).

The Capita VCT investor line: +44 (0)371 664 0324. Telephone lines are open 9.00am-5.30pm Monday-Friday excluding public holidays in England and Wales.

To contact the Chairman or any member of the 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](mailto:vcts@mobeusequity.co.uk).

# Chronology of Mobeus Income & Growth 4 VCT plc

## 1998

Company launched as Triven VCT plc and managed by three managers, LICA, Elderstreet and GLE Development Capital.

## 1999

Company completed its first fundraising.

## October 2002

LICA acquired by NOVA Capital Management.

## April 2004

GLE Development Capital team joined Matrix Group to form Matrix Private Equity Partners and continues with the management of its share of the Company's portfolio in the Company.

## July 2006

Matrix Private Equity Partners appointed as sole manager of the Company. Triven VCT plc changes its name to Matrix Income & Growth 4 VCT plc to be consistent with the Investment Adviser's change of name.

## June 2012

Matrix Private Equity Partners became a fully independent firm owned by its partners and renames itself Mobeus Equity Partners LLP. Matrix Income & Growth 4 VCT plc changes its name to Mobeus Income & Growth 4 VCT plc to be consistent with the Investment Adviser's change of name.

## 2010-2014

The Company launched four linked fundraisings with other Mobeus advised VCTs.

# Corporate Information

## Directors (Non-executive)

Christopher Moore (Chairman)  
Andrew Robson  
Helen Sinclair

## Secretary

Mobeus Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX

## Company's Registered Office and Head Office

30 Haymarket  
London SW1Y 4EX

## Company Registration Number

03707697

## Investment Adviser, Promoter and Administrator

Mobeus Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX  
Telephone: 020 7024 7600  
[www.mobeusequity.co.uk](http://www.mobeusequity.co.uk)

## Website

[www.mig4vct.co.uk](http://www.mig4vct.co.uk)

## E-mail

[vcts@mobeusequity.co.uk](mailto:vcts@mobeusequity.co.uk)

## Independent Auditor

BDO LLP  
55 Baker Street  
London  
W1U 7EU

## Receiving Agent

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

## Sponsor

Howard Kennedy Corporate Services LLP  
1 London Bridge Walk  
London  
SE1 9BG

## Solicitor

Shakespeare Martineau LLP  
No 1 Colmore Square  
Birmingham  
B4 6AA

## Registrar

Capita Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

Tel: +44 (0) 371 664 0324  
Telephone lines are open  
9.00am- 5.30pm Mon-Fri  
excluding public holidays in  
England and Wales.

## Corporate Broker

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

## VCT Status Adviser

Philip Hare & Associates LLP  
4-6 Staple Inn  
High Holborn  
London  
WC1V 7QH

## Banker

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

Mobius Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX

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