

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

Unaudited Half-Year Report  
for the six months ended 30 June 2019



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

## Company Objective

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

## Contents

Financial Highlights	1
Chairman’s Statement	2
Investment Policy	4
Summary of VCT Regulation	4
Investment Review	5
Investment Portfolio Summary	8
Statement of Directors’ Responsibilities	11
Unaudited Condensed Financial Statements	12
Notes to the Unaudited Condensed Financial Statements	18
Shareholder Information	24
Corporate Information	26

### YOUR PRIVACY

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

# Financial Highlights

Results for the six months ended 30 June 2019

As at 30 June 2019:

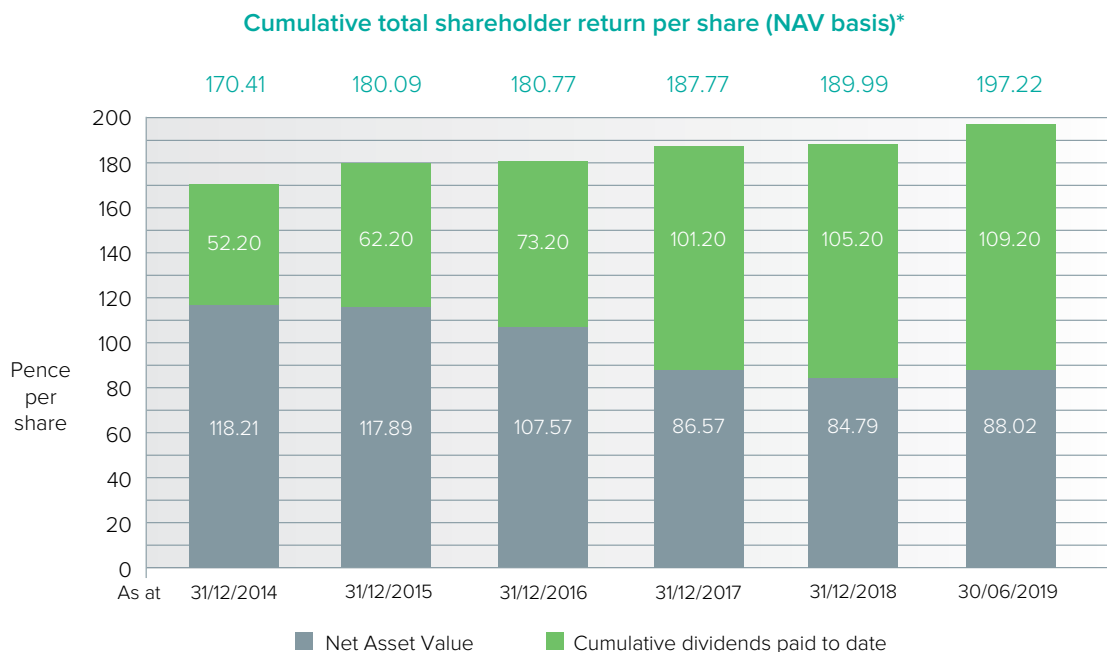
Net assets: £59.50 million

Net asset value (“NAV”) per share: 88.02 pence

- Net asset value (“NAV”) total return per share was 8.5% for the six months.
- Share price total return per share was 5.3% for the six months.
- The Company has declared an interim dividend in respect of the current year of 13.00 pence per share, to be paid to shareholders on 20 September 2019.
- The Company realised investments for a total of £6.82 million, a gain of £1.52 million for the six months.
- The Company invested £1.79 million into two new growth capital investments.

## Performance Summary

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



The chart above shows the recent past performance of the original funds raised in 1999. The original subscription price was 200p per share before the benefit of income tax relief. Subscription prices from subsequent fundraisings and historic performance data from 2008 are shown in the Investor Performance at 30 June 2019 on the Company’s website at: [www.mig4vct.co.uk](http://www.mig4vct.co.uk), where they can be accessed by clicking on “table” under “Reviewing the performance of your investment” on the home page.

On 31 July 2006, Mobeus became sole Investment Adviser to the Company. The cumulative NAV total return at this date was 122.51 pence.

# Chairman's Statement

I am pleased to present the Company's Half Year Report for the six months ended 30 June 2019.

## Overview

The half-year has again seen good progress and a positive return for the period. This is detailed in the Performance and the Investment Portfolio sections of my statement below.

During the period under review, the Company achieved two profitable realisations and made two new growth capital investments. Sixteen growth capital investments have now been completed since the 2015 VCT Rule change totalling £15.09 million.

The Investment Adviser continues to report an interesting pipeline of growth capital opportunities. Meanwhile, the existing more mature portfolio constructed under the previous rules continues to provide a healthy income yield.

## Performance

The Company's NAV total return per share was 8.5% for the six months to 30 June 2019 (2018: 0.6%). The total share price return was 5.3% (2018: 2.6%). At 30 June 2019, and before taking into account this half year result, your Company was ranked 19th out of 40 generalist VCTs, over the last five years, in the Association of Investment Companies' ("AIC") analysis of NAV Cumulative Total Return for each VCT.

## Dividends

On 28 May 2019, following shareholder approval at the annual general meeting, the Company paid a final dividend of 4.00 pence per ordinary share, in respect of the financial year ended 31 December 2018.

After taking into account the availability of surplus revenue, the realisation of capital gains, the adequacy of distributable reserves, cash flow forecasts and the need to maintain VCT qualifying ratios, the Board is pleased to declare an interim dividend of 13.00 pence per share in respect of the current financial year. This dividend will be payable to shareholders, whose names appear on the register on 23 August 2019, on 20 September 2019.

The Company's target of paying a dividend of at least 4.00 pence per share in respect of each financial year has been reached or exceeded in each of the last nine years. While the Board has not

changed the dividend target, ordinary dividend payments are more likely to be volatile and, at least over the medium-term, may be lower than have been paid in the recent past.

## Investment portfolio

The portfolio has performed well during the period, increasing in value by 12.7% (2018: 0.8%) of the opening value. The portfolio achieved a net increase of £3.08 million in unrealised gains and £1.52 million in realised gains over the six-month period. The portfolio was valued at £36.09 million at the period-end (31 December 2018: £36.30 million).

During the six-months under review, the Company invested a total of £1.79 million (2018: £3.06 million) into two (2018: three new, three follow-on) new businesses: Arkk Consulting, a regulatory and reporting requirement service provider; and Parsley Box, a supplier of home delivered ambient ready meals for the elderly.

Shortly after the period end, a follow-on investment of £0.45 million was made into existing portfolio company MPB Group, which is a leading online marketplace for used camera and video equipment. The investment was part of a £9.00 million funding round led by Acton Capital at a higher valuation which reflects the considerable growth already achieved by this business as well as its future growth potential.

The Company also realised its investments in Plastic Surgeon and ASL Technology during the six months under review. £1.38 million was received from the realisation of Plastic Surgeon, generating a gain of £0.39 million in the period and contributing to a multiple on cost of 5.6x over the life of the investment, and £3.40 million was received from the realisation of ASL Technology, generating a gain of £1.08 million and a multiple on cost of 2.2x.

The Company also received cash proceeds of £2.04 million during the period, comprising a part disposal of Master Removers Group generating £0.39 million, loan stock repayments from investee companies of £1.35 million, deferred consideration of £0.25 million arising from realisations which occurred in a previous year and preference share repurchases of £0.05 million.

Details of this investment activity and the performance of the portfolio are contained in the Investment Review on page 5 and the Investment Portfolio Summary on pages 8 to 10.

## Planned fundraising

As announced recently, the Board intends to launch offers for subscription for new ordinary shares in the 2019/20 tax year. The Board expects to convene a general meeting of shareholders to seek the necessary authority to allot shares and disapply pre-emption rights in connection with the fundraising and will send shareholders a circular in September confirming the amount to be raised and the purposes for which the funds will be used.

If shareholder approval is obtained, the Board expects to be in a position to launch the offer for subscription in October, full details of which will be contained in the prospectus that will be sent to all registered shareholders.

## Share buy-backs

During the six months under review, the Company bought back and cancelled 678,262 of its own shares, representing 1.0% (2018: 0.9%) of the shares in issue at the beginning of the period, at a total cost of £0.51 million (2018: £0.46 million) inclusive of expenses.

With effect from 1 August 2019, the Board changed its share buyback policy objective of maintaining the discount to NAV at which the Company's shares may trade in the market from approximately 10% or less, to approximately 5% or less.

In pursuing this policy, the Board's priority will remain to ensure that it is acting prudently and in the interests of the remaining shareholders of the Company. Share buybacks will continue to be entirely at the Board's discretion and will be subject to the Company having sufficient funds and distributable reserves available for such a purpose. They will also continue to be subject to prevailing market conditions, the Listing Rules and any applicable law and regulatory restrictions at the relevant time. Shares bought back in the market will ordinarily be cancelled.

## Dividend Investment Scheme

The Board has the operation of the Dividend Investment Scheme ("the Scheme"), which is presently suspended, under review.

It expects to conclude this review and announce a decision in respect of the Scheme before the next AGM in May 2020.

## Liquidity

Cash or near cash resources held by the Company as at 30 June 2019 was £23.53 million or 39.6% of net assets. After the period end, following the investment into MPB and the payment of the interim dividend in September 2019, the pro forma level of liquidity will be £14.30 million or 28.2% of net assets.

## Shareholder communications

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

The Investment Adviser held its most recent annual Shareholder Event in February 2019 which, from the feedback submitted, was well received by shareholders. The event included presentations on the investment activity and performance of all the Mobeus VCTs. I would like to thank those shareholders who attended for helping to make it a success. The next event will take place in February 2020 and shareholders will be sent further details and an invitation nearer the time.

## The Board

Following nearly nine years of service, Andrew Robson decided to resign from the Board at the last AGM. Again, we are all indebted to Andrew for his very significant contributions during his tenure as a Director. The Board is pleased to welcome the appointment of Graham Paterson, an experienced investment and financial services professional, to the Board; he has also taken up the position of Chair of the Audit Committee. In line with the Board's succession planning arrangements, the process of identifying a chairperson to take over from me is now under way.

## Outlook

Your Board considers that your Company is well positioned, with the portfolio being comprised of a strong foundation of more mature investments providing an income return, and a younger, growth capital portfolio of early stage companies seeking to achieve scale. The result achieved during the period reflects growth and valuation increases in both elements of the portfolio, underpinned by two profitable realisations.

The growth capital investment market is active. It is worth noting that the amount of capital available for investment in this sector is substantial. This is causing increased competition and higher entry valuations for the most attractive investment opportunities.

The Board and Investment Adviser have carried out an analysis of the possible impact of Brexit on the investment portfolio. The portfolio as a whole is predominantly UK centric and the greatest risk from Brexit is from the broader impact on the UK economy caused by delay and uncertainty. Some value impact is possible; but in the longer-term good companies will survive and grow. Mobeus believes that the portfolio companies have appropriate plans in place and are as well prepared for Brexit as they can be at this point.

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

**Christopher Moore**  
*Chairman*

8 August 2019

# Investment Policy

The investment policy is designed to meet the Company's objective.

## Investments

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

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

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

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

## Liquidity

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

## Borrowing

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

# Summary of VCT Regulation

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

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

- the Company must hold at least 70%<sup>1</sup>, by VCT tax value<sup>2</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)<sup>3</sup>;
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company's shares must be listed on a regulated European stock market;
- non-qualifying investments can no longer be made, except for certain exemptions in managing the Company's short-term liquidity; and
- VCTs are now required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of the accounting period.

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

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and 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;
- 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> For the Company's accounting periods beginning on or after 1 January 2020, this percentage will increase to 80%.

<sup>2</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 8 to 10.

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

# Investment Review

Demand for growth capital investment remains strong and there is a significant pipeline of investment opportunities. It is expected that the current pace and quantum of new and follow-on investments will continue in the short to medium-term.

## Portfolio review

The portfolio's activity in the six months to 30 June 2019 is summarised as follows:

	2019 £m	2018 £m
Opening portfolio value	36.52*	31.48
New and follow-on investments	1.79	3.06
Disposal proceeds	(6.82)	(0.42)
Net realised gains	1.52	0.14
Valuation movements	3.08	0.12
<b>Portfolio value at 30 June</b>	<b>36.09</b>	<b>34.38</b>

\* Adjusted for deferred consideration recognised in previous period.

The six months to 30 June 2019 has seen further good progress. The Company made two new growth capital investments of £1.12 million into Arkk Consulting and £0.67 million into Parsley Box. Arkk Consulting is a regulatory and reporting requirement service and product provider and Parsley Box is a supplier of home delivered ambient ready meals for the elderly.

The Company also realised its investments in Plastic Surgeon and ASL Technology during the period, receiving a total of £4.78 million, which contributed to total receipts of £6.82 million during the period, in proceeds from these realisations.

The investment and divestment activity during the period has increased the proportion of the portfolio comprised of all growth capital investments by value to 62.0% at the period end (including AIM and Legacy).

At the period end, the value of the growth portfolio is £22.42 million (current cost: £18.41 million). Shareholders should note that these figures include investments that are growth in nature, but were made before the new VCT regulations in 2015.

After the period end, the Company invested £0.45 million into MPB Group, an existing portfolio company. MPB is Europe's leading online marketplace for used camera and video equipment and has more than doubled revenue every

year since your Company invested in 2016. This brings the total invested in those growth capital investments made since the introduction of the new VCT regulations in 2015 to £15.54 million.

The portfolio's contribution to the overall results of the VCT is summarised as follows:

Investment Portfolio Capital Movement	2019 £m	2018 £m
Increase in the value of unrealised investments	4.63	2.73
Decrease in the value of unrealised investments	(1.55)	(2.61)
<b>Net increase in the value of unrealised investments</b>	<b>3.08</b>	<b>0.12</b>
Realised gains	1.52	0.14
Realised losses	-	-
<b>Net realised gains in the period</b>	<b>1.52</b>	<b>0.14</b>
<b>Net investment portfolio movement in the period</b>	<b>4.60</b>	<b>0.26</b>

## Valuation changes of portfolio investments still held

The principal contributors to the valuation increases of £4.63 million were Auction Technology Group: £1.08 million; MPB Group: £0.89 million and Proactive Group: £0.84 million.

Auction Technology Group, which the VCT part realised in 2014, is trading well ahead of budget with growth showing in all areas of its business. MPB Group has grown its revenues substantially and, in July, secured a £9.00 million further investment at a higher valuation, of which £2.00 million was provided by the Mobeus-advised VCTs. Proactive Group is focusing on achieving scale through its revenues and is expected to become profitable in the near future.

A small number of new growth investments have shown initial uplifts from cost, due in large part to the structure of the Company's investment, but, in some cases, also due to the underlying investee company's performance.

The main reductions within total valuation decreases of £(1.55) million, were Bourn Bioscience £(0.44) million; Wetsuit Outlet £(0.37) million and SuperCarers £(0.24) million. Bourn has now opened its new facility in Essex but this will take time to reach normal trading levels. Over the medium-term the

company has a strong brand and retains a strategic position in its markets. Wetsuit Outlet continues to have a disappointing period post investment, although it is anticipated that measures recently implemented to restore margins will soon begin to improve profitability. SuperCarers is performing behind plan and in response is undertaking a restructure of its cost base.

## Realised gains and deferred consideration receipts

The Company realised its investments in ASL Technology and Plastic Surgeon during the period under review, generating gains in the period of £1.08 million and £0.39 million respectively from these realisations. These contributed to a multiple of original cost of 2.2x for ASL Technology and 5.6x for Plastic Surgeon over the life of the investments. The Company also made a part disposal of Master Removers Group realising £0.39 million proceeds and a gain of £0.03 million. Finally, the Company received a gain from deferred consideration receipts of £0.02 million arising from disposals in a previous year.

## Investment portfolio yield and capital repayments

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

Investment Portfolio Yield	2019 £m	2018 £m
Interest receivable in the period	0.98	0.83
Dividends receivable in the period	0.07	0.11
<b>Total portfolio income in the period<sup>1</sup></b>	<b>1.05</b>	<b>0.94</b>
<b>Portfolio value at 30 June</b>	<b>36.09</b>	<b>34.38</b>
<b>Portfolio Income Yield (Income as a % of Portfolio value at 30 June)</b>	<b>2.9%</b>	<b>2.7%</b>

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

In addition to realisation proceeds and deferred consideration receipts outlined earlier, the Company also received loan stock repayments of £1.35 million (as the investments in the five companies preparing to trade repaid the final loan stock sums still payable), and preference share repurchases of £0.05 million, both at cost.


# Investment Review

## New investments in the half year

The Company made two new investments totalling £1.79 million during the period, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Arkk Consulting	Regulatory and reporting requirement service provider	May 2019	1.12


Arkk Consulting (trading as Arkk Solutions) provides services and software to enable organisations to remain compliant with regulatory reporting requirements. Arkk was established in 2009 and currently has over 800 clients across 20 countries. These include more than 80 of the FTSE 350, and half of the largest 20 accountancy firms in the UK. The investment will build on Arkk's reputation and customer base, to target the cloud based period end reporting market by building the sales and marketing team. The company's audited accounts for the year ended 31 December 2017 show turnover of £3.18 million and a profit before interest, tax and amortisation of goodwill of £0.52 million.

	Parsley Box	Home delivered ambient ready meals for the elderly	May 2019	0.67
---	-------------	--	----------	------

Parsley Box is a UK direct to consumer supplier of home delivered ambient ready meals for the elderly. Founded in 2017, Parsley Box has grown rapidly and has developed a unique meal delivery solution for its customers. The company supplies a diverse range of ambient meals via next day delivery which are easy to store and aim to contribute to a more independent and healthier lifestyle. The investment will scale the company's marketing strategy, enable it to process larger order volumes and continue to build out its team. The company's unaudited accounts for the period ended 31 March 2018 show revenues of £0.25 million and a loss before interest, tax and amortisation of goodwill of £(0.21) million.

## 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
	Plastic Surgeon	Supplier of snagging and finishing services	April 2008 to May 2019	£2.56 million 5.6 times cost

The Company sold its remaining investment in Plastic Surgeon to Polygon Group for £1.38 million. Over the eleven years this investment was held, it generated proceeds of £2.56 million compared to an original investment cost of £0.46 million, which is a multiple on cost of 5.6x and an IRR of 20.5%


	ASL Technology	Printer and photocopier services	December 2010 to June 2019	£4.22 million 2.2 times cost
---	----------------	----------------------------------	----------------------------	---------------------------------

The Company sold its investment in ASL Technology for £3.40 million. Over the eight and a half years this investment was held, it generated proceeds of £4.22 million compared to an original investment cost of £1.93 million, which is a multiple on cost of 2.2x and an IRR of 12.6%



### Follow-on investment in existing portfolio company after the period-end

After the period-end, the Company made one follow-on investment of £0.45 million into an existing portfolio company, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	MPB Group	Online marketplace for used camera and video equipment	July 2019	0.45

MPB is Europe's leading online marketplace for used camera and video equipment. Based in Brighton, its custom-designed pricing technology enables MPB to offer both buy and sell services through the same platform and offers a one-stop shop for all its customers. Having expanded into the US (opening a New York office) and German markets as part of the initial VCT investment round, this follow-on investment, alongside funds provided by two other third-party investors, is to support its continued growth plan. Having doubled its sales over the prior year, this investment will help drive the company's objective to create a £100m+ revenue, internationally diverse and profitable re-commerce business. The company's latest audited accounts for the year ended 31 March 2018 show turnover of £21.71 million and a loss before interest, tax and amortisation of goodwill of £(2.00) million.

#### Mobius Equity Partners LLP

*Investment Adviser*

8 August 2019

# Investment Portfolio Summary

at 30 June 2019

	Total cost at 30 June 2019 £	Total valuation at 31 December 2018 £	Total valuation at 30 June 2019 £	% of equity held	% of portfolio by value
<b>Mobeus Equity Partners LLP</b>					
<b>Tovey Management Limited (trading as Access IS)</b> Provider of data capture and scanning hardware	2,469,013	3,013,724	2,987,545	9.7%	8.3%
<b>Preservica Limited</b> Seller of proprietary digital archiving software	1,585,773	2,082,403	2,361,166	11.0%	6.5%
<b>Turner Topco Limited (trading as Auction Technology Group)</b> SaaS based online auction market place platform	1,529,075	1,255,082	2,333,016	3.8%	6.5%
<b>MPB Group Limited</b> Online marketplace for photographic and video equipment	1,032,187	1,402,016	2,294,789	5.6%	6.4%
<b>Virgin Wines Holding Company Limited</b> Online wine retailer	1,930,813	2,372,306	2,214,938	9.7%	6.1%
<b>Pattern Analytics Limited (trading as Biosite)</b> Workforce management and security services for the construction industry	1,338,539	1,978,710	2,057,804	5.6%	5.7%
<b>EOTH Limited (trading as Equip Outdoor Technologies)</b> Branded outdoor equipment and clothing	951,471	1,976,902	2,054,474	1.7%	5.7%
<b>Media Business Insight Holdings Limited</b> A publishing and events business focussed on the creative production industries	2,722,760	1,871,714	2,003,810	15.7%	5.6%
<b>Proactive Group Holdings Inc</b> Provider of media services and investor conferences for companies primarily listed on secondary public markets	755,340	1,060,873	1,900,421	2.6%	5.3%
<b>Vian Marketing Limited (trading as Red Paddle Co)</b> Design, manufacture and sale of stand-up paddleboards and windsurfing sails	899,074	1,378,902	1,509,800	7.1%	4.2%
<b>CGI Creative Graphics International Limited</b> Vinyl graphics to global automotive, recreation vehicle and aerospace markets	1,449,746	1,439,959	1,439,959	6.3%	4.0%
<b>Master Removers Group 2019 Limited (formerly Master Removers Group) (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man &amp; Van)</b> A specialist logistics, storage and removals business	348,641	1,426,419	1,322,817	7.2%	3.7%
<b>My TutorWeb Limited</b> Digital marketplace connecting school pupils seeking one to one online tutoring	1,307,644	1,307,644	1,307,644	7.2%	3.5%
<b>Manufacturing Services Investment Limited (trading as Wetsuit Outlet)</b> Online retailer in the water sports market	2,333,102	1,651,280	1,278,483	6.4%	3.5%
<b>Tharstern Group Limited</b> Software based management information systems to the print sector	1,091,886	1,070,871	1,151,406	12.2%	3.2%
<b>Arkk Consulting Limited</b> Regulatory and reporting requirement service provider	1,118,490	-	1,118,490	7.5%	3.1%
<b>Ibericos Etc. Limited (trading as Tapas Revolution)</b> Spanish restaurant chain	1,044,869	1,135,102	1,002,228	5.8%	2.8%
<b>Buster and Punch Holdings Limited</b> Industrial inspired lighting and interiors retailer	530,392	687,347	858,247	4.5%	2.4%
<b>Rota Geek Limited</b> Workforce management software	437,000	685,092	690,921	3.7%	1.9%
<b>Parsley Box Limited</b> Home delivered ambient ready meals for the elderly	668,400	-	668,400	5.6%	1.9%

Green Growth focussed portfolio<sup>3</sup>

Blue MBO focussed portfolio<sup>3</sup>

	Total cost at 30 June 2019 £	Total valuation at 31 December 2018 £	Total valuation at 30 June 2019 £	% of equity held	% of portfolio by value
<b>Mobeus Equity Partners LLP</b>					
<b>Kudos Innovations Limited</b> Online platform that provides and promotes research dissemination	328,950	328,950	657,900	3.2%	1.7%
<b>RDL Corporation Limited</b> Recruitment consultants within the pharmaceutical, business intelligence and IT industries	1,000,000	478,719	577,788	9.1%	1.6%
<b>Vectair Holdings Limited</b> Designer and distributor of washroom products	24,732	360,155	421,537	2.1%	1.2%
<b>Redline Worldwide Limited</b> Provider of security services to the aviation industry and other sectors	838,377	521,616	417,340	6.7%	1.2%
<b>Blaze Signs Holdings Limited</b> Manufacturer and installer of signs	190,631	286,967	280,451	5.7%	0.8%
<b>Bourn Bioscience Limited</b> Management of In-vitro fertilisation clinics	1,132,521	687,046	250,863	7.7%	0.7%
<b>BookingTek Limited</b> Direct booking software for hotels	652,137	163,034	163,009	3.5%	0.5%
<b>Omega Diagnostics Group plc<sup>1</sup></b> In-vitro diagnostics for food intolerance, auto-immune diseases and infectious diseases	200,028	208,344	161,675	1.3%	0.4%
<b>Veritek Global Holdings Limited</b> Maintenance of imaging equipment	1,620,086	9,953	132,707	11.9%	0.4%
<b>Jablite Holdings Limited</b> Manufacturer of expanded polystyrene products	376,083	122,422	122,422	9.1%	0.3%
<b>Super Carers Limited</b> Online platform that connects people seeking home care from experienced independent carers	485,730	364,298	121,432	4.3%	0.3%
<b>BG Training Limited</b> City-based provider of specialist technical training	10,625	5,313	5,313	0.0%	0.0%
<b>Hollydale Management Limited<sup>2</sup></b> Company was seeking to carry on a business in the food industry	438,200	438,200	-	11.0%	0.0%
<b>Backhouse Management Limited<sup>2</sup></b> Company was seeking to carry on a business in the motor sector	453,600	226,800	-	11.3%	0.0%
<b>Barham Consulting Limited<sup>2</sup></b> Company was seeking to carry on a business in the catering sector	453,600	226,800	-	11.3%	0.0%
<b>Creasy Marketing Services Limited<sup>2</sup></b> Company was seeking to carry on a business in the textile sector	453,600	226,800	-	11.3%	0.0%
<b>McGrigor Management Limited<sup>2</sup></b> Company was seeking to carry on a business in the pharmaceutical sector	453,600	226,800	-	11.3%	0.0%
<b>Racoon International Group Limited</b> Supplier of hair extensions, hair care products and training	484,347	-	-	0.0%	0.0%
<b>CB Imports Group Limited (trading as Country Baskets)</b> Importer and distributor of artificial flowers, floral sundries and home decor products	175,000	-	-	5.8%	0.0%
<b>H Realisations (2018) Limited (formerly Hemmels Limited) (In liquidation)</b> Company specialising in the sourcing, restoration, selling and servicing of high price, classic cars	23,250	-	-	0.0%	0.0%

Green Growth focussed portfolio<sup>3</sup>

Blue MBO focussed portfolio<sup>3</sup>

# Investment Portfolio Summary

at 30 June 2019

	Total cost at 30 June 2019 £	Total valuation at 31 December 2018 £	Total valuation at 30 June 2019 £	% of equity held	% of portfolio by value
<b>Mobeus Equity Partners LLP</b>					
<b>Disposals in period</b>					
<b>The Plastic Surgeon Holdings Limited (formerly TPSFF Holdings Limited)</b> Supplier of snagging and finishing services to the domestic and commercial property markets	-	1,046,666	-	0.0%	0.0%
<b>ASL Technology Holdings Limited</b> Printer and photocopier services	-	2,327,966	-	0.0%	0.0%
<b>Total</b>	<b>35,339,312</b>	<b>36,053,195</b>	<b>35,868,795</b>		<b>99.4%</b>
<b>Former Elderstreet Private Equity Limited Portfolio</b>					
<b>Cashfac Limited</b> Provider of virtual banking application software solutions to corporate customers	260,101	245,465	223,941	2.9%	0.6%
<b>Sift Group Limited</b> Developer of business-to-business internet communities	135,391	-	-	1.3%	0.0%
<b>Total</b>	<b>395,492</b>	<b>245,465</b>	<b>223,941</b>		<b>0.6%</b>
<b>Total Investment Portfolio</b>	<b>35,734,804</b>	<b>36,298,660</b>	<b>36,092,736</b>		<b>100.0%</b>
<b>Total Investment Portfolio split by type</b>					
<b>Growth focussed portfolio<sup>3</sup></b>	<b>18,407,407</b>	<b>19,291,443</b>	<b>22,421,844</b>		<b>62.0%</b>
<b>MBO focussed portfolio<sup>3</sup></b>	<b>17,327,397</b>	<b>17,007,217</b>	<b>13,670,892</b>		<b>38.0%</b>
	<b>35,734,804</b>	<b>36,298,660</b>	<b>36,092,736</b>		<b>100.0%</b>

Green Growth focussed portfolio<sup>3</sup>

Blue MBO focussed portfolio<sup>3</sup>

## Notes

1 - Quoted on AIM.

2 - An application to strike off each of these companies from the Register of Companies has been applied for, as each has been unable to identify suitable opportunities in which to invest.

3 - The Growth focussed portfolio contains all investments made after the change in the VCT regulations in 2015 plus some investments that are growth in nature made before this date. The MBO focussed portfolio contains investments made prior to 2015 as part of the previous MBO strategy and also includes five companies preparing to trade (see note 2 above).

# Statement of the Directors' Responsibilities

## Responsibility statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Christopher Moore (Chairman), Graham Paterson (Chairman of the Audit Committee and Nomination and Remuneration Committee) and Helen Sinclair (Chairman of the Investment Committee), being the Directors of the Company confirm that to the best of their knowledge:

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

## Principal Risks and Uncertainties

In accordance with DTR 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed from those identified in the Annual Report and Financial Statements for the year ended 31 December 2018 ("the Annual Report").

The principal risks faced by the Company are:

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

A detailed explanation of the principal risks can be found in the Annual Report on pages 25 and 26 and in Note 15 on pages 62 to 69 of the Annual Report and Financial Statements for the year ended 31 December 2018, copies of which are available on the Investment Adviser's website, [www.mobeus.co.uk](http://www.mobeus.co.uk) or by going directly to the VCT's website, [www.mig4vct.co.uk](http://www.mig4vct.co.uk).

## Going Concern

The Board has assessed the Company's operation as a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Half-Year Management Report. The Directors have satisfied themselves that the Company continues

to maintain an adequate cash position. The majority of companies in the portfolio are well funded and the portfolio taken as a whole remains resilient and well-diversified. The major cash outflows of the Company (namely investments, buybacks and dividends) are within the Company's control.

The Board's assessment of liquidity risk and details of the Company's policies for managing its financial risks and capital are shown in Note 15 on pages 62 to 69 of the Annual Report and Financial Statements for the year ended 31 December 2018. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the half-year report and annual financial statements.

## Cautionary Statement

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

On behalf of the Board

**Christopher Moore**  
*Chairman*

8 August 2019

# Unaudited Condensed Income Statement

for the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised gains on investments held at fair value	9	-	3,083,824	3,083,824
Realised gains/(losses) on investments held at fair value	9	-	1,518,499	1,518,499
Income	4	1,110,499	-	1,110,499
Investment Adviser's fees	5	(156,858)	(470,574)	(627,432)
Other expenses		(214,353)	-	(214,353)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>739,288</b>	<b>4,131,749</b>	<b>4,871,037</b>
Tax on profit/(loss) on ordinary activities	6	(129,463)	89,409	(40,054)
<b>Profit/(loss) and total comprehensive income</b>		<b>609,825</b>	<b>4,221,158</b>	<b>4,830,983</b>
<b>Basic and diluted earnings per ordinary share</b>	7	<b>0.90p</b>	<b>6.20p</b>	<b>7.10p</b>

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

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

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

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

Six months ended 30 June 2018 (unaudited)			Year ended 31 December 2018 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
-	123,530	123,530	-	1,294,148	1,294,148
-	139,762	139,762	-	(363,572)	(363,572)
1,004,281	-	1,004,281	2,263,918	-	2,263,918
(157,985)	(473,954)	(631,939)	(311,111)	(933,333)	(1,244,444)
(213,555)	-	(213,555)	(378,431)	-	(378,431)
632,741	(210,662)	422,079	1,574,376	(2,757)	1,571,619
(98,956)	90,052	(8,904)	(243,837)	177,334	(66,503)
<b>533,785</b>	<b>(120,610)</b>	<b>413,175</b>	<b>1,330,539</b>	<b>174,577</b>	<b>1,505,116</b>
<b>0.78p</b>	<b>(0.18)p</b>	<b>0.60p</b>	<b>1.95p</b>	<b>0.25p</b>	<b>2.20p</b>

# Unaudited Condensed Balance Sheet

as at 30 June 2019

	Notes	30 June 2019 (unaudited) £	30 June 2018 (unaudited) £	31 December 2018 (audited) £
<b>Fixed assets</b>				
Investments at fair value	9	36,092,736	34,379,152	36,298,660
<b>Current assets</b>				
Debtors and prepayments		210,928	181,149	529,190
Current asset investments	10	16,875,554	20,410,681	18,830,389
Cash at bank	10	6,658,998	2,608,920	2,541,058
		23,745,480	23,200,750	21,900,637
<b>Creditors: amounts falling due within one year</b>		(335,763)	(365,729)	(303,513)
<b>Net current assets</b>		23,409,717	22,835,021	21,597,124
<b>Net assets</b>		<b>59,502,453</b>	<b>57,214,173</b>	<b>57,895,784</b>
<b>Capital and reserves</b>				
Called up share capital		676,047	688,365	682,830
Share premium reserve		31,474,977	31,474,978	31,474,977
Capital redemption reserve		33,040	20,722	26,257
Revaluation reserve		3,118,129	612,630	1,848,472
Special distributable reserve		12,367,414	16,436,383	14,784,518
Realised capital reserve		10,148,396	6,514,849	6,815,730
Revenue reserve		1,684,450	1,466,246	2,263,000
<b>Equity shareholders' funds</b>		<b>59,502,453</b>	<b>57,214,173</b>	<b>57,895,784</b>
<b>Basic and diluted net asset value:</b>				
Basic and diluted net asset value per share	11	<b>88.02p</b>	<b>83.12p</b>	<b>84.79p</b>

The financial information for the six months ended 30 June 2019 and the six months ended 30 June 2018 has not been audited.

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.



# Unaudited Condensed Statement of Changes in Equity

for the six months ended 30 June 2019

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

Notes:

- a): The cancellation of the share premium reserve and capital redemption reserve in past years has increased the Company's special distributable reserve. The purpose of this reserve is to fund market purchases of the Company's own shares, write off any existing and future losses and for any other corporate purpose. All of this reserve arose from shares issued before 5 April 2014.
- b): The Realised capital reserve and the Revenue reserve together comprise the Profit and Loss Account of the Company.
- c): During the period, the Company repurchased 678,262 of its own shares at the prevailing market price for a total cost (including stamp duty) of £508,028, which were subsequently cancelled. This is less than the figure shown in the Condensed Statement of Cash Flows by £63,503, which was included in creditors at the previous year end.

The notes on pages 18 to 23 form part of these unaudited Half-Year Financial Statements.

# Unaudited Condensed Statement of Changes in Equity

## for the six months ended 30 June 2018

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

The composition of each of these reserves is explained below:

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

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

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

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

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

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

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

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

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

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

# Unaudited Condensed Statement of Cash Flows

for the six months ended 30 June 2019

Notes	Six months ended 30 June 2019 (unaudited) £	Six months ended 30 June 2018 (unaudited) £	Year ended 31 December 2018 (audited) £
<b>Cash flows from operating activities</b>			
Profit for the financial period	4,830,983	413,175	1,505,116
<b>Adjustments for:</b>			
Unrealised gains on investments	(3,083,824)	(123,530)	(1,294,148)
Realised (gains)/losses on investments	(1,518,499)	(139,762)	363,572
Tax charge for the current year	40,054	8,904	66,503
Decrease in debtors	145,503	227,082	104,935
Increase/(decrease) in creditors and accruals	55,699	30,185	(35,677)
Net cash inflow from operations	469,916	416,054	710,301
Corporation tax paid	-	-	(117,456)
<b>Net cash inflow from operating activities</b>	<b>469,916</b>	<b>416,054</b>	<b>592,845</b>
<b>Cash flows from investing activities</b>			
Sale of investments	6,767,896	3,183,830	4,531,646
Purchase of investments	(1,786,890)	(3,056,872)	(5,882,806)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>4,981,006</b>	<b>126,958</b>	<b>(1,351,160)</b>
<b>Cash flows from financing activities</b>			
Share issued as part of Offer for Subscription (net of issue costs)	-	1,004,581	1,004,580
Equity dividends paid	(2,716,286)	(2,150,853)	(2,150,852)
Purchase of own shares	(571,531)	(719,909)	(1,066,736)
<b>Net cash outflow from financing activities</b>	<b>(3,287,817)</b>	<b>(1,866,181)</b>	<b>(2,213,008)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,163,105</b>	<b>(1,323,169)</b>	<b>(2,971,323)</b>
Cash and cash equivalents at start of period	19,371,447	22,342,770	22,342,770
<b>Cash and cash equivalents at end of period</b>	<b>21,534,552</b>	<b>21,019,601</b>	<b>19,371,447</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand	6,658,998	2,608,920	2,541,058
Cash equivalents	14,875,554	18,410,681	16,830,389

The notes to the unaudited financial statements on pages 18 to 23 form part of these Half-Year Financial Statements.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 June 2019

### 1. Company information

Mobeus Income and Growth 4 VCT plc is a public limited company incorporated in England, registration number 03707697. The registered office is 30 Haymarket, London, SW1Y 4EX.

### 2. Basis of preparation of the financial statements

These Financial Statements have been prepared in accordance with accounting policies consistent with Financial Reporting Standard 102 ("FRS102"), Financial Reporting Standard 104 ("FRS104") - Interim Financial Reporting, with the Companies Act 2006 and the 2014 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP') (updated in January 2017) issued by the Association of Investment Companies. The Financial Statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in Note 9.

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 2019 (unaudited) £	Six months ended 30 June 2018 (unaudited) £	Year ended 31 December 2018 (audited) £
<b>Income from investments</b>			
Dividends	68,462	111,922	290,937
Loan stock interest	957,809	832,801	1,824,903
Money-market funds	62,648	43,206	101,193
Bank deposit interest	19,585	16,352	34,179
Interest on preference share dividend arrears	1,995	-	11,061
Other income	-	-	1,645
<b>Total Income</b>	<b>1,110,499</b>	<b>1,004,281</b>	<b>2,263,918</b>

### 5. Investment Adviser's fees and performance fees

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

	Six months ended 30 June 2019 (unaudited) Total £	Six months ended 30 June 2018 (unaudited) Total £	Year ended 31 December 2018 (audited) Total £
Allocated to revenue return: Investment Adviser's fees	156,858	157,985	311,111
Allocated to capital return: Investment Adviser's fees	470,574	473,954	933,333
<b>Total</b>	<b>627,432</b>	<b>631,939</b>	<b>1,244,444</b>

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

## 6. Taxation

	Six months ended 30 June 2019 (unaudited)			Six months ended 30 June 2018 (unaudited)			Year ended 31 December 2018 (audited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
<b>a) Analysis of tax charge:</b>									
UK Corporation tax on profits/ (losses) for the period	129,463	(89,409)	40,054	98,956	(90,052)	8,904	243,837	(177,334)	66,503
Total current tax charge/(credit)	129,463	(89,409)	40,054	98,956	(90,052)	8,904	243,837	(177,334)	66,503
Corporation tax is based on a rate of 19.0% (2018: 19.0%)									
<b>b) Profit/(loss) on ordinary activities before tax</b>	739,288	4,131,749	4,871,037	632,741	(210,662)	422,079	1,574,376	(2,757)	1,571,619
Profit/(loss) on ordinary activities multiplied by rate of corporation tax in the UK of 19.0% (2018: 19.0%)	140,465	785,033	925,498	120,221	(40,026)	80,195	299,131	(523)	298,608
<b>Effect of:</b>									
UK dividends	(13,008)	-	(13,008)	(21,265)	-	(21,265)	(55,278)	-	(55,278)
Unrealised gains not taxable	-	(585,927)	(585,927)	-	(23,471)	(23,471)	-	(245,889)	(245,889)
Realised (gains)/losses not taxable/allowable	-	(288,515)	(288,515)	-	(26,555)	(26,555)	-	69,078	69,078
Overprovision in prior period	-	-	-	-	-	-	(26)	-	(26)
Unrelieved expenditure	2,006	-	2,006	-	-	-	10	-	10
Actual current tax charge	129,463	(89,409)	40,054	98,956	(90,052)	8,904	243,837	(177,334)	66,503

## 7. Basic and diluted earnings per share

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

	Six months ended 30 June 2019 (unaudited) £	Six months ended 30 June 2018 (unaudited) £	Year ended 31 December 2018 (audited) £
i) Total earnings after taxation <b>Basic and diluted earnings per share (pence) (Note a)</b>	4,830,983 <b>7.10p</b>	413,175 <b>0.60p</b>	1,505,116 <b>2.20p</b>
ii) Revenue earnings from ordinary activities after taxation <b>Basic and diluted revenue earnings per share (pence) (Note b)</b>	609,825 <b>0.90p</b>	533,785 <b>0.78p</b>	1,330,539 <b>1.95p</b>
Net unrealised capital gains on investments	3,083,824	123,530	1,294,148
Net realised capital gains/(losses) on investments	1,518,499	139,762	(363,572)
Capital Investment Adviser's fees less taxation	(381,165)	(383,902)	(755,999)
iii) Capital earnings <b>Basic and diluted capital earnings per share (pence) (Note c)</b>	4,221,158 <b>6.20p</b>	(120,610) <b>(0.18)p</b>	174,577 <b>0.25p</b>
iv) Weighted average number of shares in issue in the period	68,007,404	68,342,769	68,499,583

Notes:

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

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 June 2019

### 8. Dividends paid

Dividend	Type	For the year ended 31 December	Pence per share	Date paid	Six months ended 30 June 2019 (unaudited) £	Six months ended 30 June 2018 (unaudited) £	Year ended 31 December 2018 (audited) £
Interim	Capital	2018	4.00p**	19 June 2018	-	2,734,345	2,734,344
Final	Income	2018	1.75p	28 May 2019	1,188,375	-	-
Final	Capital	2018	2.25p**	28 May 2019	1,527,911	-	-
<b>Total Dividends Paid *</b>					<b>2,716,286</b>	2,734,345	2,734,344

\* - For the period ended 30 June 2018: £2,734,345 (31 December 2018: £2,734,344) disclosed above differs to that shown in the Condensed Statement of Cash Flows of £2,150,853 (31 December 2018: £2,150,852) due to £583,492 (31 December 2018: £583,492) of new shares issued under the Company's Dividend Investment Scheme ('DIS').

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

Shareholders should note that the DIS Scheme is currently suspended until further notice, as explained in the Chairman's Statement.

## 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, alongside consideration of:-

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

- a multiple basis. The shares may be valued by applying a suitable price-earnings ratio, revenue or gross profit multiple to that company's historic, current or forecast pre-tax earnings before interest and amortisation, or revenue, or gross profit (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Adviser compared to the sector including, inter alia, scale and liquidity).

or:-

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

(ii) Premiums, to the extent that they are considered capital in nature, and that they will be received upon repayment of loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

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

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

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

A key judgement made in applying the above accounting policy relates to investments that are permanently impaired. Where the value of an investment has fallen permanently below the price of recent investment, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Adviser, will agree the values that represent the extent to which an investment loss has become realised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value.

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

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

# Notes to the Unaudited Condensed Financial Statements for the six months ended 30 June 2019

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

	Traded on AIM Level 1 £	Unquoted equity shares Level 3 £	Unquoted preference shares Level 3 £	Unquoted Loan Stock Level 3 £	Total £
Valuation at 31 December 2018	208,344	15,812,770	339,383	19,938,163	36,298,660
Purchases at cost	-	1,339,490	447,400	-	1,786,890
Sales - proceeds	-	(3,208,008)	(328,654)	(3,284,369)	(6,821,031)
- realised gains	-	980,338	-	538,161	1,518,499
Unrealised (losses)/gains on investments in the period	(46,669)	3,153,323	-	203,064	3,309,718
<b>Valuation at 30 June 2019</b>	<b>161,675</b>	<b>18,077,913</b>	<b>458,129</b>	<b>17,395,019</b>	<b>36,092,736</b>
Book cost at 30 June 2019	200,028	17,685,121	460,271	17,389,384	35,734,804
Unrealised (losses)/gains at 30 June 2019	(38,353)	3,065,351	(2,142)	93,273	3,118,129
Permanent impairment of investments	-	(2,672,559)	-	(84,648)	(2,760,197)
<b>Valuation at 30 June 2019</b>	<b>161,675</b>	<b>18,077,913</b>	<b>458,129</b>	<b>17,395,019</b>	<b>36,092,736</b>
Gains on investments	-	2,116,993	328,143	887,530	3,332,666
Less amounts recognised as unrealised gains in previous years	-	(1,136,655)	(328,143)	(349,369)	(1,814,167)
<b>Realised gains based on carrying value at 31 December 2018</b>	<b>-</b>	<b>980,338</b>	<b>-</b>	<b>538,161</b>	<b>1,518,499</b>
Net movement in unrealised (losses)/ gains in the period	(46,669)	3,153,323	-	203,064	3,309,718
<b>(Losses)/gains on investments for the six months ended 30 June 2019</b>	<b>(46,669)</b>	<b>4,133,661</b>	<b>-</b>	<b>741,225</b>	<b>4,828,217</b>

Net unrealised gains in the period above of £3,309,718 differ to that shown in the Income Statement of £3,083,824. The difference of £225,894 is deferred consideration in relation to the sale of Entanet Holdings that was recognised at the previous year end and was subsequently received during this half-year. A further sum of £250,994 was paid on 2 August 2019. As there were conditions attached to this deferred consideration such that the amount receivable was uncertain, which had not been satisfied at the period end, it has not been recognised in these financial statements.

Sales proceeds above of £6,821,031 are more than that shown in the Condensed Statement of Cash Flows of £6,767,896 by £53,135. This amount is cash proceeds not yet received arising from the part disposal of Master Removers Group, which is held within debtors at the period-end.

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



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

	as at 30 June 2019 (unaudited) £	as at 30 June 2018 (unaudited) £	as at 31 December 2018 (audited) £
<b>Valuation methodology</b>			
Recent investment price (reviewed for impairment)	121,432	453,607	527,332
Estimated realisation proceeds	168,322	5,313	5,313
Net asset value	122,422	229,783	122,422
Recent investment price	1,786,890	6,322,062	1,674,350
Multiple of earnings, revenues or gross margin, as appropriate	33,731,995	27,176,826	33,760,899
	<b>35,931,061</b>	<b>34,187,591</b>	<b>36,090,316</b>

## 10. Current asset investments and cash at bank

	as at 30 June 2019 (unaudited) £	as at 30 June 2018 (unaudited) £	as at 31 December 2018 (audited) £
OEIC Money market funds	14,875,554	18,410,681	16,830,389
Cash equivalents per Statement of Cash Flows	14,875,554	18,410,681	16,830,389
Bank deposits that mature after three months	2,000,000	2,000,000	2,000,000
<b>Current asset investments</b>	<b>16,875,554</b>	<b>20,410,681</b>	<b>18,830,389</b>
<b>Cash at Bank</b>	<b>6,658,998</b>	<b>2,608,920</b>	<b>2,541,058</b>

## 11. Net asset value per share

	As at 30 June 2019 (unaudited) £	As at 30 June 2018 (unaudited) £	As at 31 December 2018 (audited) £
Net assets	£59,502,453	£57,214,173	£57,895,784
Number of shares in issue	67,604,732	68,836,512	68,282,994
<b>Net asset value per share (pence)</b>	<b>88.02p</b>	<b>83.12p</b>	<b>84.79p</b>

## 12. Post balance sheet events

On 10 July 2019, a further £0.45 million was invested into MPB Group Limited, an existing portfolio company.

On 30 July 2019, by the order of the Court at that date, the Company cancelled its share premium reserve and capital redemption reserve. The balance on these reserves has been transferred to the Company's special reserve.

On 2 August 2019, £0.25 million of contingent consideration was received as part of the sale of Entanet Holdings in August 2017.

13. The financial information for the period ended 30 June 2019 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 2018 have been filed with the Registrar of Companies. The auditor has reported on the financial statements for the year ended 31 December 2018 and that report was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.
14. This Half-Year Report will shortly be made available on our website: [www.mig4vct.co.uk](http://www.mig4vct.co.uk) and will be circulated by post to those shareholders who have requested copies of the Report. Further copies are available free of charge from the Company's registered office, 30 Haymarket, London SW1Y 4EX or can be downloaded via the website.

# Shareholder Information

## Communication with shareholders

We aim to communicate regularly with our shareholders. The May annual general meetings provide a useful platform for the Board to meet shareholders and exchange views. Your Board welcomes your attendance at general meetings to give you the opportunity to meet your Directors and representatives of the Investment Adviser. The Company releases Interim Management Statements, in respect of those quarters when it does not publish full or half-year accounts.

The Investment Adviser holds an annual shareholder event. The next event will be held in February 2020 and shareholders will be sent an invitation to the event.

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

## Financial calendar

August 2019	Half-Year Report for the six months ended 30 June 2019 to be circulated to shareholders.
20 September 2019	Payment date for an interim dividend of 13.00 pence per share.
31 December 2019	Year-end.
February 2020	Shareholder event.
March 2020	Announcement of the Company's annual results and circulation of Annual Report and Financial Statements for the year ended 31 December 2019 to shareholders.
May 2020	Annual General Meeting.

## Dividends

Shareholders who wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrars, Link Asset Services at the address given on page 26.

**Shareholders are encouraged to ensure that the Registrars have the correct up-to-date details for their accounts and to check that they have received all dividend payments. This is particularly important if a shareholder has recently moved house or changed their bank. We are aware that a number of dividends remain unclaimed by shareholders and whilst we will endeavour to contact them, we cannot guarantee that we will be able to do so if the Registrars do not have an up-to-date postal address or email address.**

## Dividend Investment Scheme

As explained in the Chairman's Statement, the Dividend Investment Scheme is currently suspended.

## Selling your shares

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. **However, to ensure that you obtain the best price, you are strongly advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2717 before agreeing a price with your stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares.

## Managing your shareholding online

For details on your individual shareholding and to manage your account, online shareholders may log into or register with the Link Shareholder Portal [www.signalshares.com](http://www.signalshares.com) to change and update your preferences including changing your address details, check your holding balance and transactions, view the dividends you have received, add and amend your bank details and manage how you receive communications from the Company.

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

Tax legislation was introduced with effect from 1st January 2016 under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information. The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares. As an affected entity, the Company has to provide information annually to HMRC relating to a number of non-UK based certificated shareholders who are deemed to be resident for tax purposes in any of the 90 plus countries who have joined CRS. All new shareholders, excluding those whose shares are held in CREST, entered onto the share register from 1 January 2016 will be asked to provide the relevant information. Additionally, HMRC’s policy on FATCA now means that, as a result of the restricted secondary market in VCT shares, the Company’s shares are not considered to be “regularly traded”. The Company is therefore also an affected entity for the purposes of this legislation and as to provide information annually to HMRC relating to shareholders who are resident for tax purposes in the United States.

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

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

## Shareholder enquiries

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

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

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

## Key Information Document

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

# Corporate Information

## Directors (Non-executive)

Christopher Moore (Chairman)  
Graham Paterson (appointed 10 May 2019)  
Andrew Robson (resigned 10 May 2019)  
Helen Sinclair

## Secretary

Mobeus Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX

## Company's Registered Office and Head Office

30 Haymarket  
London SW1Y 4EX

## Company Registration Number

03707697  
LEI No: 213800IFNJ65R8AQW943

## Investment Adviser, Promoter and Administrator

Mobeus Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX  
Telephone: 020 7024 7600

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

## Website

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

## E-mail

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

## Independent Auditor

BDO LLP  
55 Baker Street  
London  
W1U 7EU

## Solicitor

Shakespeare Martineau LLP  
No 1 Colmore Square  
Birmingham  
B4 6AA

## Corporate Broker

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

## Receiving Agent

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

## Registrar

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

## VCT Status Adviser

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

## Sponsor

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

Shareholder portal:

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

## Banker

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







