

Mobius Income  
& Growth 4 VCT plc  
**A Venture Capital Trust**

Unaudited Half-Year Report  
for the six months ended 30 June 2020



**Mobeus Income & Growth 4 VCT plc** (“the Company” or “the VCT”) is a Venture Capital Trust (“VCT”) listed on the London Stock Exchange. Its investment portfolio is advised by Mobeus Equity Partners LLP (“Mobeus”).

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

# Financial Highlights

Results for the six months ended 30 June 2020

As at 30 June 2020:

Net assets: £54.57 million

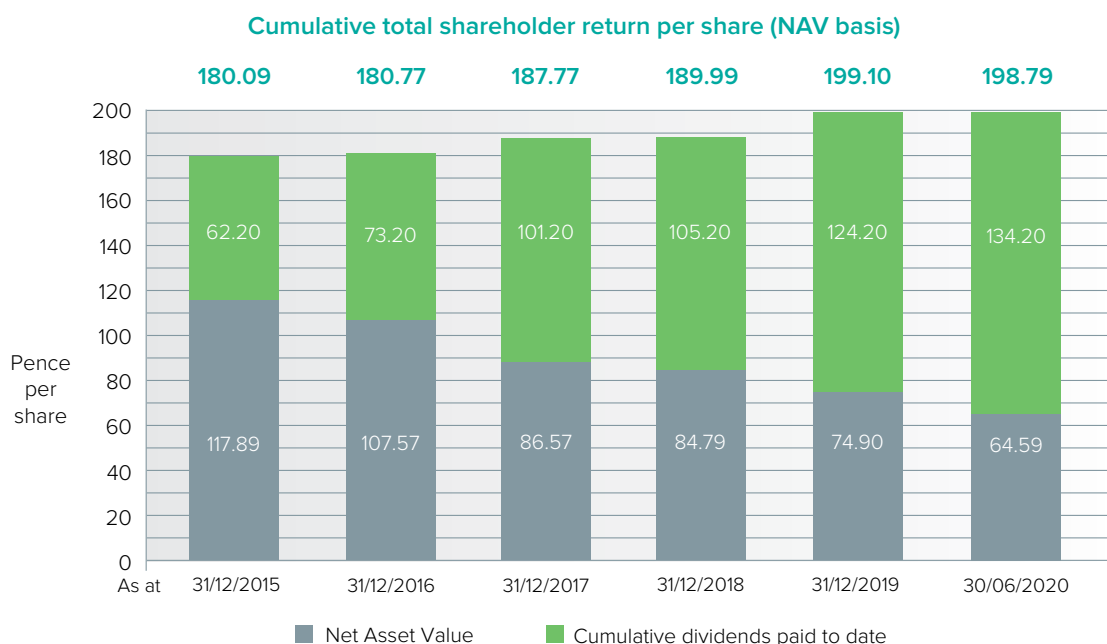
Net asset value ("NAV") per share: 64.59 pence

- Net asset value ("NAV") total return<sup>1</sup> per share was (0.4)% for the six months.
- Share price total return<sup>1</sup> per share fell by 5.7% for the six months.
- The Company declared an interim dividend in respect of the current year of 6.00 pence per share, paid to Shareholders on 7 May 2020.
- The Company realised investments for a total of £6.75 million, a gain of £1.58 million for the six months.
- The Company invested £0.81 million into two new growth capital investments and £1.15 million into two existing portfolio companies.

<sup>1</sup> Alternative performance measure (APM). See glossary of terms on page 28.

## Performance Summary

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



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 Appendix at 30 June 2020 on the Company's website at: [www.mig4vct.co.uk](http://www.mig4vct.co.uk), where they can be accessed by clicking on the word "table" under "Reviewing the performance of your investment" heading on the home page.

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 the Company's Half-Year Report for the six months ended 30 June 2020.

## Overview

The 2020 half-year was preceded by a commendable NAV total return of 10.7% for the year ended 31 December 2019. This good performance continued in the early part of 2020 with two profitable realisations, Biosite and Auction Technology Group, the latter of which being the Company's most successful exit in its history.

Midway through this half-year, COVID-19 and the UK Government's lockdown measures provoked very significant uncertainty and instability. This resulted in a significant dip in consumer and business confidence and public markets saw a sharp fall in the first quarter of the year.

Over this unprecedented time, the Board has liaised closely with the Investment Adviser, Mobeus Equity Partners LLP ("Mobeus"), who responded well in ensuring that all practical steps were being taken to enable each company to trade through the crisis where possible and could return to grow in value thereafter.

Amongst many portfolio initiatives, all investee companies were alerted to, and some utilised available government support packages. The Company also provided loan interest payment holidays to some portfolio companies, generating vital cash headroom for the portfolio during the lockdown period.

The immediate impact for Shareholders of the COVID-19 crisis was that a number of valuation adjustments were made at the end of March resulting in a fall of 10.1% in underlying NAV per share for the quarter to 63.30 pence. These adjustments were partly market related, but also partly in response to COVID-19's impact on specific market segments and investee companies. In this context it is fortunate that the Company's portfolio has a relatively limited exposure to the travel and hospitality sectors. This fall in NAV was tempered by the beneficial impact of the sale of Auction Technology Group.

In the second quarter, greater clarity has emerged on the impact of the crisis upon the portfolio. To date, this has been more modest than was initially expected and it has become apparent that there have been several portfolio beneficiaries arising from a structural change in activity, behaviour and consumer purchasing habits. Much of the portfolio has demonstrated a strong degree of

resilience. Also, quoted markets have seen a significant rally since the March low point, although the FTSE-100 Index has still fallen by almost a fifth over the six months under review. Overall, the view of the Board and Mobeus is that the environment for our investee companies has been less volatile and less uncertain than initially thought, such that the valuation of the portfolio recovered strongly at the end of June. Over the six months to 30 June 2020, the NAV total return was stable which the Board considers a very creditable result in this environment. Further information is set out under Performance in my Statement below.

A number of transactions occurred during the period. In the first quarter, the Company made two profitable portfolio realisations: Biosite and Auction Technology Group, and a partial disposal of Omega Diagnostics occurred in the second quarter. The exit of Auction Technology Group was the Company's most successful investment to date. In May, two follow-on investments were made into existing portfolio companies in Rotageek and MyTutor, and two new investments were made into Bella & Duke and Andersen EV in February and June respectively. Since the period-end, a follow-on investment of £1.12 million was made into Buster and Punch Holdings Limited. The Board is also encouraged by the recent profitable disposals, following the period-end, of Tovey Management (trading as Access IS), Blaze Signs Holdings Limited and a further realisation of half of its remaining holding in Omega Diagnostics. These transactions realised cash proceeds totalling £6.18 million in what remains a challenging investment environment. The impact of these realisations on the NAV per share of 64.59 pence at 30 June 2020 is estimated to be an increase of 1.44 pence per share. This is in isolation to any other matters that may affect NAV per share. Further details of the investment activity are contained in the Investment Adviser's Review.

## Performance

The Company's NAV total return per share was (0.4)% for the six months to 30 June 2020 (2019: 8.5%). This represents a material recovery in NAV per share compared to that announced at the height of the pandemic as at 31 March 2020. The share price total return was a fall of 5.7% (2019: increase of 5.3%), at 30 June, mainly because the share price at 30 June is by reference to the last announced but lower NAV per share of the Company being at 31 March 2020.

Although the NAV was reduced by falls in the valuations of specific portfolio companies, reflecting the impact of COVID-19, this adverse impact was partly offset by a number of factors. Positive returns came both from realised gains from portfolio exits as well as a strong revenue return. Several of the Company's investment structures incorporate preference structures, such that any reduction in the value of the enterprise does not feed directly into the same reduction in the value of the Company's investment. In addition, the Company has significant liquidity which, in accordance with its policy, has been invested in lower risk liquidity funds and bank deposit accounts and these have retained their value.

The Board therefore believes that the Company's performance has demonstrated a good degree of resilience over a very volatile half-year. At the period-end, your Company was ranked 13th out of 31 Generalist VCTs over ten years and 17th out of 43 Generalist VCTs over five years, in the Association of Investment Companies' analysis of NAV Cumulative Total Return. Shareholders should note that these figures do not reflect the increased NAV per share disclosed in this Report.

For further details on the performance of the Company, please refer to the Investment Adviser's Review on pages 6 to 10.

## Dividends

A third interim dividend for last year of 4.00 pence per share was paid on 10 January 2020. On 2 April 2020, the Board declared an interim dividend of 6.00 pence per share in respect of the current financial year, paid to Shareholders on 7 May 2020 whose names were on the Register on 14 April 2020.

The Company's target of paying a dividend of at least 4.00 pence per share in respect of each financial year has been reached or exceeded in each of the last ten years. While the Board has not changed the dividend target, ordinary dividend payments are more likely to be volatile and, at least over the medium-term, may be lower than have been paid in the recent past. The gradual move of the portfolio to growth capital investments may make the target more difficult to achieve in future financial years without recourse to the Company's reserves.

Shareholders should note that there may continue to be circumstances where the Company is required to pay dividends in order to maintain its regulatory status as a

VCT, for example, to stay above the minimum percentage of assets required to be held in qualifying investments. Such dividends may cause the Company's NAV per share to reduce by a corresponding amount.

## Investment portfolio

In the context of a very challenging business environment, the portfolio has performed well during this period. The overall value has decreased by £0.47 million (2019: increase of £4.60 million), or (1.2)% (2019: increase of 12.7%) on a like-for-like basis, compared to the start of the year. This fall was comprised of a net unrealised decrease in valuations of £2.05 million, partially offset by £1.58 million in realised gains over the six-month period. The portfolio was valued at £33.28 million at the period-end (31 December 2019: £38.54 million).

During the six-months under review, the Company invested a total of £1.96 million, (2019: £1.79 million) into two new (2019: two) and two existing (2019: nil) investments.

The new investments were:

- Bella & Duke – A premium frozen raw dog food provider  
£0.62 million
- Andersen EV – An electric vehicle charge point business  
£0.19 million

and the existing investments were:

- MyTutor – A digital marketplace for school tutoring  
£0.71 million
- Rotageek – A workforce management software provider  
£0.44 million

The Company realised investments in Pattern Analytics (trading as Biosite) and Turner Topco (trading as Auction Technology Group) during the period, which, combined with other capital receipts, generated total proceeds of £6.75 million.

The realisation of Auction Technology Group achieved a substantial gain over cost and represented proceeds of £4.18 million and a gain of £1.15 million in the period. Over the 11½ year life of the investment, total proceeds of £9.03 million have been received, an overall multiple of over 4.5x original cost and an IRR of 28.9%.

Pattern Analytics (trading as Biosite), an investment made after the 2015 rule change was realised for proceeds of £1.98 million. Over the three-year life of the

investment, this company generated a return on original cost of 1.5x and an IRR of 21.0%.

Other capital proceeds of £0.59 million and realised gains of £0.43 million were principally generated from Omega Diagnostics which was partially realised in the period, Redline Worldwide, an investment realised in a prior period and a loan repayment from BookingTek, an existing portfolio company.

Following the period-end, there were additional realisations from:

- Access IS - £6.24 million cash proceeds received over the life of the investment equating to a 2.5x multiple of cost and an IRR of 23.4%; and
- Blaze - £1.55 million cash proceeds received over the life of the investment: a 2.5x multiple of cost and an IRR of 13.1%.

Details of this investment activity and the performance of the portfolio are contained in the Investment Adviser's Review on page 6 and the Investment Portfolio Summary on pages 11 and 12.

## Revenue account

The results for the period are set out in the Unaudited Condensed Income Statement on pages 14 and 15 and show a revenue return (after tax) of 1.28 pence per share (2019: 0.90 pence per share). The revenue return for the period of £1.06 million has increased from last year's comparable figure of £0.61 million. This increase is mainly due to a significant receipt of loan interest arising from the sale of Auction Technology Group, partially offset by a number of provisions against loan interest.

## Fundraising

The Board was very pleased with the support in respect of the Company's Offer for Subscription which was launched on 25 October 2019. This Offer became fully subscribed within two months and raised £13.00 million in total. The Company allotted a total of 18,450,535 shares of 1 penny each in the Company on 8 January and 2 April 2020. The Board extends a warm welcome to all new Shareholders.

## Share buy-backs

During the six months under review, the Company bought back and cancelled 766,590 of its own shares, representing 1.2% (2019: 1.0%) of the shares in issue at the beginning of the period, at a total cost of £0.42 million (2019: £0.51 million) inclusive of expenses.

It is the Company's policy to cancel all shares bought back in this way. The Board regularly reviews its buyback policy and currently seeks to maintain the discount at which the Company's shares trade at no more than 5% below the latest published NAV.

## Liquidity

Following the Company's successful fundraising and significant realisation proceeds, cash or near cash resources held by the Company as at 30 June 2020 were £21.53 million or 39.4% of net assets. After the period-end, following the realisations of Access and Blaze, the partial realisation of Omega Diagnostics as well as the further investment into Buster and Punch, the pro forma level of liquidity will be £26.59 million or 47.6% of net assets. The Board considers the Company to be in a strong cash position.

## Shareholder communications

May I remind you that the Company has its own website which is available at [www.mig4vct.co.uk](http://www.mig4vct.co.uk) containing useful information for Shareholders.

The Investment Adviser held the annual Shareholder event on 4 February 2020 and is planning to hold a virtual event in the first quarter of 2021. Details will be notified to Shareholders when finalised and will be shown on the Company's website: [www.mig4vct.co.uk](http://www.mig4vct.co.uk).

## Succession

As stated in the 2019 Annual Report, I shall be stepping down as Chairman after a long tenure as a director of the Company, during which time a considerable transformation in prospects and performance has taken place. A full recruitment process was conducted using an independent employment consultant, and I am delighted to announce that my successor is Jonathan Cartwright who joined the Board as a director and Chairman designate at the recent Board meeting. He will be taking over the Chair with effect from 1 October following my retirement on 30 September 2020. He has served, in the past, on the Board of Caledonia Investments PLC and on The Income & Growth VCT plc. He currently sits, inter alia, on the Board of British Smaller Companies VCT PLC and BMO Capital and Income Investment Trust PLC. I am sure that he will continue to deliver good results for Shareholders and safeguard their interests. I would like to welcome him on behalf of all Shareholders.

# Chairman's Statement

## Outlook

The full impact of COVID-19 is still unclear and is likely to be felt for several years to come. Nevertheless, your Board considers that your Company is well positioned to cope with most of the likely scenarios in so far as they can presently be foreseen. The successful realisations and recent fundraising have given the Company strong liquidity not only to support the existing portfolio if appropriate, but also to capitalise on opportunities which may arise for new investment. The portfolio still comprises a foundation of mature investments that are still providing an income return, as well as a younger, growth capital portfolio seeking to achieve scale, higher levels of profitability and hence value.

The challenges arising from the COVID-19 pandemic should not be underestimated. As of the date of this report the degree of further damage which might be inflicted, and the success or otherwise of governments' handling of the pandemic around the world, cannot be predicted. COVID-19 is a change accelerator. Some businesses, and business models, will be overwhelmed, but it is also noticeable that other business models, for example those that promote heavily automated delivery systems, are prospering. However, once conditions stabilise, the Board and Mobeus believe that attractive new and follow-on investment opportunities will still emerge and are pleased to see that a degree of definite recovery has already been achieved.

Finally, I would like to take this opportunity once again to thank Shareholders for their continued support.



**Christopher Moore**  
Chairman

15 September 2020

# 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 80%, by VCT tax value<sup>1</sup>, 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 80% by VCT tax value in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules)<sup>2</sup>;
- 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;
- 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; and
- the period for reinvestment of proceeds on disposal of qualifying investments is now 12 months, up from 6 months previously.

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 no more than £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 a genuine risk of loss of capital).

<sup>1</sup> 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 11 and 12.

<sup>2</sup> The requirement for VCTs to hold at least 30% of qualifying investment in 'eligible shares' (broadly ordinary equity) from funds raised prior to 6 April 2011 has been withdrawn.



# Investment Review

## COVID-19 Pandemic

In March 2020, in response to the COVID-19 pandemic, the UK Government introduced lockdown and social distancing measures. These measures had an immediate adverse impact on UK businesses, with many companies experiencing a significant reduction in consumer and business demand. Businesses' ability to trade was further impacted by restrictions on their employees' working practices and disruption to their supply chains. The six months to 30 June 2020 has been characterised by ongoing volatility and uncertainty caused by these lockdown measures, together with global stock market falls. Following the low point in March however, there has been a strong trend of recovery in market and business activity levels.

Looking forward, there are still uncertainties ahead. The impact on transaction activity has been mixed. New investment activity has been low due to difficulties of appraisal and diligence in lockdown and owners of businesses being unwilling to accept downward price adjustments thus far. The level of portfolio follow-on investment has been higher and there are opportunities to back known portfolio companies that are achieving strong relative performance. The realisation activity outlook continues to be positive with several approaches received from trade and financial investors to a number of investee companies.

## Portfolio review

Overall, the value of the portfolio decreased by £0.47 million over the period comprising a decrease of £2.05 million in the unrealised portfolio and gains of £1.58 million through realisations. Despite this fall in the unrealised portfolio, it represents a recovery of the majority of the value lost in the first quarter. It is important to note that the usual approach to portfolio valuation by the Investment Adviser continued to be applied throughout this period and that the recovery in the second quarter was not all market related. It reflected a number of other factors such as earnings and revenues being more resilient than expected, the removal of adjustments related to the uncertainty that were put in place during the March quarter, and improved cash generation as the UK Government lock down restrictions were eased.

There have been a number of portfolio companies that have been clear beneficiaries from UK lockdown which have traded strongly throughout. There is a reasonable expectation that some of these gains will prove permanent. The majority of the portfolio has remained resilient, more so than first thought at the 31 March valuation point which coincided with the height of uncertainty. In particular, there have been very few COVID-19 temporary closures, Tapas Revolution being the only one of note. Several portfolio companies that saw significant falls in activity early in the crisis are now trading strongly again whilst a number have raised capital to ensure that they are ready to capitalise on demand when it returns.

In the six months to 30 June 2020, the Company made two follow-on investments of £0.71 million into MyTutor and £0.44 million into Rotageek. Two new growth capital investments have also been made into Bella & Duke (£0.62 million), a premium frozen raw dog food provider, and Andersen EV (£0.19 million), a manufacturer of premium electric vehicle (EV) chargers.

Following the period-end, there was an additional follow-on investment of £1.12 million into Buster and Punch.

The Company realised its investments in Biosite and Auction Technology Group during the period, receiving a total of £6.16 million in proceeds, and contributed to total receipts of £6.75 million during the period. The investment in Biosite, generated proceeds of £2.07 million over the life of the investment and contributed to a gain over original cost of 1.5x. Auction Technology Group generated a realised gain in the period of £1.15 million. This investment generated proceeds over the life of the investment of £9.03 million compared to an original cost of £2.00 million, a multiple on cost of 4.5x over the 11½ years this investment was held – an exceptional return for Shareholders.

Also, following a significant increase in its share price, the Company received £0.46 million from the partial realisation of half its holding in Omega Diagnostics. This represented a realised gain of £0.34 million in the period and contributed to an attractive return to date of 4.6x multiple on cost and an IRR of 17.7%, securing a positive return overall whilst maintaining a degree of exposure to any potential upside.

Following the period-end, there were additional realisations of Access IS and Blaze receiving a total of £5.89 million in cash proceeds, as well as a further partial realisation of Omega Diagnostics generating £0.29 million.

The portfolio's activity in the six months to 30 June 2020 is summarised as follows:

	2020 £m	2019 £m
Opening portfolio value	38.54	36.52
New and follow-on investments	1.96	1.79
Disposal proceeds	(6.75)	(6.82)
Net realised gains	1.58	1.52
Valuation movements	(2.05)	3.08
<b>Portfolio value at 30 June</b>	<b>33.28</b>	<b>36.09</b>

The investment and divestment activity during the period increased the proportion of the portfolio regarded as growth capital investments by value to 68.6% (including AIM and legacy) at the period-end (31 December 2019: 62.0%). The portfolio decreased from 39 to 38 investments at the period-end.

The portfolio's contribution to the overall results of the Company for the six month period is summarised as follows:

Investment Portfolio Capital Movement	2020 £m	2019 £m
Increase in the value of unrealised investments	3.77	4.63
Decrease in the value of unrealised investments	(5.82)	(1.55)
<b>Net (decrease)/ increase in the value of unrealised investments</b>	<b>(2.05)</b>	<b>3.08</b>
Realised gains	1.62	1.52
Realised losses	(0.04)	-
<b>Net realised gains in the period</b>	<b>1.58</b>	<b>1.52</b>
<b>Net investment portfolio movement in the period</b>	<b>(0.47)</b>	<b>4.60</b>

## Valuation changes of portfolio investments still held

The valuation reductions of £5.82 million principally arise from the Investment Adviser's COVID-19 impact review of the portfolio.



Within total valuation decreases, the main reductions were CGI Creative Graphics International - £1.15 million, Tapas Revolution - £1.13 million, and Media Business Insight - £0.80 million. These three companies saw some of the most significant impact of a sudden decline in demand for their products or services which, even as restrictions are being eased, may take time for value to recover.

By contrast some investee companies' trading has benefited from the lockdown; The main valuation increases included Access IS - £0.97 million, Virgin Wines - £0.71 million, and Parsley Box - £0.66 million. Access IS's valuation reflects the long-term nature of many of its projects. Both Virgin Wines and Parsley Box have generated record earnings and revenues respectively and time will tell if this increased demand will continue in the medium-term.

The period also saw portfolio companies, Jablite and Super Carers, appointing administrators. These two companies were struggling before the impact of COVID-19. Valuation reductions for these companies had already been made, so there has been little impact on shareholder value from these administration processes.

### Investment portfolio yield

In the period under review, the Company received the following amounts in interest and dividend income:

Investment Portfolio Yield	2020 £m	2019 £m
Interest receivable in the period	1.57	0.98
Dividends receivable in the period	0.07	0.07
<b>Total portfolio income in the period<sup>1</sup></b>	<b>1.64</b>	<b>1.05</b>
<b>Portfolio value at 30 June</b>	<b>33.28</b>	<b>36.09</b>
<b>Portfolio Income Yield (Income for the half year as a % of Portfolio value at 30 June)</b>	<b>4.9%</b>	<b>2.9%</b>


<sup>1</sup> Total portfolio income in the period is generated solely from investee companies within the portfolio. See Note 4 of the Financial Statements for all income receivable by the Company.

The increase in income was mainly due to interest of £1.09 million received on the loan instruments in Auction Technology Group being paid, as part of the sale transaction, which had not previously been recognised.

# Investment Review

## New investments in the half-year

The Company made two new investments totalling £0.81 million during the period, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Bella & Duke	Premium frozen raw dog food provider	February 2020	0.62

Bella & Duke is a direct to consumer subscription service, providing premium frozen raw dog food to pet owners in the UK. Founded in 2016, the business provides an alternative to standard meal options for dog owners by focusing on the well documented health benefits of a raw food diet. This area is a growing niche in the large and established pet food market and is being driven by the premiumisation of dog food. The investment will seek to optimise its production and supply facilities, expand and enhance its team and broaden its product range. The company has grown revenues over 300% between 2018 and 2019.

<b>ANDERSEN</b>	Andersen EV	Electric Vehicle Chargers	June 2020	0.19
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Muller EV Limited (trading as Andersen EV) is a design led manufacturer of premium electric vehicle (EV) chargers. Incorporated in 2016, this business has secured high profile partnerships with Porsche and Jaguar Land Rover, establishing an attractive niche position in charging points for the high end EV market. The Company's funds will be used to scale the business through investment in further products and software, sales and marketing and electric vehicle manufacturer partnerships. Andersen is well positioned in a nascent sector experiencing significant growth and has increased sales by over 350% for its most recent financial year.

## Realisations in the half-year

The Company realised two investments during the period, as detailed below:

	Company	Business	Period of investment	Total cash proceeds over the life of the investment / Multiple over cost
	Biosite	Workforce management and security services	November 2016 to February 2020	£2.07 million 1.5 times cost

The Company sold its investment in Pattern Analytics Limited (trading as Biosite) to ASSA ABLOY AB for £1.98 million. Since investment in 2016, the investment has generated proceeds of £2.07 million compared to an original investment cost of £1.34 million, which is a multiple on cost of 1.5x and an IRR of 21.0%.

	Auction Technology Group	SaaS based online auction marketplace platform	October 2008 to February 2020	£9.03 million 4.5 times cost
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The Company sold its investment in Turner Topco Limited (trading as Auction Technology Group) to TA Associates for £5.27 million (including £1.09 million loan interest due on completion). This investment generated proceeds of £9.03 million over the life of the investment (including proceeds received following a partial realisation from a sale to ECI Partners in June 2014), compared to an original cost of £2.00 million. These returns generated a multiple on cost of 4.5x and an IRR of 28.9%.

Omega Diagnostics was also partially realised in the period and the Company received proceeds of £0.46 million, generating a gain in the period of £0.34 million.

## Follow-on investments made into existing portfolio companies in the period

The Company made two follow-on investments totalling £1.15 million into existing portfolio companies in the period, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	MyTutor	Digital marketplace connecting school pupils seeking one-to-one online tutoring	May 2020	0.71


MyTutorWeb Limited (trading as MyTutor) is a digital marketplace that connects school pupils who are seeking private one-to-one tutoring with university students. The business is satisfying a growing demand from both schools and parents to improve pupils' exam results to enhance their academic and career prospects. This further investment, alongside other existing shareholders, seeks to build and reinforce its position as a UK category leader in the online education market as well as to begin to develop a broader, personalised learning product offering. The COVID-19 impact on the education sector has significantly heightened the awareness of online learning and tutoring. MyTutor has grown strongly over the last six months with average year on year growth of 70%.

	Rotageek	Workforce management software	May 2020	0.44
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Rota Geek Limited (trading as Rotageek) is a provider of cloud-based enterprise software to help larger retail and leisure organisations predict and meet demand to schedule staff more effectively. This investment, alongside funds from a new VCT investor and existing shareholders, will be used to capitalise on opportunities that will emerge as the retail sector recovers from lockdown restrictions. Rotageek has also moved into healthcare to help address the workforce management issues of a sector that is chronically overburdened at present. For the year ended 31 December 2019, revenues have grown over 45% on the prior year.

## Realisations post the half-year

Following the period-end, there were additional realisations from Access IS and Blaze:

	Company	Business	Period of investment	Total cash proceeds over the life of the investment / Multiple over cost
	Access IS	Data capture and scanning hardware	October 2015 to August 2020	£6.24 million 2.5 times cost

The Company sold its investment in Tovey Management Limited (trading as Access IS) to ASSA ABLOY AB for £5.32 million. Since investment in 2015, the investment has generated cash proceeds of £6.24 million compared to an original investment cost of £2.47 million, which is a multiple on cost of 2.5x and an IRR of 23.4%.

	Blaze Signs	Manufacturer and installer of signs	April 2006 to September 2020	£1.55 million 2.5 times cost
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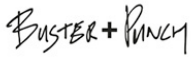
The Company sold its investment in Blaze Signs Holdings Limited via a secondary buy out backed by Elaghmore Advisor LLP and has received cash proceeds of £0.55 million. Over the 14 years this investment was held, cash proceeds of £1.55 million have been received compared to original cost of £0.61 million, which is a multiple of cost of 2.5x and an IRR of 13.1%.

Also after the period-end, the Company realised half of its remaining holding in Omega Diagnostics Group plc realising £0.29 million.

# Investment Review

## Follow-on investments post the half-year

Following the period-end, there was one follow-on investment as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Buster and Punch	Lighting and interiors brand	September 2020	1.12

Buster and Punch is a well-established, premium branded, fast growing business which designs and manufactures a complete range of high-quality functional fittings (lighting, electrical and hardware and other accessories) for the home. The VCT first invested in 2017 and since then, the business delivered consistent high growth across its ranges, with revenues growing in excess of 65%, and reaching nearly £10 million in 2020. Buster and Punch’s products are now sold in 99 countries via both its highly invested ecommerce platform and direct services to consumers, trade and retailers across the world. Buster and Punch also operates flagship showrooms in London, Stockholm and Los Angeles. To support the continued growth of Buster and Punch, the new funding will be used to drive the global business plans of the fast-growing luxury interior fashion label with further expansion and strategic new penetration into the US and Asia Pacific markets.

*Mobius Equity Partners LLP*

**Mobius Equity Partners LLP**  
*Investment Adviser*

15 September 2020

# Investment Portfolio Summary

at 30 June 2020

	Total cost at 30 June 2020 £	Total valuation at 31 December 2019 £	Total valuation at 30 June 2020 £	% of equity held	% of portfolio by value
<b>Mobeus Equity Partners LLP</b>					
<b>Tovey Management Limited (trading as Access IS)</b> Provider of data capture and scanning hardware	2,469,013	3,571,056	4,539,035	9.7%	13.6%
<b>Virgin Wines Holding Company Limited</b> Online wine retailer	1,930,813	2,475,731	3,188,735	9.7%	9.6%
<b>MPB Group Limited</b> Online marketplace for photographic and video equipment	1,480,993	2,701,332	2,837,718	5.3%	8.5%
<b>Preservica Limited</b> Seller of proprietary digital archiving software	1,585,773	2,043,873	2,545,579	11.0%	7.6%
<b>My TutorWeb Limited (trading as Mytutor)</b> Digital marketplace connecting school pupils seeking one to one online tutoring	2,023,042	1,307,644	2,023,042	8.2%	6.0%
<b>Proactive Group Holdings Inc</b> Provider of media services and investor conferences for companies primarily listed on secondary public markets	755,340	1,900,421	1,900,421	2.6%	5.7%
<b>EOTH Limited (trading as Equip Outdoor Technologies)</b> Branded outdoor equipment and clothing	951,471	2,148,792	1,852,825	1.7%	5.6%
<b>Parsley Box Limited</b> Home delivered ambient ready meals for the elderly	668,400	704,359	1,364,427	4.9%	4.1%
<b>Vian Marketing Limited (trading as Red Paddle Co)</b> Design, manufacture and sale of stand-up paddleboards and windsurfing sails	899,074	1,337,175	1,337,120	10.9%	4.0%
<b>Data Discovery Solutions Limited (trading as Active Navigation)</b> Provider of global market leading file analysis software for information governance, security and compliance	1,100,500	1,100,500	1,334,421	6.3%	4.0%
<b>Media Business Insight Holdings Limited</b> A publishing and events business focused on the creative production industries	2,722,760	1,893,907	1,093,248	15.7%	3.3%
<b>Buster and Punch Holdings Limited</b> Industrial inspired lighting and interiors retailer	530,392	925,639	1,048,092	4.5%	3.1%
<b>Rota Geek Limited</b> Workforce management software	874,000	816,619	987,571	4.4%	3.0%
<b>Arkk Consulting Limited (trading as Arkk Solutions)</b> Regulatory and reporting requirement service provider	1,118,490	1,142,351	982,028	7.5%	3.0%
<b>Bleach London Holdings Limited</b> Hair colourants brand	519,672	519,672	728,123	3.1%	2.2%
<b>Tharstern Group Limited</b> Software based management information systems to the print sector	1,091,886	1,106,429	725,707	12.2%	2.2%
<b>Manufacturing Services Investment Limited (trading as Wetsuit Outlet)</b> Online retailer in the water sports market	2,333,102	1,015,878	699,931	6.4%	2.1%
<b>IPV Limited</b> Provider of media asset software	619,487	619,487	619,487	5.5%	1.9%
<b>Bella &amp; Duke Limited</b> A premium frozen raw dog food provider	617,400	-	617,400	4.3%	1.9%
<b>Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopgate and Aussie Man &amp; Van)</b> A specialist logistics, storage and removals business	348,641	785,346	446,477	7.2%	1.3%
<b>Vectair Holdings Limited</b> Designer and distributor of washroom products	24,732	522,139	434,461	2.1%	1.3%
<b>Omega Diagnostics Group plc<sup>1</sup></b> In-vitro diagnostics for food intolerance, auto-immune diseases and infectious diseases	100,014	233,345	345,017	0.5%	1.1%
<b>Kudos Innovations Limited</b> Online platform that provides and promotes academic research dissemination	328,950	515,372	328,950	3.2%	0.9%
<b>Bourn Bioscience Limited</b> Management of In-vitro fertilisation clinics	1,132,521	606,708	299,309	7.7%	0.9%

Green Growth focused portfolio

Blue MBO focused portfolio

1 - Quoted on AIM.

# Investment Portfolio Summary

at 30 June 2020

	Total cost at 30 June 2020 £	Total valuation at 31 December 2019 £	Total valuation at 30 June 2020 £	% of equity held	% of portfolio by value
<b>Mobeus Equity Partners LLP</b>					
<b>Blaze Signs Holdings Limited</b> Manufacturer and installer of signs	190,631	291,039	233,801	5.7%	0.7%
<b>Muller EV Limited (trading as Andersen EV)</b> Provider of premium electrical vehicle (EV) chargers	195,200	-	195,200	0.5%	0.6%
<b>CGI Creative Graphics International Limited</b> Vinyl graphics to global automotive, recreation vehicle and aerospace markets	1,449,746	1,344,908	192,884	6.3%	0.6%
<b>Spanish Restaurant Group Limited (formerly Ibericos Etc. Limited) (trading as Tapas Revolution)</b> Spanish restaurant chain	1,044,869	1,274,306	139,968	5.8%	0.4%
<b>Jablite Holdings Limited</b> Manufacturer of expanded polystyrene products	376,083	94,021	49,597	9.1%	0.1%
<b>BG Training Limited</b> City-based provider of specialist technical training	10,625	5,313	2,656	0.0%	0.0%
<b>RDL Corporation Limited</b> Recruitment consultants within the pharmaceutical, business intelligence and IT industries	1,000,000	293,708	-	9.1%	0.0%
<b>Veritek Global Holdings Limited</b> Maintenance of imaging equipment	1,620,086	-	-	15.4%	0.0%
<b>BookingTek Limited</b> Direct booking software for hotels	582,300	-	-	3.5%	0.0%
<b>Oakheath Limited (trading as Super Carers) (in liquidation)</b> Online platform that connects people seeking home care from experienced independent carers	485,730	-	-	4.3%	0.0%
<b>Racoon International Group Limited</b> Supplier of hair extensions, hair care products and training	484,347	-	-	0.0%	0.0%
<b>CB Imports Group Limited (trading as Country Baskets)</b> Importer and distributor of artificial flowers, floral sundries and home decor products	175,000	-	-	5.8%	0.0%
<b>Disposals in period</b>					
<b>Turner Topco Limited (trading as Auction Technology Group)</b> SaaS based online auction market place platform	-	3,029,777	-	0.0%	0.0%
<b>Pattern Analytics Limited (trading as Biosite)</b> Workforce management and security services for the construction industry	-	1,978,710	-	0.0%	0.0%
<b>Total</b>	<b>33,841,083</b>	<b>38,305,557</b>	<b>33,093,230</b>		<b>99.3%</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	232,724	190,265	2.9%	0.7%
<b>Sift Group Limited</b> Developer of business-to-business internet communities	135,391	-	-	1.3%	0.0%
<b>Total</b>	<b>395,492</b>	<b>232,724</b>	<b>190,265</b>		<b>0.7%</b>
<b>Total Investment Portfolio</b>	<b>34,236,575</b>	<b>38,538,281</b>	<b>33,283,495</b>		<b>100.0%</b>
<b>Total Investment Portfolio by type</b>					
<b>Growth focused portfolio<sup>1</sup></b>	<b>20,690,853</b>	<b>23,910,253</b>	<b>22,823,371</b>		<b>68.6%</b>
<b>MBO focused portfolio<sup>1</sup></b>	<b>13,545,722</b>	<b>14,628,028</b>	<b>10,460,124</b>		<b>31.4%</b>
<b>Total Investment Portfolio</b>	<b>34,236,575</b>	<b>38,538,281</b>	<b>33,283,495</b>		<b>100.0%</b>

■ Growth focused portfolio

■ MBO focused portfolio

## Notes

1- The growth focused portfolio contains all investments made after the change in the VCT regulations in 2015 plus some investments that are growth in nature made before this date. The MBO focused portfolio contains investments made prior to 2015 as part of the previous MBO strategy.



# Statement of the Directors' Responsibilities

## Responsibility statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Christopher Moore (Chairman), Graham Paterson (Chairman of the Audit Committee and Nomination and Remuneration Committee), Helen Sinclair (Chairman of the Investment Committee) and Christopher Burke, 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 Financial Statements for the year ended 31 December 2019 ("the Annual Report") other than the risks arising from the COVID-19 pandemic, referred to in the Chairman's Statement and the Investment Adviser's Report, the impact of which has been reflected in the valuation of the Company's investment portfolio.

The principal risks faced by the Company are:

- loss of approval as a Venture Capital Trust;
- economic and political risk;
- 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 28 and in Note 15 on pages 64 to 71 of the Annual Report and Financial Statements for the year ended 31 December 2019, copies of which are available on the Investment Adviser's website, [www.mobeus.co.uk](http://www.mobeus.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. The Directors have satisfied themselves that the Company continues to maintain a significant cash position bolstered by the recent fundraising and four disposals since the year-end, is adequate to enable the Company to continue as a going concern under any plausible stress scenario. 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 risks and capital are shown in Note 15 on pages 64 to 71 of the Annual Report and Financial Statements for the year ended 31 December 2019. 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

15 September 2020

# Unaudited Condensed Income Statement

for the six months ended 30 June 2020

	Notes	Six months ended 30 June 2020 (unaudited)		
		Revenue £	Capital £	Total £
Net investment portfolio (losses)/gains	10	-	(468,108)	(468,108)
Income	4	1,704,058	-	1,704,058
Investment Adviser's fees	5	(155,891)	(467,674)	(623,565)
Other expenses		(257,857)	-	(257,857)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>1,290,310</b>	<b>(935,782)</b>	<b>354,528</b>
Tax on profit/(loss) on ordinary activities	6	(230,920)	88,858	(142,062)
<b>Profit/(loss) and total comprehensive income</b>		<b>1,059,390</b>	<b>(846,924)</b>	<b>212,466</b>
<b>Basic and diluted earnings per ordinary share</b>	7	<b>1.28p</b>	<b>(1.02)p</b>	<b>0.26p</b>

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the net investment portfolio (losses)/gains (unrealised 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 October 2019, 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/year.

The notes to the unaudited financial statements on pages 20 to 25 form part of these Half-Year Financial Statements.

Six months ended 30 June 2019 (unaudited)			Year ended 31 December 2019 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
-	4,602,323	4,602,323	-	5,675,164	5,675,164
1,110,499	-	1,110,499	2,107,357	-	2,107,357
(156,858)	(470,574)	(627,432)	(309,641)	(928,923)	(1,238,564)
(214,353)	-	(214,353)	(451,261)		(451,261)
739,288	4,131,749	4,871,037	1,346,455	4,746,241	6,092,696
(129,463)	89,409	(40,054)	(211,879)	176,496	(35,383)
<b>609,825</b>	<b>4,221,158</b>	<b>4,830,983</b>	<b>1,134,576</b>	<b>4,922,737</b>	<b>6,057,313</b>
<b>0.90p</b>	<b>6.20p</b>	<b>7.10p</b>	<b>1.67p</b>	<b>7.28p</b>	<b>8.95p</b>

# Unaudited Condensed Balance Sheet

as at 30 June 2020

	Notes	30 June 2020 (unaudited) £	30 June 2019 (unaudited) £	31 December 2019 (audited) £
<b>Fixed assets</b>				
Investments at fair value	10	33,283,495	36,092,736	38,538,281
<b>Current assets</b>				
Debtors and prepayments		205,896	210,928	183,175
Current asset investments	9	18,794,483	16,875,554	8,928,456
Cash at bank	9	2,733,689	6,658,998	2,627,511
		21,734,068	23,745,480	11,739,142
<b>Creditors: amounts falling due within one year</b>		(446,720)	(335,763)	(242,109)
<b>Net current assets</b>		21,287,348	23,409,717	11,497,033
<b>Net assets</b>		<b>54,570,843</b>	<b>59,502,453</b>	<b>50,035,314</b>
<b>Capital and reserves</b>				
Called up share capital		844,831	676,047	667,991
Share premium reserve		12,495,261	31,474,977	-
Capital redemption reserve		15,722	33,040	8,056
Revaluation reserve		343,483	3,118,129	3,713,586
Special distributable reserve		27,245,898	12,367,414	35,514,889
Realised capital reserve		12,649,873	10,148,396	8,935,662
Revenue reserve		975,775	1,684,450	1,195,130
<b>Equity Shareholders' funds</b>		<b>54,570,843</b>	<b>59,502,453</b>	<b>50,035,314</b>
<b>Basic and diluted net asset value:</b>				
Basic and diluted net asset value per share	11	<b>64.59p</b>	<b>88.02p</b>	<b>74.90p</b>

The financial information for the six months ended 30 June 2020 and the six months ended 30 June 2019 has not been audited.

The notes to the unaudited financial statements on pages 20 to 25 form part of these Half-Year Financial Statements.

# Unaudited Condensed Statement of Changes in Equity

for the six months ended 30 June 2020

	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) £
<b>At 1 January 2020</b>		667,991	-	8,056	3,713,586	35,514,889	8,935,662	1,195,130	50,035,314
<b>Comprehensive income for the period</b> (Loss)/profit for the period		-	-	-	(2,050,190)	-	1,203,266	1,059,390	212,466
<b>Total comprehensive income for the period</b>		-	-	-	<b>(2,050,190)</b>	<b>-</b>	<b>1,203,266</b>	<b>1,059,390</b>	<b>212,466</b>
<b>Contributions by and distributions to owners</b>									
Shares issued via Offer for Subscription (Note c)		184,506	12,815,494	-	-	-	-	-	13,000,000
Issue costs and facilitation fees on Offer for Subscription (Note c)		-	(320,233)	-	-	(145,330)	-	-	(465,563)
Shares bought back (Note d)		(7,666)	-	7,666	-	(424,429)	-	-	(424,429)
Dividends paid	8	-	-	-	-	(6,508,200)	-	(1,278,745)	(7,786,945)
<b>Total contributions by and distributions to owners</b>		<b>176,840</b>	<b>12,495,261</b>	<b>7,666</b>	<b>-</b>	<b>(7,077,959)</b>	<b>-</b>	<b>(1,278,745)</b>	<b>4,323,063</b>
<b>Other movements</b>									
Realised losses transferred to special reserve (Note a)		-	-	-	-	(1,191,032)	1,191,032	-	-
Realisation of previously unrealised gains		-	-	-	(1,319,913)	-	1,319,913	-	-
<b>Total other movements</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,319,913)</b>	<b>(1,191,032)</b>	<b>2,510,945</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2020</b>		<b>844,831</b>	<b>12,495,261</b>	<b>15,722</b>	<b>343,483</b>	<b>27,245,898</b>	<b>12,649,873</b>	<b>975,775</b>	<b>54,570,843</b>

Notes:

- a): The Special distributable reserve also provides the Company with a reserve to absorb any existing and future realised losses and, when considered by the Board to be in the interests of Shareholders, to fund share buybacks and for other corporate purposes. The transfer of £1,191,032 to the special reserve from the realised capital reserve above is the total of realised losses incurred by the Company in the period. As at 30 June 2020, the Company has a special reserve of £27,245,898, £9,079,292 of which arises from shares issued more than three years ago. Reserves originating from share issues are not distributable under VCT rules if they arise from share issues that are within three years of the end of an accounting period in which shares were issued.
- b): The Realised capital reserve and the Revenue reserve together comprise the Profit and Loss Account of the Company.
- c): Under the Company's Offer for Subscription launched on 25 October 2019, 18,450,535 Ordinary Shares were allotted between 8 January 2020 and 2 April 2020, raising net funds of £12,534,437 for the Company. This figure is net of issue costs of £320,233 and facilitation fees of £145,330.
- d): During the period, the Company repurchased 766,590 of its own shares at the prevailing market price for a total cost (including stamp duty) of £424,429, which were subsequently cancelled. This is £66,672 more than the figure shown in the Unaudited Condensed Statement of Cash Flows due to a creditor at the period-end.

The notes on pages 20 to 25 form part of these unaudited Half-Year Financial Statements.

# Unaudited Condensed Statement of Changes in Equity

## for the six months ended 30 June 2019

	Notes	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 2019</b>		682,830	31,474,977	26,257	1,848,472	14,784,518	6,815,730	2,263,000	57,895,784
<b>Comprehensive income for the period</b>									
Profit for the period		-	-	-	3,083,824	-	1,137,334	609,825	4,830,983
<b>Total comprehensive income for the period</b>		-	-	-	<b>3,083,824</b>	-	<b>1,137,334</b>	<b>609,825</b>	<b>4,830,983</b>
<b>Contributions by and distributions to owners</b>									
Shares bought back		(6,783)	-	6,783	-	(508,028)	-	-	(508,028)
Dividends paid	8	-	-	-	-	(1,527,911)	-	(1,188,375)	(2,716,286)
<b>Total contributions by and distributions to owners</b>		<b>(6,783)</b>	-	<b>6,783</b>	-	<b>(2,035,939)</b>	-	<b>(1,188,375)</b>	<b>(3,224,314)</b>
<b>Other movements</b>									
Realised losses transferred to special reserve		-	-	-	-	(381,165)	381,165	-	-
Realisation of previously unrealised gains		-	-	-	(1,814,167)	-	1,814,167	-	-
<b>Total other movements</b>		-	-	-	<b>(1,814,167)</b>	<b>(381,165)</b>	<b>2,195,332</b>	-	-
<b>At 30 June 2019</b>		<b>676,047</b>	<b>31,474,977</b>	<b>33,040</b>	<b>3,118,129</b>	<b>12,367,414</b>	<b>10,148,396</b>	<b>1,684,450</b>	<b>59,502,453</b>

The composition of each of these reserves is explained below:

**Called up share capital** - The nominal value of shares originally issued increased for subsequent share issues either via an Offer for Subscription or 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** - This reserve is created from cancellations of the balances upon the Share premium reserve, which are transferred to this reserve from time to time. The cost of share buybacks and any realised losses on the sale or impairment of investments (excluding transaction costs) are charged to this reserve. 75% of the Investment Adviser fee expense, and the related tax effect, that are charged to the realised capital reserve are transferred to this reserve. This reserve will also be charged any facilitation payments to financial advisers, which arose as part of the Offer for Subscription.

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

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

The notes to the unaudited financial statements on pages 20 to 25 form part of these Half-Year Financial Statements.



# Unaudited Condensed Statement of Cash Flows

for the six months ended 30 June 2020

Notes	Six months ended 30 June 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
<b>Cash flows from operating activities</b>			
Profit for the financial period	212,466	4,830,983	6,057,313
<b>Adjustments for:</b>			
Net investment portfolio losses/(gains)	468,108	(4,602,323)	(5,675,164)
Tax charge for the current year	142,062	40,054	35,383
(Increase)/decrease in debtors	(22,721)	145,503	120,121
(Decrease)/increase in creditors and accruals	(4,123)	55,699	33,245
Net cash inflow from operations	795,792	469,916	570,898
Corporation tax paid	-	-	(66,529)
<b>Net cash inflow from operating activities</b>	<b>795,792</b>	<b>469,916</b>	<b>504,369</b>
<b>Cash flows from investing activities</b>			
Sale of investments	6,751,676	6,767,896	8,136,792
Purchase of investments	(1,964,998)	(1,786,890)	(4,475,355)
<b>Net cash inflow from investing activities</b>	<b>4,786,678</b>	<b>4,981,006</b>	<b>3,661,437</b>
<b>Cash flows from financing activities</b>			
Share issued as part of Offer for Subscription	13,000,000	-	-
Issue costs and facilitation fees as part of Offer for subscription	(465,563)	-	-
Equity dividends paid	(7,786,945)	(2,716,286)	(12,846,457)
Purchase of own shares	(357,757)	(571,531)	(1,134,829)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>4,389,735</b>	<b>(3,287,817)</b>	<b>(13,981,286)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,972,205</b>	<b>2,163,105</b>	<b>(9,815,480)</b>
Cash and cash equivalents at start of period	9,555,967	19,371,447	19,371,447
<b>Cash and cash equivalents at end of period</b>	<b>19,528,172</b>	<b>21,534,552</b>	<b>9,555,967</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand	2,733,689	6,658,998	2,627,511
Cash equivalents	16,794,483	14,875,554	6,928,456

The notes to the unaudited financial statements on pages 20 to 25 form part of these Half-Year Financial Statements.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 June 2020

### 1. Company information

Mobeus Income and Growth 4 VCT plc is a public limited company incorporated in England, registration number 3707697. 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 October 2019) issued by the Association of Investment Companies.

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 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
<b>Income from investments</b>			
Dividends	74,942	68,462	243,975
Loan stock interest	1,572,242	957,809	1,714,938
Money-market funds	37,071	62,648	106,151
Bank deposit interest	17,489	19,585	40,298
Interest on preference share dividend arrears	129	1,995	1,995
Other income	2,185	-	-
<b>Total Income</b>	<b>1,704,058</b>	<b>1,110,499</b>	<b>2,107,357</b>

### 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 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
Allocated to revenue return: Investment Adviser's fees	155,891	156,858	309,641
Allocated to capital return: Investment Adviser's fees	467,674	470,574	928,923
<b>Total</b>	<b>623,565</b>	<b>627,432</b>	<b>1,238,564</b>

Between 1 July 2020 and 30 June 2021, the Investment Adviser's fee upon the net funds raised from the use of the over-allotment facility of £5 million under the 2019/20 Offer will be reduced to 1% from 2% per annum, for one year. Between 1 April 2018 and 31 March 2019, the Investment Adviser's fee upon the net funds raised from the use of the over-allotment facility of £5 million under the 2017/18 Offer was reduced to 1% from 2% per annum, for one year.

## 6. Taxation

	Six months ended 30 June 2020 (unaudited)			Six months ended 30 June 2019 (unaudited)			Year ended 31 December 2019 (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	230,920	(88,858)	142,062	129,463	(89,409)	40,054	211,879	(176,496)	35,383
<b>Total current tax charge/ (credit)</b>	<b>230,920</b>	<b>(88,858)</b>	<b>142,062</b>	<b>129,463</b>	<b>(89,409)</b>	<b>40,054</b>	<b>211,879</b>	<b>(176,496)</b>	<b>35,383</b>
Corporation tax is based on a rate of 19.0% (2019: 19.0%)									
<b>b) Profit/(loss) on ordinary activities before tax</b>	1,290,310	(935,782)	354,528	739,288	4,131,749	4,871,037	1,346,455	4,746,241	6,092,696
Profit/(loss) on ordinary activities multiplied by rate of corporation tax in the UK of 19.0% (2019: 19.0%)	245,159	(177,799)	67,360	140,465	785,033	925,498	255,826	901,786	1,157,612
<b>Effect of:</b>									
UK dividends	(14,239)	-	(14,239)	(13,008)	-	(13,008)	(46,355)	-	(46,355)
Net investment portfolio losses/ (gains) not allowable/(taxable)	-	88,941	88,941	-	(874,442)	(874,442)	-	(1,078,282)	(1,078,282)
Expenditure not allowable for tax purposes	-	-	-	2,006	-	2,006	2,408	-	2,408
<b>Actual current tax charge</b>	<b>230,920</b>	<b>(88,858)</b>	<b>142,062</b>	<b>129,463</b>	<b>(89,409)</b>	<b>40,054</b>	<b>211,879</b>	<b>(176,496)</b>	<b>35,383</b>

## 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 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
i) Total earnings after taxation	212,466	4,830,983	6,057,313
<b>Basic and diluted earnings per share (pence)</b>	<b>0.26p</b>	<b>7.10p</b>	<b>8.95p</b>
ii) Revenue earnings from ordinary activities after taxation	1,059,390	609,825	1,134,576
<b>Basic and diluted revenue earnings per share (pence)</b>	<b>1.28p</b>	<b>0.90p</b>	<b>1.67p</b>
Net investment portfolio (losses)/gains	(468,108)	4,602,323	5,675,164
Capital Investment Adviser's fees less taxation	(378,816)	(381,165)	(752,427)
iii) Capital earnings	(846,924)	4,221,158	4,922,737
<b>Basic and diluted capital earnings per share (pence)</b>	<b>(1.02)p</b>	<b>6.20p</b>	<b>7.28p</b>
iv) Weighted average number of shares in issue in the period	82,552,958	68,007,404	67,649,790

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 June 2020

### 8. Dividends paid

Dividend	Type	For the year ended 31 December	Pence per share	Date paid	Six months ended 30 June 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
Final	Income	2018	1.75p	28 May 2019	-	1,188,375	1,188,375
Final	Capital*	2018	2.25p	28 May 2019	-	1,527,911	1,527,911
Interim	Income	2019	1.50p	20 September 2019	-	-	1,014,071
Interim	Capital	2019	2.50p	20 September 2019	-	-	1,690,118
Interim	Capital*	2019	9.00p	20 September 2019	-	-	6,084,426
Interim	Capital*	2019	2.00p	30 December 2019	-	-	1,341,556
Interim	Capital*	2019	4.00p	10 January 2020	2,671,965	-	-
Interim	Income	2020	1.50p	7 May 2020	1,278,745	-	-
Interim	Capital*	2020	4.50p	7 May 2020	3,836,235	-	-
<b>Total Dividends Paid</b>					<b>7,786,945</b>	2,716,286	12,846,457

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

### 9. Current asset investments and cash at bank

	as at 30 June 2020 (unaudited) £	as at 30 June 2019 (unaudited) £	as at 31 December 2019 (audited) £
OEIC Money market funds	16,794,483	14,875,554	6,928,456
Cash equivalents per Statement of Cash Flows	16,794,483	14,875,554	6,928,456
Bank deposits that mature after three months	2,000,000	2,000,000	2,000,000
<b>Current asset investments</b>	<b>18,794,483</b>	<b>16,875,554</b>	<b>8,928,456</b>
<b>Cash at Bank</b>	<b>2,733,689</b>	<b>6,658,998</b>	<b>2,627,511</b>

## 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 2018. 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.

Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional. For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Where the terms of the 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 true 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 at each measurement date in accordance with appropriate valuation techniques, which are consistent with the IPEV guidelines:-

(i) Each investment is considered as a whole on a 'unit of account' basis, alongside consideration of:-

The price of new investments made, if deemed to be made as part of an orderly transaction, are considered to be at fair value at the date of the transaction. At subsequent measurement dates, the inputs that derived the investment price are reconsidered for any changes in light of more recent events or changes in the market performance of the investee company such that the valuation bases used are the following: -

- 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, or 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, scale and liquidity).

or:-

- where a company's underperformance against plan indicates a diminution in the value of the investment, provision against the price of a new investment is made, as appropriate.

(ii) Premiums, to the extent that they are considered capital in nature, and that they 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.

(iii) Where a multiple or the price of recent investment less impairment basis is not appropriate and overriding factors apply, a discounted cash flow, net asset valuation, realisation proceeds or a weighted average of these bases may be applied.

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

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

A key judgement made in applying the above accounting policy relates to investments that are permanently impaired. Where the value of an investment has fallen permanently below the price of recent investment, 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 2020

### 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 2019	233,345	21,802,934	10,729	16,491,273	38,538,281
Purchases at cost	-	1,789,318	-	175,680	1,964,998
Sales - proceeds	(458,297)	(3,998,527)	-	(2,294,852)	(6,751,676)
- realised gains/(losses) (Note a)	341,614	1,168,814	(227)	71,881	1,582,082
Unrealised gains/(losses) on investments in the period (Note a)	228,355	1,503,534	-	(3,782,079)	(2,050,190)
<b>Valuation at 30 June 2020</b>	<b>345,017</b>	<b>22,266,073</b>	<b>10,502</b>	<b>10,661,903</b>	<b>33,283,495</b>
Book cost at 30 June 2020	100,014	19,443,871	12,871	14,679,819	34,236,575
Unrealised gains/(losses) at 30 June 2020	245,003	4,054,150	(2,142)	(3,953,528)	343,483
Permanent impairment of investments	-	(1,231,948)	(227)	(64,388)	(1,296,563)
<b>Valuation at 30 June 2020</b>	<b>345,017</b>	<b>22,266,073</b>	<b>10,502</b>	<b>10,661,903</b>	<b>33,283,495</b>
Gains/(losses) on investments	358,283	2,541,895	(227)	2,044	2,901,995
Less amounts recognised as unrealised (gains)/losses in previous years	(16,669)	(1,373,081)	-	69,837	(1,319,913)
<b>Realised gains/(losses) based on carrying value at 31 December 2019</b>	<b>341,614</b>	<b>1,168,814</b>	<b>(227)</b>	<b>71,881</b>	<b>1,582,082</b>
Net movement in unrealised gains/(losses) in the period	228,355	1,503,534	-	(3,782,079)	(2,050,190)
<b>Gains/(losses) on investments for the six months ended 30 June 2020</b>	<b>569,969</b>	<b>2,672,348</b>	<b>(227)</b>	<b>(3,710,198)</b>	<b>(468,108)</b>

Note a) Net realised gains on investments of £1,582,082 together with net unrealised losses of £2,050,190 equal net investment portfolio losses of £468,108 as disclosed in the Income Statement.

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.



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

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

	as at 30 June 2020 (unaudited) £	as at 30 June 2019 (unaudited) £	as at 31 December 2019 (audited) £
<b>Valuation methodology</b>			
Multiple of earnings, revenues or gross margin, as appropriate	31,214,307	33,731,995	35,359,235
Net asset value	1,476,718	122,422	606,708
Recent investment price	195,200	1,786,890	2,239,659
Estimated and discounted realisation proceeds	52,253	168,322	5,313
Recent investment price (reviewed for impairment)	-	121,432	94,021
	<b>32,938,478</b>	<b>35,931,061</b>	<b>38,304,936</b>

## 11. Net asset value per share

	As at 30 June 2020 (unaudited) £	As at 30 June 2019 (unaudited) £	As at 31 December 2019 (audited) £
Net assets	£54,570,843	£59,502,453	£50,035,314
Number of shares in issue	84,483,074	67,604,732	66,799,129
<b>Net asset value per share (pence)</b>	<b>64.59p</b>	<b>88.02p</b>	<b>74.90p</b>

## 12. Post balance sheet events

On 14 August 2020, the Company realised its investment in Tovey Management Limited (trading as Access IS), generating proceeds of £5.32 million.

On 1 September 2020, the Company invested a further £1.12 million into Buster and Punch Holdings Limited, an existing portfolio company.

On 2 September 2020, the Company realised its investment in Blaze Signs Holdings Limited generating cash proceeds of £0.55 million.

On 10 September 2020, the Company realised half of its remaining holding in Omega Diagnostics Group plc for proceeds of £0.29 million.

13. The financial information for the six months ended 30 June 2020 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 2019 have been filed with the Registrar of Companies. The auditor has reported on the financial statements for the year ended 31 December 2019 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](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. The May annual general meetings provide a useful platform for the Board to meet Shareholders and exchange views, if a physical meeting can be held. 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 Annual or Half-Year accounts.

The Investment Adviser holds an annual shareholder event. The next event will be held as a virtual event in the first quarter of 2021. Details will be notified to Shareholders and also be shown on the Company's website.

Shareholders wishing to follow the Company's development can also visit the Company website at [www.mig4vct.co.uk](http://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](http://www.londonstockexchange.com) where Shareholders can obtain details of the share price and latest NAV announcements etc.

## Financial calendar

September 2020	Half-Year Report for the six months ended 30 June 2020 to be announced and circulated to Shareholders
31 December 2020	Year-end
Q1 2021	Virtual Shareholder Event (Date to be advised)
March 2021	Announcement of the Company's annual results and circulation of Annual Report and Financial Statements for the year ended 31 December 2020 to Shareholders
May 2021	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 29 under Corporate Information.

**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 (the "Scheme")

As explained in the Company's latest Annual Report, the Dividend Investment Scheme, which was previously suspended, was recommenced with effect from the date of the Company's Annual General Meeting on 2 June 2020. The Scheme terms and conditions were also amended, with the price at which new shares are issued under the Scheme now being the latest NAV per share, as is the current market practice, rather than, as previously, at the higher of 70% of the NAV per share or the mid-market price per share (which, in practice, resulted in shares being issued at an effective discount to NAV per share of around 10%).

**Those Shareholders who wish to participate, or to amend their existing participation, in the Scheme, can do so by contacting the Scheme Administrator, Link Asset Services, via email at [vcsts@linkgroup.co.uk](mailto:vcsts@linkgroup.co.uk) or by telephone on 0371 664 0324. For further information and to download the Mandate Form required to opt-in to the Scheme, please visit [www.mig4vct.co.uk](http://www.mig4vct.co.uk) and select the Dividends subheading on the left-hand side.**

Please note that Shareholders' elections to participate or amendments to participation in the Scheme require 15 days to become effective.

## 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. Shareholders are also advised to discuss their individual tax position with their financial advisor before deciding to sell their shares.

The Company is unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited ("Panmure"). Panmure is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the VCT has bought in shares.

Panmure can be contacted as follows:

Chris Lloyd 0207 886 2716  
[chris.lloyd@panmure.com](mailto:chris.lloyd@panmure.com)

Paul Nolan 0207 886 2717  
[paul.nolan@panmure.com](mailto:paul.nolan@panmure.com)

## Managing your shareholding online

For details on your individual shareholding and to manage your account, Shareholders may log into or register with the Link Shareholder Portal [www.signalshares.com](http://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.

## Fraud Warning

### Boiler Room fraud and unsolicited communications to Shareholders

We have been made aware of an increase in the number of Shareholders being contacted in connection with sophisticated but fraudulent financial scams which purport to come from the Company or to be authorised by it. This is often by a phone call or an email usually originating from outside of the UK, often claiming or appearing to be from a corporate finance firm offering to buy your VCT shares at an inflated price.

Further information on boiler room scams and fraud advice plus who to contact, can be found first in the answer to a question “What should I do if I receive an unsolicited offer for my shares?” within the VCT Investor area of the Investment Adviser’s website in the A Guide to VCTs section: [www.mobeus.co.uk/investor-area](http://www.mobeus.co.uk/investor-area) and secondly, in a link to the FCA’s ScamSmart site: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

We strongly recommend that you seek financial advice before taking any action if you remain in any doubt. You can also contact the Investment Adviser on 0207 024 7600, or email [info@mobeus.co.uk](mailto:info@mobeus.co.uk) to check whether any claims made by a caller are genuine.

Shareholders are also encouraged to ensure their personal data is always held securely and that data held by the Registrars of the Company is up to date, to avoid cases of identity fraud.

### 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@mobeus.co.uk](mailto:vcts@mobeus.co.uk).

The Registrars, Link Asset Services, may be contacted via their Shareholder Portal at [www.signalshares.com](http://www.signalshares.com), by 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 29.

### 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.

# Glossary of terms

## Alternative performance measure (“APM”)

A financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the Company’s financial reporting framework. These APMs tend to be industry specific terms which help Shareholders to understand and assess the Company’s progress. A number of terms contained within this Glossary have been identified as APMs.

## Cumulative dividends paid (APM)

The total amount of dividend distributions by the Company over the time period specified. A list of all dividends paid since launch of the Company is shown on the Company’s website [www.mig4vct.co.uk](http://www.mig4vct.co.uk). Dividends paid in the period/year and dividends paid in respect of the year are shown in Note 8.

## Cumulative total return (APM)

Cumulative total return per share comprises the NAV per share (NAV basis) or the mid-market price per share (Share price basis), plus cumulative dividends paid since launch in 1999.

## Internal Rate of Return (“IRR”)

The internal rate of return is the annual discount rate that equates the original investment cost with the value of subsequent cash flows (such as receipts/dividends or further investment) and the latest valuation/exit proceeds or net asset value. Generally speaking, the higher an investment’s IRR, the more successful it is.

## Net asset value or NAV

The value of the VCT’s total assets less its total liabilities. It is equal to the total equity Shareholders’ funds.

## Net asset value per share or NAV per share

The net asset value per share is calculated as total equity Shareholders’ funds divided by the number of Ordinary shares in issue at the period/year-end.

## NAV Total Return (APM)

This measure combines two types of returns received by Shareholders. Firstly, as income in the form of dividends and secondly, as capital movements (net asset value) of the value of the Fund.

It is a performance measure that adjusts for dividends that have been paid in a period or year. This allows Shareholders to assess the returns they have received both in terms of the performance of the Company but also including dividends they have received from the Company which no longer form part of the Company’s assets.

It is calculated as the percentage return achieved after taking the closing NAV per share and adding dividends paid in the year and dividing the total by the opening NAV per share. The Directors feel that this is the most meaningful method for Shareholders to assess the performance of the Company.

To aid comparison with the wider Investment Trust market, the Annual Report also contains a Total Return performance measure which assumes dividends are reinvested. This assumes that dividends paid are reinvested at the date of payment at a price equivalent to the latest announced NAV at the ex-div date. Where this is referred to it will be specified in the notes.

## Ongoing charges ratio (APM)

This figure, calculated using the AIC recommended methodology, shows Shareholders the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded. Although the Ongoing Charges figure primarily is based upon historic information, it provides Shareholders with an indication of the likely level of costs that will be incurred in managing the Fund in the future.

## Realised gains/(losses) in the period/year

This is the profit or loss that arises following the full or partial disposal of a holding in a portfolio company. It is calculated by deducting the value of the holding as at the previous year-end from the proceeds received in respect of such disposal.

## Share price Total Return (APM)

As NAV Total Return, but the Company’s mid-market share price is used in place of NAV. This measure more reflects the actual return a Shareholder will have earned, were they to sell their shares at the period’s end date. It includes the impact of any discounts or premiums at which the share price trades compared to the underlying net asset values of the Company. If the shares trade at a discount, the returns could be less than the NAV Total Return, but if trading at a premium, returns could be higher than the NAV Total Return.

# Corporate Information

## Directors (Non-executive)

Christopher Moore (Chairman)  
Jonathan Cartwright  
Graham Paterson  
Christopher Burke  
Helen Sinclair

## Company's Registered Office and Head Office

30 Haymarket  
London  
SW1Y 4EX

## Company Registration Number

03707697  
LEI No: 213800IFNJ65R8AQW943

## Investment Adviser, Company Secretary and Administrator

Mobeus Equity Partners LLP  
30 Haymarket  
London  
SW1Y 4EX

Telephone: 020 7024 7600

[info@mobeus.co.uk](mailto:info@mobeus.co.uk)

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

## Website

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

## E-mail

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

## Independent Auditor

BDO LLP  
150 Aldersgate Street  
London  
EC1A 4AB

## Solicitors

Shakespeare Martineau LLP  
No 1 Colmore Square  
Birmingham  
B4 6AA

## Corporate Broker

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

## Receiving Agent

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

## Registrars

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

## VCT Status Adviser

Philip Hare & Associates LLP  
Hamilton House  
1 Temple Avenue  
London  
EC4Y 0HA

## Sponsor

Howard Kennedy Corporate Services LLP  
1 London Bridge Walk  
London  
W1A 2AW

## Shareholder Portal:

[www.signalshares.com](http://www.signalshares.com)  
Tel: +44 (0) 371 644 0324

## Bankers

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

