

Mobeus Income & Growth 4 VCT plc

A VENTURE CAPITAL TRUST

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

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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YOUR PRIVACY

We are committed to protecting and respecting your privacy. To understand how we collect, use and otherwise process personal data relating to you, or that you provide to us, please read our privacy notice, which can be found at www.mig4vct.co.uk.

Financial Highlights

Results for the six months ended 30 June 2018

Net assets: £57.21 million

Net Asset Value ("NAV") per share: 83.12 pence

 Net Asset Value ("NAV") Total Return per share of 0.6% for the half-year.

 Shareholders received an interim dividend of 4.00 pence per share on 19 June 2018, in respect of the year ending 31 December 2018. Cumulative dividends paid to shareholders since inception are now 105.20 pence per share.

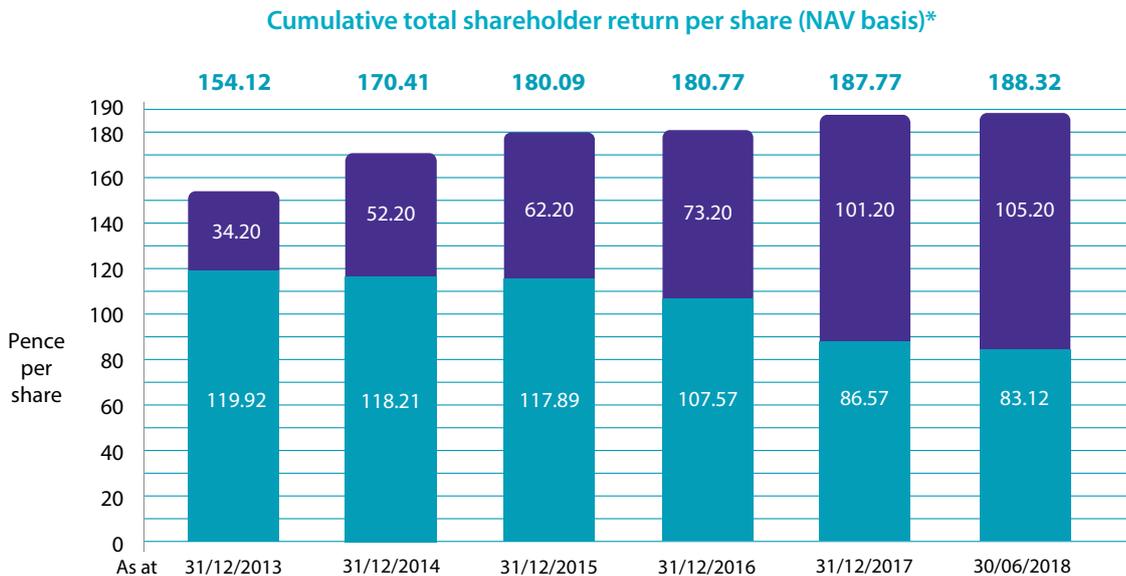
 Investments totalling £3.06 million have been made into Proactive Investors, Super Carers and Hemmels, together with further investments into existing portfolio companies, MPB Group, Tapas Revolution and My Tutor.

 Fully subscribed Offer for Subscription which closed in March 2018, having raised £15 million since launch in September 2017.

Cumulative total shareholder return per share (NAV basis)*

The net asset value (NAV) per share as at 30 June 2018 was 83.12 pence.

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



*Cumulative total shareholder return (NAV basis) 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 200p 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 Schedule on the Company's website at: www.mig4vct.co.uk, where they can be accessed by clicking on "table" under "Reviewing the performance of your investment" on the home page.

On 31 July 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 the Half-Year Report for Mobeus Income & Growth 4 VCT plc ("MIG4") covering the six month period ended 30 June 2018.

Overview

The six month period has resulted in continued portfolio progress. In addition the fundraising was successfully completed, raising the £15 million target.

Three new growth capital investments, and three further investments into existing growth portfolio companies were completed in the period. Further details of these investments are included under 'Investment Portfolio' below and in the Investment Review on pages 5 - 6.

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

More recently, the enactment of the Finance Act 2018 on 15 March 2018 has resulted in further changes to the VCT Scheme. These most recent changes are in response to the Patient Capital Review which was conducted by Her Majesty's Treasury during the course of 2017, further details of which can be found under the 'Industry and regulatory developments' section of my Statement below and on page 4 under 'Summary of VCT Regulation'.

Performance

At 30 June 2018, your Company was ranked 18th out of 40 VCTs, over the last five years, in the Association of Investment Companies' ("AIC") analysis of NAV Total Return.

The Net Asset Value ("NAV") Total Return was 0.6% for the period (compared with 5.2% for the same period last year).

Fundraising

On 6 September 2017, the Company launched an Offer for Subscription to raise up to £15 million in aggregate. Demand for the Offer was strong and the Company raised the full amount by 13 March 2018 (£1.00 million of net funds were raised in the current period). The Board would like to thank all new investors and shareholders, their advisers and intermediaries, for their support.

Dividends

The Board declared an interim capital dividend of 4.00 pence per share which was paid on 19 June 2018. This brings cumulative dividends paid per share since the launch of the Company to 105.20 pence per share.

Investment Portfolio

The portfolio achieved a gain of £0.26 million (0.8% of the opening value) during the first half of the year (2017: £2.45 million; 6.3% of the opening value) and was valued at £34.38 million at the period end (30 June 2017: £37.93 million). The six month period experienced notable increases in the valuations of EOTH, MPB Group and CGI Creative Graphics, but the portfolio saw significant valuation declines over the period for Wetsuit Outlet, Motorclean and Veritek Global.

During the period three new investments and three further investments were made at a total cost of £3.06 million (details on pages 5 - 6 and within Note 10). These were:

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

After the period end, a new investment of £0.44 million was made into Rota Geek, a provider of workforce management software.

The Company received cash proceeds of £0.43 million during the period, mostly being loan stock repayments from investee companies, but also deferred consideration arising from realisations in a previous year.

Further information on the portfolio can be found under the Investment Review and Investment Portfolio Summary on pages 5 - 8.

Industry and regulatory developments

As mentioned in my Overview above, a number of additional changes to the VCT Scheme were introduced with the enactment of the Finance Act 2018 on 15 March 2018. These changes were designed to exclude tax-motivated investments where capital is not at risk (that is, principally seeking to preserve investors' capital) and to encourage VCTs to put their money to work faster. While some of these changes (detailed further on page 4) place further restrictions on the way investments may be structured, the Board currently has no reason to believe they will materially affect the Company's Investment Policy.

Share buybacks

During the period, the Company bought back a total of 613,330 Ordinary shares for cancellation, amounting to 0.9% of its issued share capital at the start of the year. These shares were bought back at an approximate 10% discount to the Company's latest announced NAV, in accordance with the Company's share buyback policy.

Dividend Investment Scheme

A total of 788,503 new Ordinary shares were issued under the Dividend Investment Scheme during the period at a price of 74.00 pence.

The Company's Dividend Investment Scheme ("the Scheme") has historically been a practical and cost effective way for the Company to retain cash for investment and operating purposes. Given the Company's recent successful fundraising and current relatively high cash position, the Board has taken the decision to suspend the Scheme until further notice. This means that those shareholders who had opted into the Scheme will now receive cash in respect of any dividends paid by the Company while the Scheme is suspended.

Allowing high levels of liquidity to persist can dilute returns to shareholders. Furthermore, as a result of the changes in the Finance Act 2018, funds raised under the Scheme would have an additional impact on the VCT's qualification status conditions, commencing in respect of the Company's 2019 financial year. From the start of that year, 30% of all funds raised (including under the Scheme) have to be invested in qualifying investments, within a year of the financial year-end in which shares under the Scheme are allotted. This would have placed a further compliance hurdle on top of the Company's existing investment obligations.

Your Board will continue to keep the operation of the Scheme under review and will provide shareholders with advanced notice of any future decision to reintroduce, modify or cancel the Scheme.

Liquidity

The cash or near cash resources held by the Company as at 30 June 2018, including the liquidity held by companies preparing to trade, was £24.37 million or 42.6% of net assets. While liquidity is high, the Investment Adviser has an active pipeline of investment opportunities under review, and so this is expected to reduce over time.

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

Shareholder event

The Investment Adviser held its eighth annual shareholder event on 30 January 2018. As in previous years, the event was well attended and generated an active shareholder response. The next event is to be held on 5 February 2019, again at the Royal Institute of British Architects in central London. The programme will contain highlights from the performance of the Mobeus VCTs as well as presentations by representatives of portfolio companies. Recently, shareholders have received further details and an invitation to the event with their copy of the Mobeus VCT Newsletter.

Outlook

Your Board continues to feel that Mobeus are adapting well to the new investment parameters for VCTs. They have expanded their management team and have been active in sourcing suitable growth capital investments. The fund has exposure to some exciting businesses, which are higher risk but, if they can survive and scale up, could become very valuable. As previously warned however, shareholders should expect returns to be more volatile and entry prices are not cheap.

Externally there are a number of factors which could affect stock markets including trade and tariff wars and the protracted and indecisive execution of the Brexit negotiations.

The recent successful fundraising will provide the Company with sufficient funds to meet its cash needs and to continue the current investment rate in the medium term.

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

Christopher Moore

Chairman

14 August 2018

Investment Policy

The Investment Policy is designed to meet the Company's objective.

Investments

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

There are a number of conditions within the VCT legislation which need to be met

by the Company and which may change from time to time. The Company will seek to make investments in accordance with the requirements of prevailing VCT legislation.

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

Liquidity

The Company's cash and liquid funds are held in a portfolio of readily realisable interest bearing investments, deposit and current accounts, of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

Borrowing

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

Summary of VCT Regulation

To assist shareholders, the following table contains a summary of the most important rules that determine VCT approval.

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

- the Company must hold at least 70%¹, by VCT tax value², of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;
- All qualifying investments made by VCTs after 5 April 2018, together with qualifying investments made by funds raised after 5 April 2011, are in aggregate required to comprise at least 70% by VCT tax value in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules)³;
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company's shares must be listed on a regulated European stock market;
- non-qualifying investments can no longer be made, except for certain exemptions in managing the Company's short-term liquidity; and
- VCTs are now required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of the accounting period.

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

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

In addition, VCTs may not:-

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

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

² VCT tax value means as valued in accordance with prevailing VCT legislation. The calculation of VCT tax value is arrived at using tax values, based on the cost of the most recent purchase of an investment instrument in a particular company, which may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 7 and 8.

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

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

From 6 April 2019:

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

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

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

Please note that the above summary is not exhaustive.

Investment Review

New investments in the period

A total of £1.42 million was invested into three companies during the six months under review, comprising new investments into Proactive Investors, Super Carers and Hemmels as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Proactive Investors	Investor media services	January / June 2018	0.41

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

	Super Carers	Online care provision platform	March 2018	0.49
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Super Carers provides an online platform connecting people, typically family members seeking care for their elderly parents, with experienced independent carers. Carers and care-seekers manage care directly, thus reducing the administrative burden and the need for care managers, enabling care to be delivered with greater flexibility and more cost effectively. The company's unaudited accounts for the year ended 31 March 2017 show revenues of £0.18 million and a loss before interest, tax and amortisation of goodwill of £0.72 million.

	Hemmels	Classic car restoration	March 2018	0.52
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Hemmels commenced trading in September 2016 and specialises in the sourcing, restoration, selling and servicing of high value classic cars, currently focusing on classic Mercedes-Benz. The investment will enable Hemmels to proceed with its expansion plans and secure sufficient development stock. The company's accounts for the year ended 31 December 2017 have not been finalised.

Further investments in existing portfolio companies in the period

The Company made further investments totalling £1.64 million into three existing portfolio companies during the period under review, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	MPB Group	Online marketplace for used camera and video equipment	February 2018	0.34

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

Investment Review

	Company	Business	Date of investment	Amount of new investment (£m)
	Tapas Revolution	Restaurant chain	March 2018	0.46

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

	My Tutor	Online tutoring	May 2018	0.84
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My Tutor is a digital marketplace that connects school pupils who are seeking private one-to-one tutoring with university students. The business is satisfying a growing demand from both schools and parents to improve pupils' exam results to enhance their academic and career prospects. The follow-on investment is to support further growth in order to capitalise on the company's position as the largest UK provider of online tutoring into both private and school customers. The company's latest unaudited accounts for the year ended 31 December 2017 show turnover of £0.56 million and a loss before interest, tax and amortisation of goodwill of £1.40 million.

New investment post period-end

	Company	Business	Date of investment	Amount of new investment (£m)
	Rota Geek	Provider of workforce management software	August 2018	0.44

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

Realisations in the period

There have been no realisations during the period under review. £0.14 million was received as deferred consideration arising from the realisations of Gro-Group and Tessella in previous years.

Loan stock repayments

Loan stock repayments totalled £0.29 million from The Plastic Surgeon Holdings (formerly TPSFF Holdings) and MPB Group during the period under review.

Mobeus Equity Partners LLP

Investment Adviser
14 August 2018

Investment Portfolio Summary

at 30 June 2018

Mobeus Equity Partners LLP	Total cost at 30 June 2018 £	Total valuation at 31 December 2017 £	Total valuation at 30 June 2018 £	% of equity held	% of portfolio by value
Tovey Management Limited (trading as Access IS) Provider of data capture and scanning hardware	2,469,013	2,758,626	2,931,253	9.7%	8.5%
Virgin Wines Holding Company Limited Online wine retailer	1,930,813	2,173,407	2,197,789	9.7%	6.4%
ASL Technology Holdings Limited Printer and photocopier services	1,933,591	2,049,558	2,123,648	9.5%	6.2%
EOTH Limited (trading as Equip Outdoor Technologies) Branded outdoor equipment and clothing	951,471	1,405,478	1,866,358	1.7%	5.4%
Media Business Insight Holdings Limited A publishing and events business focused on the creative production industries	2,722,760	1,663,142	1,772,828	15.7%	5.2%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	2,333,102	2,333,102	1,636,098	6.4%	4.8%
CGI Creative Graphics International Limited Vinyl graphics to global automotive, recreation vehicle and aerospace markets	1,449,746	1,087,900	1,502,594	6.6%	4.4%
My Tutorweb Limited Digital marketplace connecting school pupils seeking one-to-one online tutoring	1,307,644	466,639	1,439,673	7.2%	4.1%
MPB Group Limited Online marketplace for photographic and video equipment	919,993	777,331	1,420,182	5.4%	4.1%
Master Removers Group Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van) A specialist logistics, storage and removals business	511,855	1,173,348	1,348,537	4.7%	3.9%
Vian Marketing Limited (trading as Red Paddle Co) Design, manufacture and sale of stand-up paddleboards and windsurfing sails	899,074	1,416,746	1,273,363	7.1%	3.7%
Tharstern Group Limited Software based management information systems to the print sector	1,091,886	1,401,362	1,270,897	12.2%	3.7%
Ibericos Etc. Limited (trading as Tapas Revolution) Spanish restaurant chain	1,044,869	580,469	1,219,003	5.8%	3.5%
Turner Topco Limited (trading as Auction Technology Group (formerly ATG Media)) SaaS based online auction market place platform	1,529,075	1,292,718	1,166,710	3.8%	3.4%
Preservica Limited Seller of proprietary digital archiving software	679,617	929,117	1,107,361	8.6%	3.2%
Pattern Analytics Limited (trading as Biosite) Workforce management and security services for the construction industry	640,171	960,257	960,257	4.8%	2.8%
Redline Worldwide Limited Provider of security services to the aviation industry and other sectors	838,377	897,989	830,750	6.7%	2.4%
The Plastic Surgeon Holdings Limited (formerly TPSFF Holdings Limited) Supplier of snagging and finishing services to the domestic and commercial property markets	46,209	809,939	800,221	8.7%	2.3%
Bourn Bioscience Limited Management of In-vitro fertilisation clinics	1,132,521	818,429	772,635	7.7%	2.2%
Buster and Punch Holdings Limited Industrial inspired lighting and interiors retailer	530,392	530,392	654,799	4.5%	1.9%
BookingTek Limited Direct booking software for hotels	652,137	867,257	652,138	3.5%	1.9%
Fullfield Limited (trading as Motorclean) Vehicle cleaning and valet services	1,131,444	1,185,517	608,332	9.8%	1.8%
RDL Corporation Limited Recruitment consultants within the pharmaceutical, business intelligence and IT industries	1,000,000	632,005	589,796	9.1%	1.7%

Investment Portfolio Summary

at 30 June 2018

	Total cost at 30 June 2018 £	Total valuation at 31 December 2017 £	Total valuation at 30 June 2018 £	% of equity held	% of portfolio by value
Mobeus Equity Partners LLP					
Super Carers Limited Online platform that connects people seeking home care from experienced independent carers	485,730	-	485,730	4.3%	1.4%
Hemmels Limited Company specialising in the sourcing, restoration, selling and servicing of high price, classic cars	517,080	-	453,607	2.9%	1.3%
Hollydale Management Limited Company seeking to carry on a business in the food industry	701,120	438,200	438,200	11.0%	1.3%
Proactive Group Holdings Inc Provider of media services and investor conferences for companies primarily listed on secondary public markets	412,074	-	412,074	1.6%	1.2%
Vectair Holdings Limited Designer and distributor of washroom products	24,732	303,233	320,379	2.1%	0.9%
Blaze Signs Holdings Limited Manufacturer and installer of signs	190,631	193,997	280,898	5.7%	0.8%
Jablite Holdings Limited Manufacturer of expanded polystyrene products	376,083	229,783	229,783	9.1%	0.7%
Backhouse Management Limited Company seeking to carry on a business in the motor sector	589,680	226,800	226,800	11.3%	0.7%
Barham Consulting Limited Company seeking to carry on a business in the catering sector	589,680	226,800	226,800	11.3%	0.7%
Creasy Marketing Services Limited Company seeking to carry on a business in the textile sector	589,680	226,800	226,800	11.3%	0.7%
McGrigor Management Limited Company seeking to carry on a business in the pharmaceutical sector	589,680	226,800	226,800	11.3%	0.7%
Omega Diagnostics Group plc In-vitro diagnostics for food intolerance, auto-immune diseases and infectious diseases	200,028	274,849	191,561	1.3%	0.6%
Veritek Global Holdings Limited Maintenance of imaging equipment	1,620,086	547,806	153,550	11.9%	0.4%
Lightworks Software Limited Provider of software for CAD and CAM vendors	9,329	33,847	25,227	4.2%	0.1%
BG Training Limited City-based provider of specialist technical training	10,625	5,313	5,313	0.0%	0.0%
Racoon International Group Limited Supplier of hair extensions, hair care products and training	484,347	-	-	0.0%	0.0%
CB Imports Group Limited (trading as Country Baskets) Importer and distributor of artificial flowers, floral sundries and home décor products	175,000	-	-	5.8%	0.0%
Newquay Helicopters (2013) Limited (in creditors' voluntary liquidation) Helicopter service operator	7,617	-	-	2.5%	0.0%
Watchgate Limited Holding company	1,000	-	-	33.3%	0.0%
Total	35,319,962	31,144,956	34,048,744		99.0%
Former Elderstreet Private Equity Limited Portfolio					
Cashfac Limited Provider of virtual banking application software solutions to corporate customers	260,101	339,097	330,408	2.9%	1.0%
Sparesfinder Limited Supplier of industrial spare parts online	250,854	-	-	2.0%	0.0%
Sift Group Limited Developer of business-to-business internet communities	135,392	-	-	1.3%	0.0%
Total	646,347	339,097	330,408		1.0%
Total Investment Portfolio	35,966,309	31,484,053	34,379,152		100.0%

Statement of the Directors' Responsibilities

Responsibility statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Christopher Moore (Chairman), Andrew Robson (Chairman of the Audit Committee and Nomination and Remuneration 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 materially changed from those identified in the Annual Report and Accounts for the year ended 31 December 2017 ("the Annual Report").

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 detailed explanation of the principal risks can be found in the Annual Report on page 23 and in Note 15 on pages 57 – 63 of the Annual Report and Accounts for the year ended 31 December 2017, copies of which are available on the Investment Adviser's website, www.mobeusequity.co.uk or by going directly to the VCT's website, 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. 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 financial and capital risks are shown in Notes 15 and 16 on pages 57 – 64 of the Annual Report and Accounts for the year ended 31 December 2017. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the half-year report and annual financial statements.

Cautionary Statement

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

On behalf of the Board

Christopher Moore

Chairman

14 August 2018

Unaudited Condensed Income Statement

for the six months ended 30 June 2018

	Notes	Six months ended 30 June 2018 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains/(losses) on investments held at fair value	10	-	123,530	123,530
Realised gains on investments held at fair value	10	-	139,762	139,762
Income	4	1,004,281	-	1,004,281
Investment Adviser's fees	5	(157,985)	(473,954)	(631,939)
Other expenses		(213,555)	-	(213,555)
Profit/(loss) on ordinary activities before taxation		632,741	(210,662)	422,079
Tax on profit/(loss) on ordinary activities	6	(98,956)	90,052	(8,904)
Profit/(loss) and total comprehensive income		533,785	(120,610)	413,175
Basic and diluted earnings per ordinary share	7	0.78p	(0.18)p	0.60p

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

The total column is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). In order to better reflect the activities of a VCT and in accordance with the 2014 Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC") and updated in January 2017, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The revenue column of profit attributable to equity shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

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

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

Six months ended 30 June 2017 (unaudited)			Year ended 31 December 2017 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
-	2,363,132	2,363,132	-	(792,838)	(792,838)
-	87,628	87,628	-	4,142,375	4,142,375
1,244,177	-	1,244,177	2,381,649	-	2,381,649
(142,763)	(428,288)	(571,051)	(293,312)	(879,937)	(1,173,249)
(189,358)	-	(189,358)	(422,206)	-	(422,206)
912,056	2,022,472	2,934,528	1,666,131	2,469,600	4,135,731
(150,244)	82,446	(67,798)	(286,870)	169,388	(117,482)
761,812	2,104,918	2,866,730	1,379,261	2,638,988	4,018,249
1.54p	4.26p	5.80p	2.60p	4.99p	7.59p

Unaudited Condensed Balance Sheet

as at 30 June 2018

	Notes	30 June 2018 (unaudited) £	30 June 2017 (unaudited) £	31 December 2017 (audited) £
Fixed assets				
Investments at fair value	10	34,379,152	37,925,220	31,484,053
Current assets				
Debtors and prepayments		181,149	250,771	3,166,996
Current asset investments	11	20,410,681	12,193,267	21,494,921
Cash at bank	11	2,608,920	2,690,122	2,847,849
		23,200,750	15,134,160	27,509,766
Creditors: amounts falling due within one year				
		(365,729)	(235,006)	(582,179)
Net current assets				
		22,835,021	14,899,154	26,927,587
Net assets				
		57,214,173	52,824,374	58,411,640
Capital and reserves				
Called up share capital		688,365	497,492	674,751
Share premium reserve		31,474,978	14,169,354	29,895,865
Capital redemption reserve		20,722	9,342	14,589
Revaluation reserve		612,630	3,512,924	517,952
Special distributable reserve		16,436,383	28,357,894	20,029,787
Realised capital reserve		6,514,849	4,792,400	6,346,235
Revenue reserve		1,466,246	1,484,968	932,461
Equity shareholders' funds				
		57,214,173	52,824,374	58,411,640
Basic and diluted net asset value:				
Basic and diluted net asset value per share	9	83.12p	106.18p	86.57p

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

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

Unaudited Condensed Statement of Changes in Equity

for the six months ended 30 June 2018

	Notes	Non-distributable reserves			Distributable reserves			Total	
		Called up share capital	Share premium reserve	Capital redemption reserve	Revaluation reserve	Special distributable reserve (Note a)	Realised capital reserve (Note b)		Revenue reserve (Note b)
		£	£	£	£	£	£	£	
At 1 January 2018		674,751	29,895,865	14,589	517,952	20,029,787	6,346,235	932,461	58,411,640
Comprehensive income for the period									
Profit/(loss) for the period		-	-	-	123,530	-	(244,140)	533,785	413,175
Total comprehensive income for the period		-	-	-	123,530	-	(244,140)	533,785	413,175
Contributions by and distributions to owners									
Shares issued via Offer for Subscription (Note c)		11,863	1,003,505	-	-	(10,787)	-	-	1,004,581
Issue of shares under Dividend Investment Scheme		7,884	575,608	-	-	-	-	-	583,492
Shares bought back (Note d)		(6,133)	-	6,133	-	(464,370)	-	-	(464,370)
Dividends paid	8	-	-	-	-	(2,734,345)	-	-	(2,734,345)
Total contributions by and distributions to owners		13,614	1,579,113	6,133	-	(3,209,502)	-	-	(1,610,642)
Other movements									
Realised losses transferred to special reserve (Note a)		-	-	-	-	(383,902)	383,902	-	-
Realisation of previously unrealised appreciation		-	-	-	(28,852)	-	28,852	-	-
Total other movements		-	-	-	(28,852)	(383,902)	412,754	-	-
At 30 June 2018		688,365	31,474,978	20,722	612,630	16,436,383	6,514,849	1,466,246	57,214,173

Notes:

- a): The cancellation of the share premium reserve and capital redemption reserve in past years 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.
- c): Under the 2017/18 Offer, 1,186,253 shares were allotted during the period, raising net funds of £1,004,581 for the Company. This figure is net of issue costs of £37,920. Having raised the full amount of funds sought, the Offer was closed on 13 March 2018.
- d): During the period, the Company repurchased 613,330 of its own shares at the prevailing market price for a total cost (including stamp duty) of £464,370, which were subsequently cancelled. This is less than the figure shown in the Condensed Statement of Cash Flows by £255,539, which was included in creditors at the previous year-end.

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

Unaudited Condensed Statement of Changes in Equity

for the six months ended 30 June 2017

	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 £	
At 1 January 2017	490,430	13,540,891	9,342	1,152,007	31,646,338	4,702,557	1,213,591	52,755,156
Comprehensive income for the period								
Profit/(loss) for the period	-	-	-	2,363,132	-	(258,214)	761,812	2,866,730
Total comprehensive income for the period	-	-	-	2,363,132	-	(258,214)	761,812	2,866,730
Contributions by and distributions to owners								
Issue of shares								
under Dividend								
Investment Scheme	7,062	628,463	-	-	-	-	-	635,525
Dividends paid	-	-	-	-	(2,942,602)	-	(490,435)	(3,433,037)
Total contributions by and distributions to owners	7,062	628,463	-	-	(2,942,602)	-	(490,435)	(2,797,512)
Other movements								
Realised losses transferred to special reserve	-	-	-	-	(345,842)	345,842	-	-
Realisation of previously unrealised appreciation	-	-	-	(2,215)	-	2,215	-	-
Total other movements	-	-	-	(2,215)	(345,842)	348,057	-	-
At 30 June 2017	497,492	14,169,354	9,342	3,512,924	28,357,894	4,792,400	1,484,968	52,824,374

The composition of each of these reserves is explained below:

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

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

Share premium reserve - This reserve contains the excess of gross proceeds less issue costs over the nominal value of shares allotted under recent Offers for Subscription and the Company's Dividend Investment Scheme.

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

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

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

Realised capital reserve - The following are accounted for in this reserve:

- Gains and losses on realisation of investments;
- Permanent diminution in value of investments;
- Transaction costs incurred in the acquisition of investments;
- 75% of the Investment Adviser fee expense and 100% of any performance incentive fee payable, together with the related tax effect to this reserve in accordance with the policies; and
- Capital dividends paid.

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

Unaudited Condensed Statement of Cash Flows

for the six months ended 30 June 2018

	Notes	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
Cash flows from operating activities				
Profit for the financial period		413,175	2,866,730	4,018,249
Adjustments for:				
Unrealised (gains)/losses on investments		(123,530)	(2,363,132)	792,838
Realised gains on investments		(139,762)	(87,628)	(4,142,375)
Tax charge for the current year	6	8,904	67,798	117,482
Decrease/(increase) in debtors		227,082	28,771	(128,689)
Increase/(decrease) in creditors and accruals		30,185	(37,965)	289,612
Net cash inflow from operations		416,054	474,574	947,117
Corporation tax paid		-	-	(30,088)
Net cash inflow from operating activities		416,054	474,574	917,029
Cash flows from investing activities				
Sale of investments	10	3,183,830	4,568,919	10,217,251
Purchase of investments	10	(3,056,872)	(536,476)	(1,603,629)
Net cash inflow from investing activities		126,958	4,032,443	8,613,622
Cash flows from financing activities				
Share issued as part of Offer for Subscription (net of issue costs)		1,004,581	-	13,630,616
Equity dividends paid	8	(2,150,853)	(2,797,512)	(11,584,256)
Purchase of own shares		(719,909)	-	(408,125)
Net cash (outflow)/inflow from financing activities		(1,866,181)	(2,797,512)	1,638,235
Net (decrease)/increase in cash and cash equivalents		(1,323,169)	1,709,505	11,168,886
Cash and cash equivalents at start of period		22,342,770	11,173,884	11,173,884
Cash and cash equivalents at end of period		21,019,601	12,883,389	22,342,770
Cash and cash equivalents comprise:				
Cash at bank and in hand	11	2,608,920	2,690,122	2,847,849
Cash equivalents	11	18,410,681	10,193,267	19,494,921

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

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

1. Company information

Mobeus Income and Growth 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 have been 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') (updated in January 2017) 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 Note 10.

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

3. Principal accounting policies

The accounting policies have been applied consistently throughout the period. Full details of principal accounting policies will be disclosed in the Annual Report, while the policy in respect of investments is included within an outlined box at the top of Note 10 on investments.

4. Income

	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
Income from investments			
Dividends	111,922	131,569	176,448
Loan stock interest	832,801	1,087,313	2,145,824
Money-market funds	43,206	10,591	25,097
Bank deposit interest	16,352	14,704	28,578
Interest on preference share dividend arrears	-	-	92
Other income	-	-	5,610
Total Income	1,004,281	1,244,177	2,381,649

5. Investment Adviser's fees and performance fees

25% of the Investment Adviser's fees are charged to the revenue column of the Income Statement, while 75% is charged against the capital column of the Income Statement. This is in line with the Board's expected long-term split of returns from the investment portfolio of the Company. 100% of any performance incentive fee payable for the year would be charged against the capital column of the Income Statement, as it is based upon the achievement of capital growth.

	Six months ended 30 June 2018 (unaudited) Total £	Six months ended 30 June 2017 (unaudited) Total £	Year ended 31 December 2017 (audited) Total £
Allocated to revenue return: Investment Adviser's fees	157,985	142,763	293,312
Allocated to capital return: Investment Adviser's fees	473,954	428,288	879,937
Total	631,939	571,051	1,173,249

With effect from 1 April 2018, the Investment Adviser's fee upon the net funds raised from the use of the over-allotment facility of £5 million under the recent Offer has been reduced to 1% from 2%, for one year.

6. Taxation

	Six months ended 30 June 2018 (unaudited)			Six months ended 30 June 2017 (unaudited)			Year ended 31 December 2017 (audited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
a) Analysis of tax charge:									
UK Corporation tax on profits/(losses) for the period	98,956	(90,052)	8,904	150,244	(82,446)	67,798	286,870	(169,388)	117,482
Total current tax charge/(credit)	98,956	(90,052)	8,904	150,244	(82,446)	67,798	286,870	(169,388)	117,482
Corporation tax is based on a rate of 19.0% (2017: 19.3%)									
b) Profit/(loss) on ordinary activities before tax	632,741	(210,662)	422,079	912,056	2,022,472	2,934,528	1,666,131	2,469,600	4,135,731
Profit/(loss) on ordinary activities multiplied by rate of corporation tax in the UK of 19.0% (2017: 19.3%)	120,221	(40,026)	80,195	175,571	389,326	564,897	320,730	475,398	796,128
Effect of:									
UK dividends	(21,265)	-	(21,265)	(25,327)	-	(25,327)	(33,966)	-	(33,966)
Unrealised (gains)/losses not taxable/allowable	-	(23,471)	(23,471)	-	(454,904)	(454,904)	-	152,621	152,621
Realised gains not taxable	-	(26,555)	(26,555)	-	(16,868)	(16,868)	-	(797,407)	(797,407)
Unrelieved expenditure	-	-	-	-	-	-	106	-	106
Actual current tax charge	98,956	(90,052)	8,904	150,244	(82,446)	67,798	286,870	(169,388)	117,482

7. Basic and diluted earnings per share

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

	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
i) Total earnings after taxation	413,175	2,866,730	4,018,249
Basic and diluted earnings per share (pence) (note a)	0.60p	5.80p	7.59p
ii) Revenue earnings from ordinary activities after taxation	533,785	761,812	1,379,261
Basic and diluted revenue earnings per share (pence) (note b)	0.78p	1.54p	2.60p
Net unrealised capital gains/(losses) on investments	123,530	2,363,132	(792,838)
Net realised capital gains on investments	139,762	87,628	4,142,375
Capital Investment Adviser's fees less taxation	(383,902)	(345,842)	(710,549)
iii) Capital earnings	(120,610)	2,104,918	2,638,988
Basic and diluted capital earnings per share (pence) (note c)	(0.18)p	4.26p	4.99p
iv) Weighted average number of shares in issue in the period	68,342,769	49,452,671	52,973,939

Notes:

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

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

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

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

8. Dividends paid

Dividend	Type	For the year ended 31 December	Pence per share	Date paid	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
Second interim	Income	2016	1.00p	17 March 2017	-	490,435	490,435
Second interim	Capital	2016	6.00p**	17 March 2017	-	2,942,602	2,942,602
Interim	Income	2017	1.00p	11 September 2017	-	-	497,394
Interim	Capital	2017	2.00p	11 September 2017	-	-	994,787
Interim	Capital	2017	15.00p**	11 September 2017	-	-	7,460,911
Second interim	Income	2017	1.00p	21 December 2017	-	-	672,563
Second interim	Capital	2017	2.00p	21 December 2017	-	-	1,345,126
Interim	Capital	2018	4.00p**	19 June 2018	2,734,345	-	-
Total Dividends Paid *					2,734,345	3,433,037	14,403,818

* - £2,734,345 (30 June 2017: £3,433,037; 31 December 2017: £14,403,818) disclosed above differs to that shown in the Condensed Statement of Cash Flows of £2,150,853 (30 June 2017: £2,797,512; 31 December 2017: £11,584,256) due to £583,492 (30 June 2017: £635,525; 31 December 2017: £2,819,562) of new shares issued under the Company's Dividend Investment Scheme ("DIS").

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

Shareholders should note that the Board has decided to suspend the operation of the DIS scheme until further notice, as explained in the Chairman's Statement.

9. Net asset value per share

	As at 30 June 2018 (unaudited)	As at 30 June 2017 (unaudited)	As at 31 December 2017 (audited)
Net assets	£57,214,173	£52,824,374	£58,411,640
Number of shares in issue	68,836,512	49,749,171	67,475,086
Net asset value per share (pence)	83.12p	106.18p	86.57p

10. Summary of movement on investments during the period

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments at 'fair value through profit and loss' ("FVTPL"). All investments held by the Company are classified as FVTPL, and measured in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines, as updated in December 2015. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

For investments actively traded 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. Where the terms of a disposal state that consideration may be received at some future date and, subject to the conditionality and materiality of the amount of deferred consideration, an estimate of the fair value, discounted for the time value of money may be recognised through the Income Statement. In other cases, the proceeds will only be recognised once the right to receive payment is established and there is no reasonable doubt that payment will be received.

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

All investments are held at the price of a recent investment for an appropriate period where there is considered to have been no change in fair value. Where such a basis is no longer considered appropriate, each investment is considered as a whole on a 'unit of account' basis, alongside consideration of:

- (i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used.
- (ii) In the absence of i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:-
 - a) a multiple basis. The shares may be valued by applying a suitable price-earnings ratio, revenue or gross profit multiple to that company's historic, current or forecast post-tax earnings before interest and amortisation, revenue, or gross profit (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Adviser compared to the sector including, inter alia, a lack of marketability).or:-
 - b) where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate.
- (iii) Premiums, to the extent that they are considered capital in nature, and that will be received upon repayment of loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.
- (iv) Where a multiple or cost less impairment basis is not appropriate and overriding factors apply, a discounted cash flow, net asset valuation or realisation proceeds basis may be applied.

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

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

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

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

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

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

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 2017	274,849	10,652,375	454,089	20,102,740	31,484,053
Purchases at cost	-	2,070,315	-	986,557	3,056,872
Sales - proceeds	-	(139,762)	-	(285,303)	(425,065)
- realised gains	-	139,762	-	-	139,762
Unrealised (losses)/gains on investments in the period	(83,288)	858,673	4,572	(656,427)	123,530
Valuation at 30 June 2018	191,561	13,581,363	458,661	20,147,567	34,379,152
Book cost at 30 June 2018	200,028	16,132,705	13,432	19,620,144	35,966,309
Unrealised (losses)/gains at 30 June 2018	(8,467)	(415,942)	445,229	591,810	612,630
Permanent impairment of investments	-	(2,135,400)	-	(64,387)	(2,199,787)
Valuation at 30 June 2018	191,561	13,581,363	458,661	20,147,567	34,379,152
Gains on investments	-	139,762	-	28,852	168,614
Less amounts recognised as unrealised gains in previous years	-	-	-	(28,852)	(28,852)
Realised gains based on carrying value at 31 December 2017	-	139,762	-	-	139,762
Net movement in unrealised (depreciation)/ appreciation in the period	(83,288)	858,673	4,572	(656,427)	123,530
(Losses)/gains on investments for the six months ended 30 June 2018	(83,288)	998,435	4,572	(656,427)	263,292

Sales proceeds above of £425,065 are less than that shown in the Condensed Statement of Cash Flows of £3,183,830 by £2,758,765. This amount is cash proceeds received in the current period arising from the disposal of Gro-Group that occurred in the previous year.

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

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

	as at 30 June 2018 (unaudited) £	as at 30 June 2017 (unaudited) £	as at 31 December 2017 (audited) £
Valuation methodology			
Cost (reviewed for impairment)	453,607	-	-
Discounted realisation proceeds	5,313	4,897,767	5,313
Net asset value	229,783	-	229,783
Recent investment price	6,322,062	6,841,561	5,256,002
Multiple of earnings, revenue or gross margin, as appropriate	27,176,826	25,873,376	25,718,106
	34,187,591	37,612,704	31,209,204

11. Current asset investments and Cash at bank

	as at 30 June 2018 (unaudited) £	as at 30 June 2017 (unaudited) £	as at 31 December 2017 (audited) £
OEIC Money market funds	18,410,681	10,193,267	19,494,921
Cash equivalents per Statement of Cash Flows	18,410,681	10,193,267	19,494,921
Bank deposits that mature after three months	2,000,000	2,000,000	2,000,000
Current asset investments	20,410,681	12,193,267	21,494,921
Cash at bank	2,608,920	2,690,122	2,847,849

12. Post balance sheet events

On 13 August 2018, the Company made a new investment of £0.44 million into Rota Geek.

- 13.** The financial information for the period ended 30 June 2018 does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial statements for the year ended 31 December 2017 have been filed with the Registrar of Companies. The auditor has reported on the Financial Statements for the year ended 31 December 2017 and that report was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.
- 14.** This Half-Year Report will shortly be made available on our website: 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 meetings provide a useful platform for the Board to meet shareholders and exchange views. Your Board welcomes your attendance at general meetings to give you the opportunity to meet your Directors and representatives of the Investment Adviser. The Company releases Interim Management Statements, in respect of those quarters when it does not publish full or half-year accounts.

The Investment Adviser holds an annual shareholder event. The next event will be held on 5 February 2019 at the Royal Institute of British Architects in Central London. Shareholders were recently sent further details and an invitation to the event with their copy of the Mobeus VCT Newsletter.

Shareholders wishing to follow the Company's development can also visit the Company website at www.mig4vct.co.uk. The website includes up-to-date information on fund performance, including the most recent NAV, and dividends paid as well as publicly available information on the Company's portfolio of investments and copies of company reports. There is also a link to the London Stock Exchange's website at: www.londonstockexchange.com where shareholders can obtain details of the share price and latest NAV announcements etc.

Financial calendar

August 2018	Half-Year Report for the six months ended 30 June 2018 to be announced and circulated to shareholders.
31 December 2018	Year-end.
5 February 2019	Shareholder event.
10 May 2019	Annual General Meeting.

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, Link Asset Services at the address given on page 24.

Shareholders are encouraged to ensure that the Registrars have the correct up-to-date details for their accounts and to check that they have received all dividend payments. This is particularly important if a shareholder has 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 them, we cannot guarantee that we will be able to do so if the Registrars do not have an up-to-date postal address or email address.

Dividend Investment Scheme

As explained in the Chairman's Statement, the Dividend Investment Scheme is currently suspended for the time being following a successful Offer for Subscription, which raised £15 million and closed on 13 March 2018. The Board will consider reintroducing the Scheme at a future date.

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, you are strongly advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2716 before agreeing a price with your 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 Link Shareholder Portal www.signalshares.com to change and update your preferences including changing 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 communications from the Company.

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

Tax legislation was introduced with effect from 1st January 2016 under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information. The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares. As an affected entity, the Company has 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, entered onto the share register from 1 January 2016 will be asked to provide the relevant information. Additionally, HMRC’s policy on FATCA now means that, as a result of the restricted secondary market in VCT shares, the Company’s shares are not considered to be “regularly traded”. The Company is therefore also an affected entity for the purposes of this legislation and as to provide information annually to HMRC relating to shareholders who are resident for tax purposes in the United States.

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

Details on what to do to combat boiler room fraud can be found on the Company’s website.

Shareholder enquiries

For enquiries concerning the investment portfolio of the Company in general, please contact the Investment Adviser, Mobeus Equity Partners. To contact the Chairman or any member of the Board, please contact the Company Secretary, also at Mobeus Equity Partners, in the first instance at: vcts@mobeusequity.co.uk.

The Registrars, Link Asset Services, may be contacted via their Shareholder Portal, post or telephone for queries relating to your shareholding including dividend payments, dividend mandate forms, change of address, etc.

Full contact details for each of Mobeus and Link Asset Services are included under Corporate Information on page 24.

Key Information Document

The European Union’s Packaged Retail Investment and Insurance based Products (“PRIIP”) Regulations cover VCTs and require boards to prepare a key information document (“KID”) in respect of their companies. Your Company’s KID is available on the Company’s website. Investors should note that the processes for calculating the risks, costs and potential returns in the KID are prescribed by EU law and the Company has no discretion over the format or content of the document. The illustrated performance returns in the KID cannot be guaranteed and, together with the prescribed cost calculation and risk categorisation, may not reflect figures for the Company derived using other methods. Accordingly, the Board recommends that investors also take account of information from other sources, including the Annual Report.

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
LEI No: 213800IFNJ65R8AQW943

Investment Adviser, Promoter and Administrator

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www.mobeusequity.co.uk

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Receiving Agent

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Sponsor

Howard Kennedy Corporate Services LLP
1 London Bridge Walk
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Solicitor

Shakespeare Martineau LLP
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Birmingham
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Registrar

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The Registry
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Shareholder portal:

www.signalshares.com

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Corporate Broker

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Banker

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