

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

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



**Mobeus Income & Growth VCT plc** (“the Company”) 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 generated from income and capital returns, while continuing at all times to qualify as a VCT.

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### YOUR PRIVACY

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

# Financial Highlights

Results for the six months ended 30 June 2020

As at 30 June 2020:

Net assets: **£74.71 million**

Net asset value ("NAV") per share: **58.86 pence**

- Net asset value ("NAV") total return<sup>1</sup> per share was 0.1% for the six months.
- Share price total return<sup>1</sup> per share fell by 5.1% 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 £9.35 million, a gain of £1.99 million for the six months over their valuation at 31 December 2019.
- The Company invested a total of £1.68 million into one new growth capital investment and two follow-on investments.

<sup>1</sup> Alternative performance measure (APM). See glossary of terms on page 30.

## Performance Summary

The table below shows the recent past performance of the original fundraising launched in 2004. Performance data for all fundraising rounds and for former Matrix Income & Growth 3 VCT plc Shareholders are shown in the tables on pages 28 and 29 of this Half-Year Report.

Reporting date	Net assets	NAV per Share	Share price (mid-market price) <sup>1</sup>	Cumulative dividends paid per share	Cumulative total return per share to Shareholders <sup>2</sup>		Dividends per share declared in respect of the period
					(NAV basis)	(Share price basis)	
As at	(£m)	(p)	(p)	(p)	(p)	(p)	(p)
30 June 2020	74.71	58.86	50.50	134.80	193.66	185.30	6.00 <sup>3</sup>
31 December 2019	71.89	68.78	63.75 <sup>4</sup>	124.80	193.58	188.55	10.00
30 June 2019	77.13	73.00	61.50	118.80	191.80	180.30	4.00

<sup>1</sup> Source: Panmure Gordon (mid-price). Note that the Share price at 30 June 2020 is by reference to the last announced NAV per share at 31 March 2020 of 52.78p (after adjusting for a 6.00 pence per share dividend paid in May 2020).

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

<sup>3</sup> The Directors declared an interim dividend of 6.00 pence per share in respect of the year ending 31 December 2020. The dividend was paid to Shareholders on 7 May 2020.

<sup>4</sup> The share price has been adjusted for a 4.00 pence dividend paid after the year-end on 8 January 2020 which was ex-div at 31 December 2019.

Detailed performance data, including a table of dividends paid to date for all share classes and fundraising rounds, is shown in the Performance Data appendix on pages 28 to 29. The tables, which give information by allotment date on NAVs and dividends paid per share, are also available on the Company's website at [www.migvct.co.uk](http://www.migvct.co.uk) where they can be accessed by clicking on the appropriate heading under 'Fund Performance' on the home page.

# 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 strong NAV total return of 13.6% for the year ended 31 December 2019. This excellent performance continued in the early part of 2020 with two profitable realisations, Biosite and Auction Technology Group, the latter of which was the Company's most successful exit in its history.

Midway through this half-year, COVID-19 and the UK Government's lockdown measures provoked significant uncertainty and instability. This resulted in a significant dip in consumer and business confidence and the public markets saw a sharp fall for 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 seek 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 certain portfolio companies, generating vital cash headroom for them 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 8.7% in underlying NAV per share for the quarter to 58.78 pence. These adjustments were partly stock market related, but also partly in response to COVID-19's impact on specific market segments and investee companies. 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 stock markets have seen a significant rally

since the March low point, although at the time of writing 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. The exit of Auction Technology Group generated the Company's highest absolute profit to date. In May, two follow-on investments were made into existing portfolio companies, Rotageek and MyTutor, and one new investment was made into Andersen EV in June. Since the period-end, a follow-on investment of £1.42 million was made in Buster and Punch Holdings Limited. Further details of the investment activity are contained in the Investment Adviser's Review.

The Board is very encouraged by the recent profitable disposals, following the period-end, of Tovey Management (trading as Access IS) and Blaze Signs realising cash proceeds of £7.07 million and £1.98 million respectively, in what remains a challenging investment environment. The impact of these realisations on the NAV per share of 58.86 pence per share at 30 June 2020 is estimated to be an increase of 1.71 pence per share. This is in isolation to any other matters that may affect NAV per share.

## Performance

The Company's NAV total return per share was 0.1% for the six months to 30 June 2020 (2019: 11.0%). This NAV total return reflects 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 5.1% (2019: increase of 7.3%), at 30 June, mainly because the share price at 30 June is by reference to the 52.78 pence NAV per share at 31 March 2020 (after deducting a dividend of 6.00 pence per share paid in May 2020), and does not reflect the increase in NAV per share in the quarter to 30 June 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 a preference, 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 the half-year. At the period-end, your Company was ranked 12th out of 43 Generalist VCTs over five years and 2nd out of 31 over 10 years, in the Association of Investment Companies' analysis of NAV Cumulative Total Return.

For further details on the performance of the Company, please refer to the Investment Adviser's Review on pages 5 to 8 and the longer-term Performance Data on pages 28 and 29.

## Dividends

A further interim dividend for last year of 4.00 pence per share had been paid on 8 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.

Your Board has therefore already met the 4.00 pence per share annual dividend target in respect of the current financial year. However, 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 comparatively well during this period. The overall value has decreased by £0.78 million (2019: £7.59 million increase), or -1.5% (2019: +15.7%),

compared to the start of the year. This fall was comprised of a net unrealised decrease in valuations of £2.77 million, partially offset by £1.99 million in realised gains over the six-month period. Taking into account these realisations, new investments and valuation movements, the portfolio was valued at £43.25 million at the period-end (31 December 2019: £51.70 million).

During the six-months under review, the Company invested a total of £1.68 million, (2019: £2.30 million) into one new and two existing investments. The existing investments were:

- MyTutor – A digital marketplace for school tutoring £0.84 million
- Rotageek – A workforce management software provider £0.57 million

and the new investment was:

- Andersen EV – An electric vehicle charge point business £0.27 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 £9.35 million.

The realisation of Auction Technology Group achieved a substantial gain over cost and represented proceeds of £6.84 million and a gain of £1.88 million in the period. Over the 11½ year life of the investment, total proceeds of £14.77 million have been received, an overall multiple of over 4.5x original cost and an IRR of 29%.

Pattern Analytics (trading as Biosite), an investment made after the 2015 rule change, was realised for proceeds of £2.34 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%.

Other capital proceeds of £0.17 million and realised gains of £0.11 million were principally generated from 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 – £8.25 million cash proceeds received since investment equating to a 2.5x multiple of cost and an IRR of 23.00%; and
- Blaze – £5.27 million cash proceeds received over the life of the investment; a 2.7x multiple on cost and an IRR of 14.00%.

Details of this investment activity and the performance of the portfolio are contained in the Investment Adviser's Review on page 5 and the Investment Portfolio Summary on pages 9 to 11.

### 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 1.54 pence per share (2019: 0.92 pence per share). The revenue return for the period of £1.92 million has increased from last year's comparable figure of £0.98 million. This increase is mainly due to a significant receipt of loan interest, previously unrecognised, 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 £15.00 million in total. The Company allotted a total of 23,233,293 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.

### Shareholder Event

The Investment Adviser held its 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 once confirmed and will be shown on the Company's website: [www.migvct.co.uk](http://www.migvct.co.uk).

### Share buy-backs

During the six months under review, the Company bought back and cancelled 840,716 of its own shares, representing 0.8% (2019: 1.2%) of the shares in issue at the beginning of the period, at a total cost of £0.42 million (2019: £0.76 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 £31.77 million or 42.5% of net

assets. After the period-end, following the realisations of Access and Blaze, and the further investment in Buster and Punch, the pro forma level of liquidity will be £39.41 million or 51.2% 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.migvct.co.uk](http://www.migvct.co.uk) containing useful information for Shareholders.

### 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 and allowed by VCT regulations, but also to capitalise on opportunities which may arise for new investment. The portfolio 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. However, once conditions stabilise, the Board and Mobeus believe that attractive new and follow-on investment opportunities will emerge and are pleased to see that some recovery has been achieved in the last quarter.

As the world gradually returns to a new normal in the aftermath of COVID-19, attention may well return to Brexit and the degree to which the UK can reach agreements with the rest of the EU for tariff-free access to our respective markets. All the portfolio companies have been planning for that since before the COVID-19 pandemic took centre stage.

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

**Clive Boothman**  
Chairman

11 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 70% by VCT tax value in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules);
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company's shares must be listed on a regulated European stock market;
- 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 9 to 11.



# Investment Adviser's 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 have therefore 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 stock 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 for a number of investee companies.

## Portfolio review

Overall, the value of the portfolio decreased by £0.78 million over the period comprising a decrease of £2.77 million in the unrealised portfolio and gains of £1.99 million through realisations. This 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 provisions 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 closures, Tapas Revolution being the only temporary 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 £0.84 million into MyTutor and £0.57 million into Rotageek. One new growth capital investment has also been made into Andersen EV of £0.27 million, a manufacturer of premium electric vehicle (EV) chargers.

Following the period-end, there was an additional follow-on investment of £1.42 million into Buster and Punch.

The Company realised its investments in Biosite and Auction Technology Group during the period, receiving a total of £9.18 million in proceeds from these realisations, which contributed to total receipts of £9.35 million during the period. The realisation of Biosite generated proceeds of £2.45 million over the life of the investment and achieved a gain over original cost of 1.5x. Auction Technology Group generated a realised gain in the period of £1.88 million and generated proceeds over the life of the investment of £14.77 million compared to an original cost of £3.27 million, a multiple on cost of 4.5x over the 1½ years this investment was held – an exceptional return for Shareholders.

Following the period-end, there were additional realisations from Access IS and Blaze receiving a total of £9.05 million in cash proceeds. The gains from these will be reflected in the second half of the financial year.

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

	2020 £m	2019 £m
Opening portfolio value	51.70	48.49
New and follow-on investments	1.68	2.30
Disposal proceeds	(9.35)	(10.08)
Net realised gains	1.99	2.33
Valuation movements	(2.77)	5.26
<b>Portfolio value at 30 June</b>	<b>43.25</b>	<b>48.30</b>

The investment and divestment activity during the period has increased the proportion of the portfolio comprised of investments made since the change in the VCT rules to 52.2% by value at the period-end (31 December 2019: 45.2%). The portfolio decreased from 34 to 32 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	4.59	6.54
Decrease in the value of unrealised investments	(7.36)	(1.28)
<b>Net (decrease) / increase in the value of unrealised investments</b>	<b>(2.77)</b>	<b>5.26</b>
Realised gains	2.05	2.33
Realised losses	(0.06)	-
<b>Net realised gains in the period</b>	<b>1.99</b>	<b>2.33</b>
<b>Net portfolio movement in the period</b>	<b>(0.78)</b>	<b>7.59</b>

## Valuation changes of portfolio investments still held

The valuation reductions of £2.77 million principally arise from the Investment Adviser's review of the portfolio and the impact of COVID-19.

Within total valuation decreases, the main reductions were CGI Creative Graphics International - £1.44 million, Tapas Revolution - £1.35 million, and

# Investment Adviser's Review

Media Business Insight - £0.97 million. These three companies saw some of the most significant impacts 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, in 5 of the 32 investee companies, trading has benefited from the lockdown, being Access IS, Virgin Wines, MyTutor, Parsley Box and Bleach London. Within total valuation increases, the principal contributors were Access IS: £1.28 million, Virgin Wines: £0.90 million and, Parsley Box: £0.84 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 only a modest £0.06 million realised loss as a result of these administrations.

Growth capital investing involves companies which often have not achieved profitability, and as a result, have to be measured on other metrics. The table below shows the proportion of the portfolio that is represented by high growth but yet to be profitable companies (often valued by reference to revenue or gross profit multiple), compared with more mature, established companies with a history of profitability and which can therefore be valued on an earnings multiple.

Valuation methodology	30 June 2020 £m	31 December 2019 £m
Earnings multiple	20.34	30.94
Revenue multiple	19.84	14.14
Gross profit multiple	1.32	3.51
Recent investment price	0.27	2.98
Other	1.48	0.13
	43.25	51.70

## 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 received in the period	2.39	1.20
Dividends received in the period	0.30	0.26
<b>Total portfolio income in the period<sup>1</sup></b>	<b>2.69</b>	<b>1.46</b>
<b>Portfolio value at 30 June</b>	<b>43.25</b>	<b>48.30</b>
<b>Portfolio Income Yield (Income for the half year as a % of Portfolio value at 30 June)</b>	<b>6.2%</b>	<b>3.0%</b>

The increase in income was principally due to interest of £1.78 million received on the loan instruments in Auction Technology Group being paid, as part of the sale transaction, which had not previously been recognised. This income will not be repeated.



## New investments in the half-year

The Company made one new investment during the period, as detailed below.

	Company	Business	Date of investment	Amount of new investment (£m)
<b>ANDERSEN</b>	Andersen EV	Electric vehicle (EV) chargers	June 2020	0.27


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.

## Follow-on investments made in the half-year

The Company made two follow-on investments totalling £1.41 million into existing portfolio companies in the period, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
<b>MyTutor</b>	MyTutor	Digital marketplace connecting school pupils seeking one-to-one online tutoring	May 2020	0.84

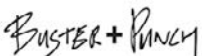
MyTutorWeb Limited (trading as MyTutor) is a digital marketplace that connects school pupils who are seeking private one-to-one tutoring with university students. The business is satisfying a growing demand from both schools and parents to improve pupils' exam results to enhance their academic and career 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 revenue growth of 70%.

	Rotageek	Workforce management software	May 2020	0.57
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Rota Geek Limited is a provider of cloud-based enterprise software to help larger retail leisure and healthcare organisations predict and meet demand to schedule staff more effectively. This investment 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 has become chronically overburdened. For the year ended 31 December 2019, revenues have grown over 45% on the prior year.

## 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	1.42

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.

# Investment Adviser's Review

## 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	£2.45 million 1.5 x cost


The Company sold its investment in Biosite to ASSA ABLOY AB for £2.34 million. Since investment in 2016, the investment has generated proceeds of £2.45 million compared to an original investment cost of £1.58 million, which is a multiple on cost of 1.5x and an IRR of 21%.

	Auction Technology Group	SaaS based online auction marketplace platform	October 2008 to February 2020	£14.77 million 4.5 x cost
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The Company sold its investment in Auction Technology Group to TA Associates for £8.62 million (including £1.78 million loan interest due on completion). This investment generated proceeds of £14.77 million over the life of the investment compared to an original cost of £3.27 million, which is a multiple on cost of 4.5x and an IRR of 29%.

## Realisations post the half-year

Following the period-end, there were additional realisations of 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	£8.25 million 2.5 x cost

The Company sold its investment in Tovey Management Limited (trading as Access IS) to ASSA ABLOY AB for £7.04 million. Since investment in 2015, the investment has generated proceeds of £8.25 million compared to an original investment cost of £3.26 million, which is a multiple on cost of 2.5x and an IRR of 23%.

	Blaze Signs	Manufacturer and installer of signs	April 2006 to September 2020	£5.27 million 2.7 x 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 £1.98 million. Over the 14 years this investment was held, cash proceeds of £5.27 million have been received compared to original cost of £1.95 million, which is a multiple of cost of 2.7x and an IRR of 14%.

**Mobeus Equity Partners LLP**  
Investment Adviser

11 September 2020

# Investment Portfolio Summary

as at 30 June 2020

Qualifying investments	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period <sup>1</sup>	% value of net assets
<b>Unquoted investments</b>						
<b>Tovey Management Limited (trading as Access IS)</b> Provider of data capture and scanning hardware	Electronics & electronic equipment	Oct-15	2,979	5,715	27.1%	7.7%
<b>Virgin Wines Holding Company Limited</b> Online wine retailer	General retailers	Nov-13	2,439	4,029	28.8%	5.4%
<b>MPB Group Limited</b> Online marketplace for used photographic and video equipment	General retailers	Jun-16	1,900	3,640	5.1%	4.9%
<b>Preservica Limited</b> Seller of proprietary digital archiving software	Software and computer services	Dec-15	2,099	3,370	24.6%	4.5%
<b>Vectair Holdings Limited</b> Designer and distributor of washroom products	Support services	Jan-06	138	2,434	(16.8)%	3.3%
<b>My Tutorweb Limited (trading as MyTutor)</b> Digital marketplace connecting school pupils seeking one-to-one online tutoring	Support services	May-17	2,374	2,374	-	3.2%
<b>Proactive Group Holdings Inc</b> Provider of media services and investor conferences for companies primarily listed on secondary public markets	Media	Jan-18	926	2,331	-	3.1%
<b>EOTH Limited (trading as Equip Outdoor Technologies)</b> Branded outdoor equipment and clothing	General retailers	Oct-11	1,000	2,203	(13.8)%	2.9%
<b>Vian Marketing Limited (trading as Red Paddle Co)</b> Design, manufacture and sale of stand-up paddleboards and windsurfing sails	Leisure goods	Jul-15	1,189	1,768	-	2.4%
<b>Parsley Box Limited</b> Supplier of home delivered ambient ready meals for the elderly	General retailers	May-19	854	1,744	93.8%	2.3%
<b>Data Discovery Solutions Limited (trading as Active Navigation)</b> Provider of global market leading file analysis software for information governance, security and compliance	Software and computer services	Nov-19	1,413	1,713	21.3%	2.3%
<b>Buster and Punch Holdings Limited</b> Industrial inspired lighting and interiors retailer	General retailers	Mar-17	668	1,320	13.2%	1.8%
<b>Rota Geek Limited</b> Workforce management software	Support services	Aug-18	1,142	1,290	0.9%	1.7%
<b>Arkk Consulting Limited (trading as Arkk Solutions)</b> Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements	Software and computer services	May-19	1,447	1,270	(14.0)%	1.6%
<b>Bleach London Holdings Limited</b> Hair colourants brand	General retailers	Dec-19	674	944	40.0%	1.3%
<b>Tharstern Group Limited</b> Software based management information systems	Software and computer services	Jul-14	1,377	915	(34.4)%	1.2%
<b>IPV Limited</b> Provider of media asset software	Software and computer services	Nov-19	890	890	-	1.2%

<sup>1</sup> - This percentage change in 'like for like' valuations is a comparison of the 30 June 2020 valuations with the 31 December 2019 valuations (or where a new investment has been made in the period, the investment amount), having adjusted for any partial disposals, loan stock repayments or new or follow-on investments in the period.

Blue Investment made prior to 2015 VCT rule change

Green Investment made after 2015 VCT rule change

# Investment Portfolio Summary

as at 30 June 2020

	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period <sup>1</sup>	% value of net assets
<b>Qualifying investments</b>						
<b>Blaze Signs Holdings Limited</b> Manufacturer and installer of signs	Support services	Apr-06	492	847	(19.6)%	1.1%
<b>Media Business Insight Holdings Limited</b> A publishing and events business focused on the creative production industries	Media	Jan-15	2,518	806	(42.3)%	1.1%
<b>Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man &amp; Van)</b> A specialist logistics, storage and removals business	Support services	Dec-14	419	536	(43.2)%	0.7%
<b>Manufacturing Services Investment Limited (trading as Wetsuit Outlet)</b> Online retailer in the water sports market	General retailers	Jul-17	2,174	482	(31.1)%	0.6%
<b>Kudos Innovations Limited</b> Online platform that provides and promotes academic research dissemination	Support services	Nov-18	421	421	(36.3)%	0.6%
<b>Muller EV Limited (trading as Andersen EV)</b> Provider of premium electric vehicle (EV) chargers	Electronics & electronic equipment	Jun-20	270	270	New investment	0.4%
<b>CGI Creative Graphics International Limited</b> Vinyl graphics to global automotive, recreational vehicle and aerospace markets	General industrials	Jun-14	1,808	240	(85.7)%	0.3%
<b>Spanish Restaurant Group Limited (formerly Ibericos Etc. Limited) (trading as Tapas Revolution)</b> Spanish restaurant chain	Travel & leisure	Jan-17	1,245	167	(89.0)%	0.2%
<b>Jablite Holdings Limited</b> Manufacturer of expanded polystyrene products	Construction and materials	Apr-15	502	66	(47.5)%	0.1%
<b>Veritek Global Holdings Limited</b> Maintenance of imaging equipment	Support services	Jul-13	2,045	-	-	0.0%
<b>RDL Corporation Limited</b> Recruitment consultants for the pharmaceutical, business intelligence and IT industries	Support services	Oct-10	1,558	-	(100.0)%	0.0%
<b>Racoon International Group Limited</b> Supplier of hair extensions, hair care products and training	Personal goods	Dec-06	1,213	-	-	0.0%
<b>BookingTek Limited</b> Direct booking software for hotel groups	Software and computer services	Oct-16	687	-	-	0.0%
<b>Oakheath Limited (trading as Super Carers) (in liquidation)</b> Online platform that connects people seeking home care from experienced independent carers	Support services	Mar-18	580	-	-	0.0%
<b>CB Imports Group Limited (trading as Country Baskets)</b> Importer and distributor of artificial flowers and floral sundries	General retailers	Dec-09	350	-	-	0.0%
<b>Total qualifying investments</b>			<b>39,791</b>	<b>41,785</b>		<b>55.9%</b>

<sup>1</sup> - This percentage change in 'like for like' valuations is a comparison of the 30 June 2020 valuations with the 31 December 2019 valuations (or where a new investment has been made in the period, the investment amount), having adjusted for any partial disposals, loan stock repayments or new or follow-on investments in the period.

**Blue** Investment made prior to 2015 VCT rule change

**Green** Investment made after 2015 VCT rule change

	Market sector	Date of investment	Total book cost £'000	Valuation £'000	Like for like valuation increase/ (decrease) over period <sup>1</sup>	% value of net assets
<b>Non-qualifying investments</b>						
<b>Media Business Insight Limited</b> A publishing and events business focused on the creative production industries	Media	Jan-15	765	512	7.1%	0.7%
<b>Manufacturing Services Investment Limited (trading as Wetsuit Outlet)</b> Online retailer in the water sports market	General retailers	Jul-17	571	343	(40.0)%	0.5%
<b>EOTH Limited (trading as Equip Outdoor Technologies)</b> Branded outdoor equipment and clothing	General retailers	Oct-11	298	324	-	0.4%
<b>Tovey Management Limited (trading as Access IS)</b> Provider of data capture and scanning hardware	Electronics & electrical equipment	Oct-15	285	285	-	0.4%
<b>Total non-qualifying investments</b>			<b>1,919</b>	<b>1,464</b>		<b>2.0%</b>
<b>Total investment portfolio</b>			<b>41,710</b>	<b>43,249</b>		<b>57.9%</b>
Current asset investments and Cash at bank and in hand <sup>2</sup>			31,774	31,774		42.5%
<b>Total investments</b>			<b>73,484</b>	<b>75,023</b>		<b>100.4%</b>
Other assets				249		0.4%
Current liabilities				(562)		(0.8)%
<b>Net assets</b>				<b>74,710</b>		<b>100.0%</b>
<b>Portfolio split by type</b>						
<b>Investments made prior to 2015 VCT rule change</b>			<b>21,375</b>	<b>20,682</b>		<b>47.8%</b>
<b>Investments made after 2015 VCT rule change</b>			<b>20,335</b>	<b>22,567</b>		<b>52.2%</b>
<b>Total Investment Portfolio</b>			<b>41,710</b>	<b>43,249</b>		<b>100.0%</b>

<sup>1</sup> - This percentage change in 'like for like' valuations is a comparison of the 30 June 2020 valuations with the 31 December 2019 valuations (or where a new investment has been made in the period, the investment amount), having adjusted for any partial disposals, loan stock repayments or new or follow-on investments in the period.

<sup>2</sup> - Disclosed as Current Asset Investments and Cash at bank and in hand within Current assets in the Balance Sheet on page 16.

**Blue** Investment made prior to 2015 VCT rule change

**Green** Investment made after 2015 VCT rule change

# Statement of the Directors' Responsibilities

## Responsibility statement

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

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

## Principal risks and uncertainties

In accordance with DTR 4.2.7, the Board confirms, that the principal risks and uncertainties facing the Company have not changed materially since the publication of the Annual Report and Financial Statements for the year ended 31 December 2019 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 Board acknowledges that there is regulatory risk and continues to manage the Company's affairs in such a manner as to comply with section 274 of the Income Tax Act 2007. The other principal risks faced by the Company are:

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

A detailed explanation of these risks can be found in the Strategic Report on pages 27 to 28 and in Note 15 on pages 62 to 68 of the Annual Report and Financial Statements for the year ended 31 December 2019, copies of which can be viewed or downloaded from the Company's website: [www.migvct.co.uk](http://www.migvct.co.uk).

## Going concern

The Board has assessed the Company's operation as a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Half-Year Management Report. The Directors have satisfied themselves that the Company's 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 portfolio taken as a whole remains resilient and well-diversified although the impact of the COVID-19 pandemic is still being experienced. The major cash outflows of the Company (namely investments, share buy-backs and dividends) are within the Company's control.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Notes 15 and 16 on pages 62 to 69 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.

For and on behalf of the Board:

**Clive Boothman**  
*Chairman*

11 September 2020



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# 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	9	-	(787,177)	(787,177)
Income	4	2,770,006	-	2,770,006
Investment Adviser's fees	5	(214,035)	(642,106)	(856,141)
Other expenses		(253,172)	-	(253,172)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>2,302,799</b>	<b>(1,429,283)</b>	<b>873,516</b>
Tax on profit/(loss) on ordinary activities	6	(380,390)	122,000	(258,390)
<b>Profit/(loss) and total comprehensive income</b>		<b>1,922,409</b>	<b>(1,307,283)</b>	<b>615,126</b>
<b>Basic and diluted earnings per share</b>	7	<b>1.54p</b>	<b>(1.05)p</b>	<b>0.49p</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") updated in October 2019 by the Association of Investment Companies ("AIC"), supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The revenue column of profit attributable to equity Shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

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

The notes 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 £
-	7,594,291	7,594,291	-	9,144,246	9,144,246
1,561,649	-	1,561,649	2,854,837	-	2,854,837
(201,020)	(603,058)	(804,078)	(406,306)	(1,218,918)	(1,625,224)
(205,390)	-	(205,390)	(411,005)	-	(411,005)
1,155,239	6,991,233	8,146,472	2,037,526	7,925,328	9,962,854
(171,952)	114,581	(57,371)	(293,485)	231,594	(61,891)
<b>983,287</b>	<b>7,105,814</b>	<b>8,089,101</b>	<b>1,744,041</b>	<b>8,156,922</b>	<b>9,900,963</b>
<b>0.92p</b>	<b>6.69p</b>	<b>7.61p</b>	<b>1.65p</b>	<b>7.71p</b>	<b>9.36p</b>

# Unaudited Condensed Balance Sheet

as at 30 June 2020

Company registration number: 05153931

	Notes	30 June 2020 (unaudited) £	30 June 2019 (unaudited) £	31 December 2019 (audited) £
<b>Fixed assets</b>				
Investments at fair value	9	43,248,661	48,296,028	51,703,161
<b>Current assets</b>				
Debtors and prepayments		249,195	243,315	225,562
Current asset investments	10	28,570,843	19,902,109	12,914,124
Cash at bank	10	3,203,047	9,074,632	7,261,618
		32,023,085	29,220,056	20,401,304
<b>Creditors: amounts falling due within one year</b>		(561,945)	(387,090)	(216,090)
<b>Net current assets</b>		31,461,140	28,832,966	20,185,214
<b>Net assets</b>		<b>74,709,801</b>	<b>77,128,994</b>	<b>71,888,375</b>
<b>Capital and reserves</b>				
Called up share capital		1,269,191	1,056,569	1,045,265
Capital redemption reserve		19,711	44,644	11,304
Share premium reserve		14,397,509	43,669,335	-
Revaluation reserve		3,767,953	7,777,490	8,719,606
Special distributable reserve		31,759,150	7,984,414	45,731,919
Realised capital reserve		19,722,344	13,920,908	14,528,747
Revenue reserve		3,773,943	2,675,634	1,851,534
<b>Equity Shareholders' funds</b>		<b>74,709,801</b>	<b>77,128,994</b>	<b>71,888,375</b>
<b>Basic and diluted net asset value per share</b>	11	<b>58.86p</b>	<b>73.00p</b>	<b>68.78p</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 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 2020

	Non-distributable reserves				Distributable reserves			Total £	
	Notes	Called up share capital £	Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Special distributable reserve (Note a) £	Realised capital reserve (Note b) £		Revenue reserve (Note b) £
<b>At 1 January 2020</b>		1,045,265	11,304	-	8,719,606	45,731,919	14,528,747	1,851,534	71,888,375
<b>Comprehensive income for the period</b>									
(Loss)/profit for the period		-	-	-	(2,777,454)	-	1,470,171	1,922,409	615,126
<b>Total comprehensive income for the period</b>		-	-	-	<b>(2,777,454)</b>	-	<b>1,470,171</b>	<b>1,922,409</b>	<b>615,126</b>
<b>Contributions by and distributions to owners</b>									
Shares issued via Offer for Subscription (Note c)		232,333	-	14,767,667	-	-	-	-	15,000,000
Issue costs and facilitation fees on Offer for Subscription (Note c)		-	-	(370,158)	-	(152,153)	-	-	(522,311)
Shares bought back (Note d)		(8,407)	8,407	-	-	(424,741)	-	-	(424,741)
Dividends paid	8	-	-	-	-	(11,846,648)	-	-	(11,846,648)
<b>Total contributions by and distributions to owners</b>		<b>223,926</b>	<b>8,407</b>	<b>14,397,509</b>	-	<b>(12,423,542)</b>	-	-	<b>2,206,300</b>
<b>Other movements</b>									
Realised losses transferred to special reserve (Note a)		-	-	-	-	(1,549,227)	1,549,227	-	-
Realisation of previously unrealised gains		-	-	-	(2,174,199)	-	2,174,199	-	-
<b>Total other movements</b>		-	-	-	<b>(2,174,199)</b>	<b>(1,549,227)</b>	<b>3,723,426</b>	-	-
<b>At 30 June 2020</b>		<b>1,269,191</b>	<b>19,711</b>	<b>14,397,509</b>	<b>3,767,953</b>	<b>31,759,150</b>	<b>19,722,344</b>	<b>3,773,943</b>	<b>74,709,801</b>

Note a: The purpose of this reserve is to fund market purchases of the Company's own shares, to write off existing and future losses and for any other corporate purpose. The transfer of £1,549,227 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 £31,759,150, of which £7,553,664 arises from shares issued more than three years after the end of the financial year in which they were issued. 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.

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

Note c: Under the Company's Offer for Subscription launched on 25 October 2019, 23,233,293 Ordinary Shares were allotted between 8 January 2020 and 2 April 2020, raising net funds of £14,477,689 for the Company. This figure is net of issue costs of £370,158 and facilitation fees of £152,153.

Note d: During the period, the Company repurchased 840,716 of its own shares at the prevailing market price for a total cost of £424,741, which were subsequently cancelled. This figure is £42,866 more than that shown in the Unaudited Statement of Cash flows due to a creditor held 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 £	Capital redemption reserve £	Share premium reserve £	Revaluation reserve £	Special distributable reserve £	Realised capital reserve £	Revenue reserve £	
<b>At 1 January 2019</b>	1,068,659	32,191	43,644,698	5,285,632	12,681,614	8,818,475	3,546,713	75,077,982
<b>Comprehensive income for the period</b>								
Profit for the period	-	-	-	5,262,037	-	1,843,777	983,287	8,089,101
<b>Total comprehensive income for the period</b>	-	-	-	<b>5,262,037</b>	-	<b>1,843,777</b>	<b>983,287</b>	<b>8,089,101</b>
<b>Contributions by and distributions to owners</b>								
Shares issued pursuant to application	363	-	24,637	-	-	-	-	25,000
Shares bought back	(12,453)	12,453	-	-	(764,900)	-	-	(764,900)
Dividends paid	8	-	-	-	(3,443,823)	-	(1,854,366)	(5,298,189)
<b>Total contributions by and distributions to owners</b>	<b>(12,090)</b>	<b>12,453</b>	<b>24,637</b>	-	<b>(4,208,723)</b>	-	<b>(1,854,366)</b>	<b>(6,038,089)</b>
<b>Other movements</b>								
Realised losses transferred to special reserve	-	-	-	-	(488,477)	488,477	-	-
Realisation of previously unrealised gains	-	-	-	(2,770,179)	-	2,770,179	-	-
<b>Total other movements</b>	-	-	-	<b>(2,770,179)</b>	<b>(488,477)</b>	<b>3,258,656</b>	-	-
<b>At 30 June 2019</b>	<b>1,056,569</b>	<b>44,644</b>	<b>43,669,335</b>	<b>7,777,490</b>	<b>7,984,414</b>	<b>13,920,908</b>	<b>2,675,634</b>	<b>77,128,994</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 reduced due to shares bought back by the Company.

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

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

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

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

**Special distributable reserve** - 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. 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 on pages 20 to 25 form part of these unaudited 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 after tax for the financial period	615,126	8,089,101	9,900,963
<b>Adjustments for:</b>			
Net investment portfolio losses/(gains)	787,177	(7,594,291)	(9,144,246)
Tax charge for current period	6 258,390	57,371	61,891
(Increase)/decrease in debtors	(23,667)	331,692	285,660
Increase/(decrease) in creditors and accruals	44,458	49,449	(17,589)
<b>Net cash inflow from operations</b>	<b>1,681,484</b>	<b>933,322</b>	<b>1,086,679</b>
Corporation tax refunded/(paid)	175	-	(108,482)
<b>Net cash inflow from operating activities</b>	<b>1,681,659</b>	<b>933,322</b>	<b>978,197</b>
<b>Cash flows from investing activities</b>			
Purchases of investments	9 (1,680,145)	(2,300,908)	(5,853,554)
Disposals of investments	9 9,347,468	10,013,168	11,772,421
Decrease/no change in bank deposits with a maturity over three months	769	24	-
<b>Net cash inflow from investing activities</b>	<b>7,668,092</b>	<b>7,712,284</b>	<b>5,918,867</b>
<b>Cash flows from financing activities</b>			
Shares issued as part of Offer for subscription	15,000,000	25,000	25,000
Issue costs and facilitation fees as part of Offer for subscription	(522,311)	-	-
Equity dividends paid	8 (11,846,648)	(5,298,189)	(11,622,745)
Share capital bought back	(381,875)	(887,442)	(1,615,367)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>2,249,166</b>	<b>(6,160,631)</b>	<b>(13,213,112)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,598,917</b>	<b>2,484,975</b>	<b>(6,316,048)</b>
Cash and cash equivalents at start of period	19,170,060	25,486,108	25,486,108
<b>Cash and cash equivalents at end of period</b>	<b>30,768,977</b>	<b>27,971,083</b>	<b>19,170,060</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand	10 3,203,047	9,074,632	7,261,618
Cash equivalents	10 27,565,930	18,896,451	11,908,442

The notes on pages 20 to 25 form part of these unaudited 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 VCT plc is a public limited company incorporated in England, registration number 5153931. The registered office is 30 Haymarket, London, SW1Y 4EX.

### 2. Basis of preparation of the Financial Statements

These Financial Statements are prepared in accordance with accounting policies consistent with Financial Reporting Standard 102 ("FRS 102"), Financial Reporting Standard 104 ("FRS 104") - Interim Financial Reporting, with the Companies Act 2006 and the 2014 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP') (updated in October 2019) issued by the Association of Investment Companies ("AIC").

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

### 3. Principal accounting policies

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

### 4. Income

	Six months ended 30 June 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
Dividends	300,003	260,215	505,401
Money-market funds	61,670	81,840	151,532
Loan stock interest	2,393,778	1,196,940	2,161,352
Bank deposit interest	10,974	15,776	29,674
Interest on preference share dividend arrears	726	6,878	6,878
Other income	2,855	-	-
<b>Total Income</b>	<b>2,770,006</b>	<b>1,561,649</b>	<b>2,854,837</b>

### 5. Investment Adviser's fees

In accordance with the policy statement published under "Management and Administration" in the Company's prospectus dated 9 July 2004, the Directors have charged 75% of the Investment Adviser's fees to the capital reserve. This is in line with the Board's expectation of the long-term split of returns from the investment portfolio of the Company. For further details, see note 4a on page 52 of the 2019 Annual Report.

	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	214,035	201,020	406,306
Allocated to capital return: Investment Adviser's fees	642,106	603,058	1,218,918
<b>Total Income</b>	<b>856,141</b>	<b>804,078</b>	<b>1,625,224</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 £10 million under the 2017/18 Offer was reduced to 1% from 2% per annum, for one year.

## 6. Taxation

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

	Six months ended 30 June 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 profit for the period	380,390	(122,000)	258,390	171,952	(114,581)	57,371	293,485	(231,594)	61,891
<b>Total current tax charge/(credit)</b>	<b>380,390</b>	<b>(122,000)</b>	<b>258,390</b>	<b>171,952</b>	<b>(114,581)</b>	<b>57,371</b>	<b>293,485</b>	<b>(231,594)</b>	<b>61,891</b>
Corporation tax is based on a rate of 19.0% (2019: 19.0%)									
<b>b) Profit on ordinary activities before tax</b>	2,302,799	(1,429,283)	873,516	1,155,239	6,991,233	8,146,472	2,037,526	7,925,328	9,962,854
Profit on ordinary activities multiplied by rate of corporation tax in the UK of 19.0% (2019: 19.0%)	437,532	(271,564)	165,968	219,495	1,328,334	1,547,829	387,129	1,505,813	1,892,942
<b>Effect of:</b>									
UK dividends	(57,001)	-	(57,001)	(49,441)	-	(49,441)	(96,026)	-	(96,026)
Net investment portfolio losses/(gains) not allowable/(taxable)	-	149,564	149,564	-	(1,442,915)	(1,442,915)	-	(1,737,407)	(1,737,407)
Unrelieved expenditure	-	-	-	1,898	-	1,898	2,382	-	2,382
Over provision in prior period	(141)	-	(141)	-	-	-	-	-	-
<b>Actual current tax charge</b>	<b>380,390</b>	<b>(122,000)</b>	<b>258,390</b>	<b>171,952</b>	<b>(114,581)</b>	<b>57,371</b>	<b>293,485</b>	<b>(231,594)</b>	<b>61,891</b>

## 7. Basic and diluted earnings per share

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

	Six months ended 30 June 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
i) Total earnings after taxation	615,126	8,089,101	9,900,963
<b>Basic and diluted earnings per share (Note a)</b>	<b>0.49p</b>	<b>7.61p</b>	<b>9.36p</b>
ii) Revenue earnings from ordinary activities after taxation	1,922,409	983,287	1,744,041
<b>Basic and diluted revenue earnings per share (Note b)</b>	<b>1.54p</b>	<b>0.92p</b>	<b>1.65p</b>
Net investment portfolio (losses)/gains	(787,177)	7,594,291	9,144,246
Capital Investment Adviser's fees less taxation	(520,106)	(488,477)	(987,324)
iii) Total capital earnings	(1,307,283)	7,105,814	8,156,922
<b>Basic and diluted capital earnings per share (Note c)</b>	<b>(1.05)p</b>	<b>6.69p</b>	<b>7.71p</b>
iv) Weighted average number of shares in issue in the period	124,645,269	106,355,772	105,785,777

Notes:

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

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

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

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 June 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	17 May 2019	-	1,854,366	1,854,366
Final	Capital	2018	3.25p*	17 May 2019	-	3,443,823	3,443,822
Interim	Income	2019	1.50p	20 September 2019	-	-	1,584,854
Interim	Capital	2019	2.50p*	20 September 2019	-	-	2,641,423
Interim	Capital	2019	2.00p*	6 December 2019	-	-	2,098,280
Interim	Capital	2019	4.00p*	8 January 2020	4,181,060	-	-
Interim	Capital	2020	6.00p*	7 May 2020	7,665,588	-	-
					<b>11,846,648</b>	<b>5,298,189</b>	<b>11,622,745</b>

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

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

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments at "fair value through profit and loss" (FVTPL). All investments held by the Company are classified as FVTPL and 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, i.e. that the value of each portfolio company is considered as a whole, alongside consideration of:-

The price of new or follow on 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. The inputs that derived the investment price are calibrated within individual valuation models and at subsequent quarterly measurement dates are reconsidered for any changes in light of more recent events or changes in the market performance of the investee company. The valuation bases used are the following:

- a multiple basis. The enterprise value of the investment may be determined 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, a lack of marketability).

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.

Accounting standards classify methods of fair value measurement as Levels 1, 2 and 3. This hierarchy is based upon the reliability of information used to determine the valuation. All of the unquoted investments are Level 3, i.e. fair value is measured using 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

	Unquoted equity shares Level 3 £	Unquoted preference shares Level 3 £	Unquoted loan stock Level 3 £	Total £
Valuation at 1 January 2020	30,967,137	27,420	20,708,604	51,703,161
Purchases at cost	1,437,325	-	242,820	1,680,145
Sales - proceeds	(5,941,887)	-	(3,405,581)	(9,347,468)
Net realised gains/(losses) (Note a)	1,905,594	(302)	84,985	1,990,277
Net unrealised gains/(losses) on investments (Note a)	1,562,089	-	(4,339,543)	(2,777,454)
<b>Valuation at 30 June 2020</b>	<b>29,930,258</b>	<b>27,118</b>	<b>13,291,285</b>	<b>43,248,661</b>
Book cost at 30 June 2020	24,024,389	27,108	17,658,009	41,709,506
Permanent impairment in value of investments	(2,228,496)	(302)	-	(2,228,798)
Unrealised gains/(losses) at 30 June 2020	8,134,365	312	(4,366,724)	3,767,953
<b>Valuation at 30 June 2020</b>	<b>29,930,258</b>	<b>27,118</b>	<b>13,291,285</b>	<b>43,248,661</b>
<b>Gains on investments</b>				
Net realised gains/(losses) based on historical cost	4,162,412	(302)	2,366	4,164,476
Less amounts recognised as unrealised (gains)/losses in previous years	(2,256,818)	-	82,619	(2,174,199)
<b>Net realised gains/(losses) based on carrying value at 31 December 2019</b>	<b>1,905,594</b>	<b>(302)</b>	<b>84,985</b>	<b>1,990,277</b>
Net movement in unrealised gains/(losses) in the period	1,562,089	-	(4,339,543)	(2,777,454)
<b>Net investment portfolio gains/(losses) for the period ended 30 June 2020</b>	<b>3,467,683</b>	<b>(302)</b>	<b>(4,254,558)</b>	<b>(787,177)</b>

Note a) Net realised gains on investments of £1,990,277 together with net unrealised losses of £2,777,454 equal net investment portfolio losses of £787,177 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.

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) £
Multiple of earnings, revenue, or gross margin, as appropriate	41,503,626	45,494,032	48,600,751
Net asset value	1,409,041	163,390	125,484
Recent investment price	269,800	2,300,908	2,976,926
Estimated realisation proceeds	66,194	192,693	-
Recent investment price (reviewed for impairment)	-	145,005	-
<b>Total</b>	<b>43,248,661</b>	<b>48,296,028</b>	<b>51,703,161</b>



## 10. 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	27,565,930	18,896,451	11,908,442
Cash equivalents per Statement of Cash Flows	27,565,930	18,896,451	11,908,442
Bank deposits that mature after three months	1,004,913	1,005,658	1,005,682
<b>Current asset investments</b>	<b>28,570,843</b>	<b>19,902,109</b>	<b>12,914,124</b>
<b>Cash at bank</b>	<b>3,203,047</b>	<b>9,074,632</b>	<b>7,261,618</b>

## 11. Basic and diluted 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	£74,709,801	£77,128,994	£71,888,375
Number of shares in issue	126,919,084	105,656,926	104,526,507
<b>Basic and diluted net asset value per share (pence)</b>	<b>58.86p</b>	<b>73.00p</b>	<b>68.78p</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 £7.04 million.

On 1 September 2020, the Company invested a further £1.42 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 £1.98 million.

## 13. Financial statements for the period ended 30 June 2020

The 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 these Financial Statements and that report was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

## 14. Half-Year Report

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

# Shareholder Information

## Communication with Shareholders

We aim to communicate regularly with our Shareholders. The May annual general meeting provides 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, if practicable and circumstances allow, to give you the opportunity to meet your Directors and representatives of the Investment Adviser. The Company releases Interim Management Statements in respect of those quarters where it does not publish half or full year accounts.

The Investment Adviser usually holds an annual Shareholder event and is planning to hold a virtual event in the first quarter of 2021. Details will be notified to Shareholders once confirmed which will also be shown on the Company's website.

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

## Shareholder enquiries:

For any changes to your personal information, the Registrars can be contacted via their website [www.investorcentre.co.uk](http://www.investorcentre.co.uk), by post or by phone at: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, tel: 0370 707 1155.

To contact the Chairman or any member of the Board, please contact the Company Secretary, Mobeus Equity Partners LLP, in the first instance on 020 7024 7600 or by e-mail to [vcts@mobeus.co.uk](mailto:vcts@mobeus.co.uk).

## Financial calendar

September 2020	Announcement of the Company's Half-Year results and circulation of the Half-Year Report for the six months ended 30 June 2020 to Shareholders.
31 December 2020	Year-end.
Q1 2021	Virtual Shareholder Event (date to be announced)
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.

## 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 Company 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)

## Dividends

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

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

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

Tax legislation was introduced with effect from 1 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 and financial account information to HMRC on certain investors who purchase their shares including details of their shareholding and income from the shares. As an affected entity, the Company 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 shares are held in CREST, who are entered onto the share register from 1 January 2016 will be asked to provide the relevant information. Additionally, HMRC changed its policy position on FATCA in June 2016. We understand that this means, as a result of the restricted secondary market in VCT shares, the Company’s shares will not be considered to be “regularly traded”. This means the Company is also an affected entity for the purposes of this legislation and as such will have to provide information annually to HMRC relating to Shareholders who are resident for tax purposes in the United States.

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>.

## 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.

# Performance Data at 30 June 2020

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

Total return data, which includes cumulative dividends paid to date, is shown on both a share price and a NAV basis as at 30 June 2020. The NAV basis enables Shareholders to evaluate more clearly the performance of the Investment Adviser, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector.

## MIG VCT Fundraisings

Share price as at 30 June 2020 **50.50p<sup>1</sup>**

NAV per share as at 30 June 2020 **58.86p**

Allotment date(s)	Allotment price (p)	Net allotment price <sup>2</sup> (p)	Cumulative dividends paid per share <sup>3</sup> (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)
<b>Funds raised 2004/05</b>					
Between 5 October 2004 and 29 June 2005	100.00	60.00	134.80	185.30	193.66
<b>Funds raised 2011 (Linked offer)</b>					
21 January 2011	98.00	68.60	113.50	164.00	172.36
28 February 2011	102.30	71.61	113.50	164.00	172.36
22 March 2011	102.30	71.61	113.50	164.00	172.36
01 April 2011	102.30	71.61	113.50	164.00	172.36
05 April 2011	102.30	71.61	113.50	164.00	172.36
10 May 2011	100.60	70.42	113.50	164.00	172.36
06 July 2011	95.30	66.71	108.50	159.00	167.36
<b>Funds raised 2012 (Linked offer)</b>					
08 March 2012	101.20	70.84	108.00	158.50	166.86
04 April 2012	101.20	70.84	108.00	158.50	166.86
05 April 2012	101.20	70.84	108.00	158.50	166.86
10 May 2012	101.20	70.84	108.00	158.50	166.86
10 July 2012	95.50	66.85	101.75	152.25	160.61
<b>Funds raised 2013 (Linked offer)</b>					
14 January 2013	94.60	66.22	96.75	147.25	155.61
28 March 2013	97.40	68.18	96.75	147.25	155.61
04 April 2013	97.40	68.18	96.75	147.25	155.61
05 April 2013	97.40	68.18	96.75	147.25	155.61
10 April 2013 pre RDR <sup>4</sup>	99.80	69.86	96.75	147.25	155.61
10 April 2013 post RDR <sup>4</sup>	97.40	68.18	96.75	147.25	155.61
07 May 2013	95.40	66.78	94.75	145.25	153.61
<b>Funds raised 2014 (Linked offer)</b>					
09 January 2014	100.01 <sup>5</sup>	70.01	90.75	141.25	149.61
11 February 2014	100.28 <sup>5</sup>	70.20	90.75	141.25	149.61
31 March 2014	106.71 <sup>5</sup>	74.70	90.75	141.25	149.61
03 April 2014	107.19 <sup>5</sup>	75.03	90.75	141.25	149.61
04 April 2014	106.54 <sup>5</sup>	74.58	90.75	141.25	149.61
06 June 2014	108.50 <sup>5</sup>	75.95	87.50	138.00	146.36
<b>Funds raised 2015 (Joint offer)</b>					
14 January 2015	96.90 <sup>5</sup>	67.83	70.50	121.00	129.36
17 February 2015	98.37 <sup>5</sup>	68.86	70.50	121.00	129.36
10 March 2015	99.40 <sup>5</sup>	69.58	70.50	121.00	129.36
<b>Funds raised 2017 (Joint offer)</b>					
28 September 17	74.70 <sup>5</sup>	52.29	30.00	80.50	88.86
20 October 17	74.89 <sup>5</sup>	52.42	30.00	80.50	88.86
9 November 17	75.82 <sup>5</sup>	53.07	30.00	80.50	88.86
20 November 17	76.98 <sup>5</sup>	53.89	30.00	80.50	88.86
21 November 17	76.90 <sup>5</sup>	53.83	30.00	80.50	88.86
24 January 18	72.68 <sup>5</sup>	50.88	26.00	76.50	84.86
13 March 18	72.64 <sup>5</sup>	50.85	26.00	76.50	84.86
<b>Funds raised 2020 (Joint offer)</b>					
08 January 20	65.20 <sup>5</sup>	45.64	6.00	56.50	64.86
02 April 20	61.25 <sup>5</sup>	42.88	6.00	56.50	64.86

<sup>1</sup> - Source: Panmure Gordon & Co (mid-price basis), when the latest announced NAV was 52.78p, adjusted for a 6p dividend paid on 7 May 2020.

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

<sup>3</sup> - For derivation, see table on page 29.

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

<sup>5</sup> - Average effective offer price. Shares were allotted pursuant to the 2013/14, 2014/15, 2017/18 and 2019/20 Offers at individual prices for each investor in accordance with the allotment formula as set out in each Offer's Securities Note.

## MIG 3 VCT Fundraising

Share price as at 30 June 2020 **53.81p<sup>1</sup>**

NAV per share as at 30 June 2020 **62.72p**

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

Allotment date(s)	Allotment price (p)	Net allotment price <sup>2</sup> (p)	Cumulative dividends paid per share <sup>3</sup> (p)	Total return per share to Shareholders since allotment (Share price basis) (p)	(NAV basis) (p)
<b>Funds raised 2006<sup>3</sup></b>					
Between 24 January 2006 and 5 April 2006	100.00	<b>60.00</b>	130.48	<b>184.29</b>	<b>193.20</b>

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

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

<sup>3</sup> - For derivation, see table below.

## Cumulative dividends paid

Payment date	2004 (MIG VCT) (p)	2006 (MIG 3 VCT) (p)	2011 (Linked offer) (p)	2012 (Linked offer) (p)	2013 (Linked offer) (p)	2014 (Linked offer) (p)	2015 (Joint offer) (p)	2017 (Joint offer) (p)	2020 (Joint offer) (p)
27 September 2005	0.30								
16 May 2006	0.70								
14 September 2006	0.80								
18 May 2007	1.40	1.25							
20 September 2007	1.00	1.00							
21 May 2008	7.80	1.50							
11 September 2008	3.30	1.00							
15 May 2009	1.00	0.80							
21 April 2010	5.00	4.00							
<b>20 May 2010 Merger of MIG VCT and MIG 3 VCT</b>									
27 May 2011	5.00	5.33 <sup>1</sup>	5.00						
15 September 2011	0.50	0.53 <sup>1</sup>	0.50						
22 May 2012	6.25	6.66 <sup>1</sup>	6.25	6.25					
20 September 2012	5.00	5.33 <sup>1</sup>	5.00	5.00					
15 May 2013	2.00	2.13 <sup>1</sup>	2.00	2.00	2.00				
18 September 2013	4.00	4.26 <sup>1</sup>	4.00	4.00	4.00				
14 May 2014	3.25	3.46 <sup>1</sup>	3.25	3.25	3.25	3.25			
17 September 2014	17.00	18.11 <sup>1</sup>	17.00	17.00	17.00	17.00			
30 April 2015	7.00	7.46 <sup>1</sup>	7.00	7.00	7.00	7.00	7.00		
17 September 2015	3.00	3.20 <sup>1</sup>	3.00	3.00	3.00	3.00	3.00		
31 May 2016	7.00	7.46 <sup>1</sup>	7.00	7.00	7.00	7.00	7.00		
20 September 2016	8.50	9.06 <sup>1</sup>	8.50	8.50	8.50	8.50	8.50		
31 March 2017	6.00	6.39 <sup>1</sup>	6.00	6.00	6.00	6.00	6.00		
13 September 2017	9.00	9.59 <sup>1</sup>	9.00	9.00	9.00	9.00	9.00		
08 December 2017	4.00	4.26 <sup>1</sup>	4.00	4.00	4.00	4.00	4.00	4.00	
17 May 2018	3.00	3.20 <sup>1</sup>	3.00	3.00	3.00	3.00	3.00	3.00	
21 September 2018	2.00	2.13 <sup>1</sup>	2.00	2.00	2.00	2.00	2.00	2.00	
17 May 2019	5.00	5.33 <sup>1</sup>	5.00	5.00	5.00	5.00	5.00	5.00	
20 September 2019	4.00	4.26 <sup>1</sup>	4.00	4.00	4.00	4.00	4.00	4.00	
06 December 2019	2.00	2.13 <sup>1</sup>	2.00	2.00	2.00	2.00	2.00	2.00	
08 January 2020	4.00	4.26 <sup>1</sup>	4.00	4.00	4.00	4.00	4.00	4.00	
07 May 2020	6.00	6.39 <sup>1</sup>	6.00	6.00	6.00	6.00	6.00	6.00	6.00
<b>Total dividends paid<sup>2</sup></b>	<b>134.80</b>	<b>130.48</b>	<b>113.50</b>	<b>108.00</b>	<b>96.75</b>	<b>90.75</b>	<b>70.50</b>	<b>30.00</b>	<b>6.00</b>

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

<sup>2</sup> - The above data relates to an investor in the first allotment of each fundraising. The precise amount of dividends paid to Shareholders by date of allotment is shown on page 28 and above.

# 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 as part of the Performance data appendix on pages 28 and 29. Dividends paid in the period/year and dividends paid in respect of a 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) both at the end date of a period under review, plus cumulative dividends paid up to that end date since launch in October 2004.

## Internal Rate of Return (“IRR”) (APM)

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. 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 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 believe that this is the most meaningful method for Shareholders to assess the investment 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 gain/(loss) 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

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Clive Boothman  
Bridget Guérin  
Catherine Wall

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