

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

Unaudited Half-Year Report  
for the six months ended 30 June 2023



Since 1857

**Gresham House**  
*Specialist asset management*

**Mobeus Income & Growth 4 VCT plc** (“the Company”) is a Venture Capital Trust (“VCT”) listed on the London Stock Exchange. Its investment portfolio is advised by Gresham House Asset Management Limited (“Gresham House” or “Investment Adviser”).

## 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
Chair’s Statement	2
Investment Policy	5
Summary of VCT Regulation	5
Investment Adviser’s Review	6
Investment Portfolio Summary	10
Statement of Directors’ Responsibilities	12
Unaudited Condensed Financial Statements	14
Notes to the Unaudited Condensed Financial Statements	20
Shareholder Information	26
Glossary of terms	28
Corporate Information	29

## Financial Highlights

Results for the six months ended 30 June 2023

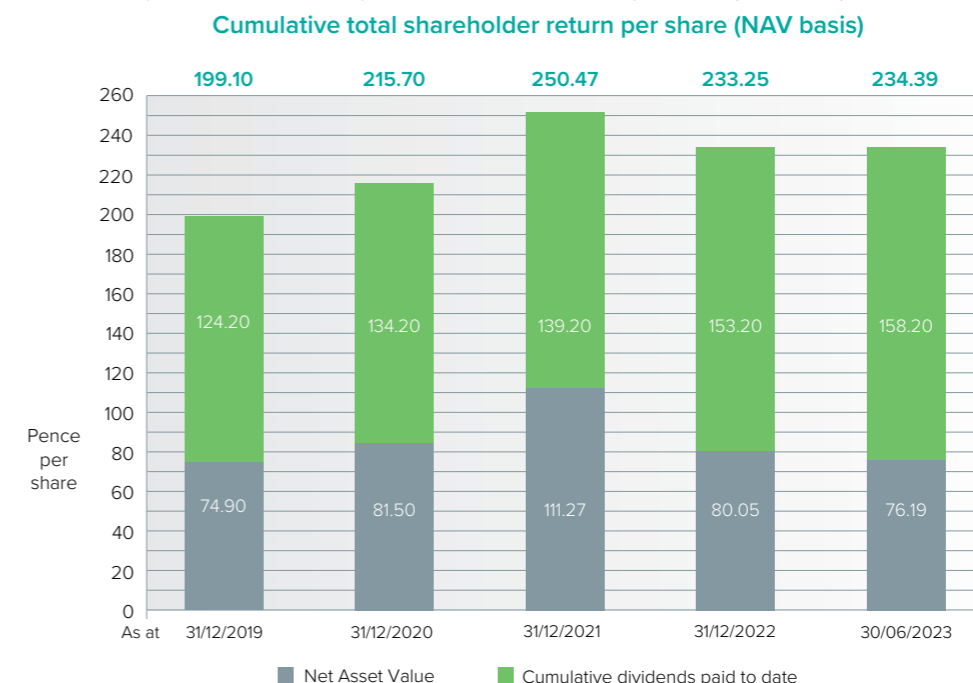
As at 30 June 2023:  
 Net assets: **£84.23 million**  
 Net asset value (“NAV”) per share: **76.19 pence**

- There was a positive Net Asset Value (“NAV”) total return<sup>1</sup> per share of 1.4%.
- The Board declared an interim dividend in respect of the current year of 5.00 pence per share, which was paid to Shareholders on 26 May 2023. Payment of this dividend increased cumulative dividends paid<sup>1</sup> since inception in 1999 to 158.20 pence per share.
- The Company made three new investments totalling £1.21 million during the period and invested £1.25 million in two new and two follow on investments after the period-end.
- Net unrealised gains of £1.12 million in the period.
- The Company generated cash proceeds of £2.14 million and net realised gains of £0.32 million in the period.

<sup>1</sup> Definitions of key terms and alternative performance measures (“APMs”) / Key performance indicators (“KPIs”) shown above and throughout this Report are shown in the Glossary of terms on page 28 (“APM”).

## Performance Summary

The longer-term trend of performance based upon cumulative total return per share (NAV basis) is shown in the chart below:



The chart above shows the recent past performance of the original funds raised in 1999. The original subscription price was 200p per share before the benefit of income tax relief. Subscription prices from subsequent fundraisings and historic performance data from 2008 are shown in the Investor Performance Appendix at 30 June 2023 on the Company’s website at: [www.mig4vct.co.uk](http://www.mig4vct.co.uk) where they can be accessed by clicking on the word “table” under “Reviewing the performance of your investment” heading on the home page.

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

## 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).

# Chair's Statement

## I am pleased to present the Company's Half-Year Report for the six months to 30 June 2023.

This Half-Year Report is my first as Chair following the retirement of Jonathan Cartwright at the Company's AGM. I would like to thank Jonathan for his valuable contribution to the Company and its Shareholders, for his dedication and for his unwavering support to the rest of the Board since he took over as Chair in 2020.

### Overview

The Company has seen continuing challenging UK economic conditions during the first six months of its financial year. Rising inflation and high interest rates have both impacted consumer and business confidence which has caused a general softening of trading performance. Despite this, the portfolio has demonstrated a degree of resilience and the Company's NAV total return has increased by 1.4% (2022: (11.3)%) which is pleasing to be able to report.

Despite the wider market concerns during the current year, stock market multiples appeared to have stabilised following the material downward re-rating of growth stocks experienced over much of 2022 and several portfolio companies have experienced some growth. Confidence remains fragile however, following the collapse of Silicon Valley Bank and other similar failures and with inflation and interest rates expected to remain high. High inflation and rising interest rates together with the ongoing threat of a potential UK recession will continue to put additional pressure on your portfolio companies for the rest of this year. The portfolio is however, well funded and suitably diversified. The Company has strong liquidity to support the Investment Adviser actively seeking opportunities within the existing portfolio.

In spite of the economic challenges, the Company has continued to be an active investor and provided new investment finance to three new companies, Connect Earth, Cognassist and Dayrize in the period and delivered a highly successful exit in Tharstern Group. Investment activity continued after the period-end and new investments were made into Mable Therapy and Brandspace and additionally follow-on investments were made into Legatics and Orri.

The continuing uncertainty around the extension of the 'sunset clause' beyond the end date of 5 April 2025, which would mean that investor income tax relief was no longer available on new VCT subscriptions, will hopefully be resolved following the Treasury Select Committee publishing its recent report which recommended the government should urgently and at the earliest opportunity, address the sunset clause extension.

### Performance

The Company's NAV total return per share was a positive 1.4% for the six months to 30 June 2023 (2022: (11.3)%) after adding back the 5.00 pence per share dividend paid in May 2023. The increase was principally the result of positive valuation movements across the majority of the largest investments in the portfolio, in particular Preservica, as well as income generated on cash held awaiting investment due to higher interest rates available. In addition, the successful portfolio exit of Tharstern Group generated a realised gain for the Company, although this was partially offset by impairments applied to the holdings of two other companies.

### Portfolio

Notwithstanding the current challenging environment, a number of investee companies have shown positive revenue growth (Preservica, Active Navigation and MPB) which, alongside the recent improvement in market valuation comparable multiples used as the basis of the Company's valuations, has seen the overall portfolio value increase for the first time since December 2021. The overall value of the portfolio increased by £1.44 million on a like for like basis compared to the opening value of the portfolio at 1 January 2023 (2022: £(10.27) million), or 3.1% (2022: (15.7)%).

At the period-end, the portfolio was valued at £46.46 million (31 December 2022: £45.95 million). The portfolio's value is now substantially comprised of growth capital investments, particularly those made since the VCT rule change in 2015 and, as Shareholders will be aware, these less proven and younger investments have a more variable return profile. It should therefore be noted that whilst the potential upside for the Company's Shareholders of these type of investments is high, the likelihood of investee company failures is also higher. Approximately 60% of the portfolio value is comprised of the Company's largest five assets by value, with Preservica

accounting for c.30% of this concentration. The Investment Adviser closely monitors these higher value assets, as part of its risk mitigation measures. An independent valuation has been commissioned for Preservica with the intention that the top five companies will be valued by an independent expert over the next year. The VCT's portfolio valuation methodology has continued to be applied consistently and in line with IPEV guidelines.

During the six months under review, the Company invested £1.21 million (2022: £1.89 million) into three new investments:

**Connect Earth**                      **£0.25 million**  
An environmental data provider

**Cognassist**                              **£0.50 million**  
An education and neuro-inclusion solutions business

**Dayrize**                                      **£0.46 million**  
A provider of a rapid sustainability impact assessment tool

The Company received £2.14 million in proceeds from the realisation of Tharstern Group, generating a realised gain of £0.49 million. Over the life of this investment, the Company has received total proceeds of £3.01 million which equates to a multiple on cost of 2.6x and an IRR of 15.0%.

During the period, Spanish Restaurant Group Limited (trading as Tapas Revolution) went into administration. Tapas Revolution had experienced extremely challenging conditions since COVID-19 and under the HMRC Financial Health Test (more detail below), your Company was unable to invest further in this portfolio company and it was therefore necessary for an Administrator to be appointed. Including Tapas Revolution, a total of £0.17 million has been recognised as a realised loss in the period across two companies.

Shareholders should be aware that the Financial Health test is an effective tightening of the interpretation of HMRC policy and practice in a technical aspect of the VCT financing rules, now resulting in the restriction of potential follow-on investments to support certain companies. The Board continues to monitor developments in the interpretation of this area of legislation carefully and supports the lobbying of HMRC to change its stance by the Venture Capital Trust Association.

Following the period end, the Company invested a total of £1.25 million into two existing and two new portfolio companies:

**Legatics**                                      **£0.33 million**  
A SaaS LegalTech software provider

**Orri**                                              **£0.13 million**  
An intensive day care provider for adults with eating disorders

**Mable Therapy**                              **£0.40 million**  
A digital health platform for speech therapy & counselling for children and young adults

**Branchspace**                              **£0.39 million**  
A digital retailing consultancy and software provider to the aviation and travel industry

### Revenue account

The results for the period are set out in the Unaudited Condensed Income Statement and show a revenue return (after tax) of 0.38 pence per share (2022: 0.19 pence per share). The revenue return for the period of £0.42 million represents an increase from last year's comparable figure of £0.17 million which primarily, was due to higher income received from balances from the realisable OEIC liquidity funds.

### Dividends

The Board continues to be committed to providing an attractive dividend stream to Shareholders and was pleased to have declared and paid an Interim dividend of 5.00 pence per share for the year ending 31 December 2023.

This dividend was paid on 26 May 2023, to Shareholders on the Register on 21 April 2023, and has increased cumulative dividends paid to 158.20 pence per share since inception.

The Company's target of paying a dividend of at least 4.00 pence per share in respect of each financial year has been achieved in each of the last thirteen financial years. Whilst the Board still believes this dividend target is attainable, it should be noted that the portfolio, comprised largely of younger, smaller growth capital investments, may lead to increased volatility which may affect the return in any given year.

The Company's Dividend Investment Scheme ("DIS") provides Shareholders with the opportunity to reinvest their cash dividends into new shares in the Company at the latest published NAV per share (adjusted for dividends paid). New VCT shares attract the same tax reliefs as shares purchased through an Offer for Subscription. There were 1,177,245 shares allotted through the DIS during the period at an average price of 74.83 pence.

Shareholders can opt-in to the DIS by completing a mandate form available on the Company's website at: [www.mig4vct.co.uk](http://www.mig4vct.co.uk) or can opt-out by contacting Link Group, using the details provided under Shareholder Information on page 26. Please note that instructions take 15 days to become effective.

To the extent that dividends are paid other than out of income or from gains on investments, for instance out of special distributable reserves, Shareholders should note this may result in a reduction in NAV over the period.

On 20 June 2023, the Board obtained Court approval to cancel the Company's share premium reserve and capital redemption reserve. Subject to HMRC's Return of Capital rules, this will enable additional distributable reserves to be available for dividends and will help the Company to meet its dividend target in future years.

### Liquidity

The Board continues to monitor credit risk in respect of its cash balances and to prioritise the security and protection of the Company's capital. Cash and liquidity fund balances as at 30 June 2023 amounted to £37.54 million. This figure has been augmented by the funds raised under the Offer which launched on 5 October 2022 and most is held in money market funds with AAA credit ratings. The rises in the Bank of England base rate over recent months have significantly increased the yield on these balances which will help provide future returns to Shareholders.

### Share buy-backs

During the six months to 30 June 2023, the Company bought back and cancelled 986,022 of its own shares, representing 0.9% (2022: 0.3%) of the shares in issue at the beginning of the period, at a total cost of £0.74 million (2022: £0.26 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, where its priority is to act prudently and in the interest of remaining Shareholders, whilst considering other factors, such as levels of liquidity and reserves, market conditions and applicable law and regulations. Under this policy, the Company seeks to maintain the discount at which the Company's shares trade at no more than 5% below the latest published NAV.

### 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 last held a Shareholder Event on behalf of the Mobeus VCTs on the afternoon of 23 March 2023 with a live Q&A session which we hope you were able to join. Double the number of attendees joined the meeting compared to last year which was pleasing to see. Another event is likely to be held in 2024 and details will be circulated to Shareholders and shown on the Company's website in due course.

### Fraud Warning

Shareholders continue to be 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, claiming or appearing to be from a corporate finance firm offering to buy your shares at an inflated price.

Further information and fraud advice plus details of who to contact, can be found in the Shareholder Information section in the Half-Year Report.

### Environmental, Social and Governance ("ESG")

The Board and the Investment Adviser believe that the consideration of environmental, social and corporate governance ("ESG") factors throughout the investment cycle will contribute towards enhanced shareholder value.

Gresham House has a team which is focused on sustainability and the Board views this as an opportunity to enhance the Company's existing protocols and procedures through the adoption of the highest industry standards. The future FCA reporting requirements consistent with the Task Force on Climate-related Financial Disclosures, which commenced on 1 January 2021, do not currently apply to the Company but will be kept under review, the Board being mindful of any recommended changes.

### Co-investment Scheme

The Board is keen to ensure that the Investment Adviser has a motivated and incentivised investment team which will seek to generate future returns for the Company. To improve the alignment of interests with shareholders, on 26 July 2023, the Board, alongside the other three Mobeus VCTs, released a joint announcement detailing the adoption of a Co-investment incentive scheme

## Chair's Statement

("Scheme") under which members of the Investment Adviser's VCT investment and administration team will invest their own money into a proportion of the ordinary shares of each investment made by the Mobeus VCTs (the co-investment under the Scheme will represent 8% of the overall ordinary share investment in an investee company).

The Scheme will apply to investments made on or after 26 July 2023, such co-investment to be at the same time and on substantially the same terms as the investment by the Mobeus VCTs. The Board will keep the Scheme arrangements under regular review.

### Anticipated acquisition of Investment Adviser, Gresham House

Further to the announcement on 17 July 2023, of the acquisition of the Investment Adviser by Seed Bidco Limited, a newly incorporated entity formed by funds advised by Searchlight Capital Partners, L.P. and its affiliates for the purposes of making an offer for Gresham House, it is expected that this acquisition will have minimal impact on the Company and the other VCTs advised or managed by Gresham House and business will continue as usual. The investments managed by the Company continue to be driven by the same investment and client service teams, applying the existing rigorous processes, and maintaining alignment of interests.

### Consumer Duty

The Financial Conduct Authority's (FCA) new Consumer Duty regulation came into effect on 31 July 2023. The Consumer Duty is an advance on the previous concept of 'treating customers fairly', which sets higher and clearer standards of consumer protection across financial services and requires all firms to put their customers' needs first.

As previously notified, the Company is not regulated by the FCA and therefore it does not directly fall into the scope of Consumer Duty. However, Gresham House as the Investment Adviser, and any IFAs or financial platforms used to distribute future fundraising offers, are subject to Consumer Duty.

The Board will ensure that the principles behind Consumer Duty are upheld and have worked closely with the Investment Adviser on the information now available to assist consumers and their advisers to be able to discharge their obligations under Consumer Duty.

### Outlook

The economic and geopolitical context for the year is likely to continue to be challenging and trading conditions will likely remain tough. It has been noted that this can also provide an opportunity for the Company's existing portfolio businesses with great potential for the future. There are encouraging prospects for new investment flow as well. However, it should be noted that the exit environment is likely to be subdued in comparison to recent years.

The combined impact of interest rates still rising, core inflation remaining high and restrictions in government spending can be expected to impact both consumer and business confidence in the near term which may make it harder for the companies in the portfolio to grow. Whilst interest rates will continue to impact valuations of the portfolio companies in the short term, the portfolio has little direct exposure as the majority of investments employ equity-based structures and any debt is generally small and at fixed rates. It is anticipated that further stresses will become evident over the rest of the year and expect that all sectors will be vulnerable. The Company has a large and well diversified portfolio, managed by a professional and capable investment team, which helps to mitigate those challenges that lie ahead.

I would like to take this opportunity once again to thank all Shareholders for your continued support and to extend a warm welcome to our new Shareholders.



**Graham Paterson**  
Chair

27 September 2023

## 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 borrowing of 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 the LSE or a regulated European stock market;
- non-qualifying investments cannot be made, except for certain exemptions in managing the Company's short-term liquidity;
- VCTs are 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 that accounting period, and
- the period for reinvestment of proceeds on disposal of qualifying investments is 12 months.

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 '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 10 and 11.

# Investment Adviser's Review

## Portfolio review

The current exacting economic conditions are creating challenging circumstances for portfolio companies. UK business has seen both demand and operating margins come under pressure due to marked increases in inflation and interest rates which have not been experienced by a generation of management teams.

Some form of stability in market multiples began to return in the latter months of 2022 and into 2023, following marked falls across much of 2022 with some indexes higher over the six months to 30 June 2023. However, the impact of declining consumer confidence and business investment is now being experienced in portfolio companies' trading.

For longer than anticipated, inflation has remained at an elevated level and has impacted economic growth expectations.

In contrast, there are signs that supply chains are returning to normality, that labour shortages are easing and there are pockets of positive market sentiment. Furthermore, the direct impact of high interest rates on the Company's portfolio is limited as most portfolio companies do not have any significant third-party debt. The outlook is therefore mixed, and the emphasis is on robust funding structures and preparation for all eventualities.

The portfolio companies have been working closely with Gresham House's established and experienced portfolio team that have board positions and their management teams on appropriate scenario planning to achieve the best results during this uncertain period. There is now a greater focus on cash management and capital efficiency. With ample liquidity following the recent fund raise, the Company is also well placed to support portfolio companies with follow-on funding where it is appropriate and can be structured on attractive terms. Strong liquidity will also benefit the attractive new investment environment for the Company which, in our view is strong and we are seeing a number of interesting investment propositions.

Despite concerns about the wider trading environment, pleasingly, the

portfolio's largest investments have seen some revenue growth which have enabled the value of the portfolio to move into positive territory for the first time since the market peak of December 2021. Preservica, continues to see strong trading and is out-performing its budget giving a material uplift in its valuation. The profitable exit of Tharstern was also an excellent result returning 2.6x over the life of the investment. By contrast however, there were also some sizable falls in portfolio values such as MyTutor and Bleach, as well as a fall in the quoted share price of Virgin Wines UK plc. Disappointingly, after experiencing very difficult trading conditions since the onset of COVID-19, Tapas Revolution entered administration during the period with no expected recovery for the Company.

The portfolio movements in the period are summarised as follows:

	2023 £m	2022 £m
Opening portfolio value	45.95	65.58
New and follow-on investments	1.21	1.89
Disposal proceeds	(2.14)	(4.33)
Net realised gains	0.32	0.78
Unrealised valuation movements	1.12	(11.05)
<b>Portfolio value at 30 June</b>	<b>46.46</b>	<b>52.87</b>

## Valuation changes of portfolio investments still held

The portfolio generated net unrealised gains of £1.12 million in the first half of the financial year.

The total valuation increases were £4.62 million with the main increases being:

<b>Preservica</b>	£2.88 million
<b>MPB Group</b>	£0.47 million
<b>Master Removers Group</b>	£0.40 million

Preservica continues to perform well and is improving recurring revenues. MPB's revenue growth continues with its latest valuation validated by a third party investor round made after the period

end. Master Removers Group remains very cash generative and is ahead of budget for its financial year.

The total valuation decreases were £(3.50) million. The main valuation decreases were:

<b>Virgin Wines</b>	£(1.34) million
<b>MyTutor</b>	£(0.75) million
<b>Bleach</b>	£(0.46) million

Virgin Wines' share price has fallen as a result of two disappointing trading updates released in the period, however the price has recovered somewhat after the period end. MyTutor has been impacted by declining sector multiples combined with slower than anticipated growth over the year. Bleach is trading behind budget, but has recently received third party funding to support its cash position.


The Company's investment values have been partially insulated from market movements and lower revenue growth by the preferred investment structures utilised in many of the portfolio companies. This acts to moderate valuation swings and the net result is more modest falls when portfolio values decline.

The portfolio's valuation changes in the period are summarised as follows:


Investment Portfolio Capital Movement	2023 £m	2022 £m
Increase in the value of unrealised investments	4.62	0.81
Decrease in the value of unrealised investments	(3.50)	(11.86)
<b>Net increase/ (decrease) in the value of unrealised investments</b>	<b>1.12</b>	<b>(11.05)</b>
Realised gains	0.49	0.78
Realised losses	(0.17)	-
<b>Net realised gains in the period</b>	<b>0.32</b>	<b>0.78</b>
<b>Net investment portfolio movement in the period</b>	<b>1.44</b>	<b>(10.27)</b>

## New investments during the period

The Company made three new investments of £1.21 million during the period, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Connect Earth	Environmental data provider	March 2023	0.25

Founded in 2021, Connect Earth ([connect.earth](https://connect.earth)) is a London-based environmental data company that seeks to facilitate easy access to sustainability data. With its carbon tracking API technology, Connect Earth supports financial institutions in offering their customers transparent insights into the climate impact of their daily spending and investment decisions. Connect Earth's defensible and scalable product platform suite has the potential to be a future market winner in the nascent but rapidly growing carbon emission data market, for example, by enabling banks to provide end retail and business customers with carbon footprint insights of their spending. This funding round is designed to facilitate the delivery of the technology and product roadmap to broaden the commercial reach of a proven product.

	Cognassist	Education and neuro-inclusion solutions	March 2023	0.50
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Cognassist ([cognassist.com](https://cognassist.com)) is an education and neuro-inclusion solutions company that provides a Software-as-a-Service (SaaS) platform focused on identifying and supporting individuals with hidden learning needs. The business is underpinned by extensive scientific research and an extensive cognitive dataset. Cognassist has scaled its underlying business within the education market. This investment will empower Cognassist to continue its growth within the education market and penetrate the enterprise market, where demand for neuro-inclusive solutions to adequately support employees is rapidly emerging.


	Dayrize	Sustainability impact assessment tool provider	May 2023	0.46
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Founded in 2020, Amsterdam-based Dayrize ([Dayrize.io](https://dayrize.io)) has developed a rapid sustainability impact assessment tool that delivers product-level insights for consumer goods brands and retailers, enabling them to be leaders in sustainability. Its proprietary software platform and methodology bring together an array of data sources to provide a single holistic product-level sustainability score that is comparable across product categories in under two seconds. This funding round is to drive product development and develop its market strategy to build on an opportunity to emerge as a market leader in the industry.

## Investments made after the period-end

The Company made two follow-on and two new investments of £1.25 million after the period-end, as detailed below:

### Existing:

	Company	Business	Date of investment	Amount of further investment (£m)
	Legatics	SaaS LegalTech software	July 2023	0.33


Legatics ([legatics.com](https://legatics.com)) transforms legal transactions by enabling deal teams to collaborate and close deals in an interactive online environment. Designed by lawyers to improve legacy working methods and solve practical transactional issues, the legal transaction management platform increases collaboration, efficiency and transparency. As a result, Legatics has been used by around 1,500 companies, and has been procured by more than half of the top global banking and finance law firms, with collaborations having been hosted in over 60 countries. This funding round will provide headroom to further accelerate growth and to drive efficiencies to reach profitability.

	Orri	Specialists in eating disorder support	August 2023	0.13
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Orri ([orri-uk.com](https://orri-uk.com)) is an intensive day care provider for adults with eating disorders. Orri provides an alternative to expensive residential in-patient treatment and lighter-touch outpatient services by providing highly structured day and half day sessions either online or in-person at its clinic on Hallam Street, London. The initial funding fitted out the second London site and the launch of an outpatients service, both of which launched in July. The new funding will be used to support the development of the online platform and further key hires.

# Investment Adviser's Review

New:

	Company	Business	Date of investment	Amount of new investment (£m)
	Mable Therapy	Digital health platform for speech therapy & counselling for children and young adults	July 2023	0.40


Based in Leeds, Mable ([mabletherapy.com](http://mabletherapy.com)) is the UK's leading digital health platform for speech therapy & counselling for children and young adults. All sessions are undertaken live with qualified paediatric therapists, and Mable uses gamification (games, activities and other interactive resources) to provide improved therapeutic outcomes in a child-friendly environment. This is a significant and growing area of need, with 1.4 million children in the UK with long-term speech, language or communication needs - Mable has the potential to transform the lives of children in their crucial early stages of development. The funding will be used to accelerate growth in existing B2C and B2B customer groups as well as capitalising on new, potentially significant, routes to market.

	Branchspace	Digital retail software provider to aviation and travel industry	August 2023	0.39
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Branchspace ([branchspace.com](http://branchspace.com)) is a well-established specialist digital retailing consultancy and software provider to the aviation and travel industry. Branchspace's offering helps customers to transform their technology architecture to unlock best-in-class digital retailing capabilities, driving distribution efficiencies and an improved customer experience. Across two complementary service offerings Branchspace can effectively cover the entire airline tech stack and has carved a defensible position as sector experts, serving clients including IAG, Lufthansa and Etihad. This funding round will seek to accelerate product development to accelerate the customer reach of their SaaS offering to establish itself as the leading choice for airline digital retailing solutions.

## Realisations during the period

The Company completed one exit during the period, as detailed below:

	Company	Business	Period of investment	Total cash proceeds over the life of the investment / Multiple over cost
	Tharstern	Software based management information systems	July 2014 to March 2023	£3.01 million 2.6x cost

The Company realised its investment in Tharstern Group for £2.14 million (realised gain in period: £0.49 million). Total proceeds received over the life of the investment were £3.01 million compared to an original cost of £1.16 million, representing a multiple on cost of 2.6x and an IRR of 15.0%.

## Investment portfolio yield

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

Investment Portfolio Yield	2023 £m	2022 £m
Interest received in the period	0.22	0.55
Dividends received in the period	0.04	0.07
<b>Total portfolio income in the period<sup>1</sup></b>	<b>0.26</b>	<b>0.62</b>
<b>Portfolio Value at 30 June</b>	<b>46.46</b>	<b>52.87</b>
<b>Portfolio Income Yield (Income as a % of Portfolio value at 30 June)</b>	<b>0.6%</b>	<b>1.2%</b>

<sup>1</sup> Total portfolio income in the period is generated solely from investee companies within the portfolio.

## Environmental, Social, Governance considerations

Gresham House is committed to sustainable investment as an integral part of its business strategy. The Investment Adviser has formalised its approach to sustainability and has put in place several processes to ensure environmental, social and governance factors and stewardship responsibilities are built into asset management across all funds and strategies, including venture capital trusts, for example, individual members of the investment team now have their own individual ESG objectives set which align with the wider ESG goals of Gresham House. For further details, Gresham House published its third Sustainable Investment Report in April 2023, which can be found on its website at: [www.greshamhouse.com](http://www.greshamhouse.com).

## Outlook

Whilst the period under review has still been marked with volatility and uncertainty as a result of a number of factors affecting both the global and UK economy, the portfolio has continued to trade well under the circumstances. Rising costs and recessionary pressures will place further strains on the portfolio. However, the portfolio is well diversified and Gresham House has an experienced team working closely with them to help them navigate the challenges that lie ahead. In terms of new investment, previous evidence shows that investing throughout the economic cycle has the potential to yield strong returns and Gresham House is seeing a number of opportunities, both new deals and further investment into the existing portfolio, which have the potential to drive shareholder value over the medium term.

## Gresham House Asset Management Limited

Investment Adviser

27 September 2023

# Investment Portfolio Summary

at 30 June 2023

Gresham House Asset Management Portfolio	Total cost at 30 June 2023 £	Total valuation at 31 December 2022 £	Total valuation at 30 June 2023 £	% of equity held	% of portfolio by value
<b>Preservica Limited</b> Seller of proprietary digital archiving software	3,397,745	11,181,991	14,059,781	13.1%	30.3%
<b>MPB Group Limited</b> Online marketplace for photographic and video equipment	1,095,252	5,133,801	5,601,941	3.2%	12.1%
<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	348,641	2,985,557	3,385,735	6.6%	7.3%
<b>My TutorWeb Limited (trading as MyTutor)</b> Digital marketplace connecting school pupils seeking one to one online tutoring	2,464,757	3,287,020	2,535,003	5.3%	5.5%
<b>Bella &amp; Duke Limited</b> A premium frozen raw dog food provider	877,381	2,353,105	2,457,449	4.4%	5.3%
<b>End Ordinary Group Limited (trading as Buster and Punch)</b> Industrial inspired lighting and interiors retailer	1,496,785	2,002,576	2,104,848	7.8%	4.5%
<b>Data Discovery Solutions Limited (trading as Active Navigation)</b> Provider of global market leading file analysis software for information governance, security and compliance	1,408,640	1,610,356	1,969,771	7.1%	4.3%
<b>Arkk Consulting Limited</b> Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements	1,599,445	1,669,036	1,792,908	6.7%	3.9%
<b>Vivacity Labs Limited</b> Provider of artificial intelligence & urban traffic control systems	1,531,122	1,531,122	1,531,122	5.2%	3.3%
<b>Virgin Wines UK plc<sup>1</sup></b> Online wine retailer	45,915	2,591,357	1,249,405	8.3%	2.7%
<b>EOTH Limited (trading as Equip Outdoor Technologies)</b> Distributor of branded outdoor equipment and clothing including the RAB and Lowe Alpine brands	950,402	931,159	931,159	0.0%	2.0%
<b>Manufacturing Services Investment Limited (trading as Wetsuit Outlet)</b> Online retailer in the water sports market	2,333,102	1,178,823	717,750	6.4%	1.5%
<b>Rota Geek Limited</b> Workforce management software	1,092,500	615,564	697,045	4.1%	1.5%
<b>Legatics Holdings Limited</b> SaaS LegalTech software provider	663,011	663,011	663,011	6.3%	1.4%
<b>Orri Limited</b> An intensive day care provider for adults with eating disorders	438,200	653,845	653,845	3.6%	1.4%
<b>IPV Limited</b> Provider of media asset software	619,487	619,487	619,487	5.2%	1.3%
<b>Proximity Insight Holdings Limited</b> Super-App used by customer-facing teams of brands and retailers to engage, inspire and transact with customers	608,000	608,000	608,000	2.5%	1.3%
<b>Caledonian Leisure Limited</b> Provider of UK leisure and experience breaks	547,502	509,481	564,062	6.6%	1.2%
<b>Cognassist UK Limited</b> Provider of neurodiversity assessments and support software	501,200	-	512,130	2.8%	1.1%
<b>Focal Point Positioning Limited</b> A positioning technology company	500,612	500,612	500,612	0.6%	1.1%
<b>Top 20 investments by value</b>	22,519,699	40,625,903	43,155,066		93.0%

■ Growth focused portfolio

■ MBO focused portfolio

Gresham House Asset Management Portfolio	Total cost at 30 June 2023 £	Total valuation at 31 December 2022 £	Total valuation at 30 June 2023 £	% of equity held	% of portfolio by value
<b>Other Growth focused investments outside top 20 investments by value<sup>2</sup></b>	7,795,835	3,245,745	2,989,294		6.3%
<b>Other MBO focused investments outside top 20 investments by value<sup>3</sup></b>	3,338,106	435,123	315,708		0.7%
<b>Disposals in period</b>					
<b>Tharstern Group Limited</b> MIS & Commercial print software solutions	-	1,644,909	-	0.0%	0.0%
<b>Total Investment Portfolio</b>	<b>33,653,640</b>	<b>45,951,680</b>	<b>46,460,069</b>		100.0%
<b>Total Investment Portfolio by type</b>					
<b>Growth focused portfolio<sup>4</sup></b>	<b>30,269,619</b>	<b>41,280,291</b>	<b>44,894,956</b>		96.6%
<b>MBO focused portfolio<sup>4</sup></b>	<b>3,384,021</b>	<b>4,671,389</b>	<b>1,565,113</b>		3.4%
<b>Total Investment Portfolio</b>	<b>33,653,640</b>	<b>45,951,680</b>	<b>46,460,069</b>		100.0%

<sup>1</sup> - Quoted on AIM.

<sup>2</sup> - Other Growth focused investments as at 30 June 2023 comprise Lads Store Limited (trading as Bidnamic), Pets' Kitchen Limited (trading as Vet's Clinic), Dayrize B.V., Bleach London Holdings Limited, CGI Creative Graphics International Limited, Connect Earth Limited, Connect Childcare Group Limited, Northern Bloc Ice Cream Limited, Parsley Box Group Limited (formerly Parsley Box plc)<sup>2</sup>, Spanish Restaurant Group Limited (trading as Tapas Revolution) (in administration), Muller EV Limited (trading as Andersen EV) (in liquidation), BookingTek Limited, and Kudos Innovations Limited.

<sup>3</sup> - Other MBO focused investments as at 30 June 2023 comprise CGI Creative Graphics International Limited, Veritek Global Holdings Limited, Raccoon International Group Limited, Jablite Holdings Limited (in members' voluntary liquidation), and SEC Group Limited (formerly RDL Corporation Limited).

<sup>4</sup> - The growth focused portfolio contains all investments made after the change in the VCT regulations in 2015 plus some investments that are growth in nature made before this date. The MBO focused portfolio contains investments made prior to 2015 as part of the previous MBO strategy.

■ Growth focused portfolio

■ MBO focused portfolio

# Statement of the Directors' Responsibilities

## Responsibility statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Graham Paterson (Chair of the Company), Lindsay Dodsworth (Chair of the Audit and Risk and of the Nomination and Remuneration Committees) and Chris Burke (Chair 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 Chair'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 2022 ("the Annual Report") and are not expected to change ahead of the year-end.

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; and
- environmental, social and governance emerging risk.

A detailed explanation of the principal risks can be found in the Annual Report on pages 32 and 33 and in Note 15 on pages 69 to 75 of the Annual Report and Financial Statements for the year ended 31 December 2022, copies of which are available on the Investment Adviser's website, [www.greshamhouse.com](http://www.greshamhouse.com) or by going directly to the VCT's website: [www.miq4vct.co.uk](http://www.miq4vct.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 fundraising completed at the beginning of 2023 is adequate for the Company to continue as a going concern under any plausible stress scenario. The majority of companies in the portfolio continue to trade well and the portfolio taken as a whole remains resilient and well-diversified, although supply chain constraints and inflationary pressures are beginning to impact. 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 69 to 75 of the Annual Report and Financial Statements for the year ended 31 December 2022. 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:



**Graham Paterson**  
Chair

27 September 2023

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## Unaudited Condensed Income Statement

for the six months ended 30 June 2023

	Notes	Six months ended 30 June 2023 (unaudited)			Six months ended 30 June 2022 (unaudited)			Year ended 31 December 2022 (audited)		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Net investment portfolio gains/(losses)	10	-	1,436,095	1,436,095	-	(10,266,686)	(10,266,686)	-	(14,708,270)	(14,708,270)
Income	4	1,023,141	-	1,023,141	699,999	-	699,999	2,016,974	-	2,016,974
Investment Adviser's fees	5	(234,385)	(703,152)	(937,537)	(247,680)	(743,037)	(990,717)	(470,253)	(1,410,756)	(1,881,009)
Other expenses		(281,879)	-	(281,879)	(261,117)	-	(261,117)	(602,167)	-	(602,167)
<b>Profit/(loss) on ordinary activities before taxation</b>		506,877	732,943	1,239,820	191,202	(11,009,723)	(10,818,521)	944,554	(16,119,026)	(15,174,472)
Tax on profit/(loss) on ordinary activities	6	(91,530)	91,530	-	(22,224)	22,224	-	(3,528)	3,528	-
<b>Profit/(loss) and total comprehensive income</b>		<b>415,347</b>	<b>824,473</b>	<b>1,239,820</b>	<b>168,978</b>	<b>(10,987,499)</b>	<b>(10,818,521)</b>	<b>941,026</b>	<b>(16,115,498)</b>	<b>(15,174,472)</b>
<b>Basic and diluted earnings per ordinary share</b>	7	<b>0.38p</b>	<b>0.76p</b>	<b>1.14p</b>	<b>0.19p</b>	<b>(12.43)p</b>	<b>(12.24)p</b>	<b>1.03p</b>	<b>(17.61)p</b>	<b>(16.58)p</b>

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the net investment portfolio gains/(losses) (net unrealised gains/(losses) and net 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 July 2022) issued 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 to the unaudited financial statements on pages 20 to 25 form part of these Half-Year Financial Statements.

## Unaudited Condensed Balance Sheet

as at 30 June 2023

Company registration number: 03707697

Notes	30 June 2023 (unaudited) £	30 June 2022 (unaudited) £	31 December 2022 (audited) £
<b>Fixed assets</b>			
Investments at fair value	10	46,460,069	52,867,936
<b>Current assets</b>			
Debtors and prepayments		503,588	146,585
Current asset investments	9	35,664,433	30,938,168
Cash at bank	9	1,872,352	2,422,753
		38,040,373	33,507,506
			37,891,712
<b>Creditors: amounts falling due within one year</b>		(268,705)	(241,463)
			(303,550)
<b>Net current assets</b>		37,771,668	33,266,043
			37,588,162
<b>Net assets</b>		<b>84,231,737</b>	<b>86,133,979</b>
			<b>83,539,842</b>
<b>Capital and reserves</b>			
Called up share capital		1,105,568	909,903
Share premium reserve		-	20,869,200
Capital redemption reserve		3,598	36,299
Revaluation reserve		16,099,403	20,436,687
Special distributable reserve		41,314,057	15,945,431
Realised capital reserve		24,196,527	26,145,111
Revenue reserve		1,512,584	1,791,348
			1,647,621
<b>Equity Shareholders' funds</b>		<b>84,231,737</b>	<b>86,133,979</b>
			<b>83,539,842</b>
<b>Basic and diluted net asset value:</b>			
Basic and diluted net asset value per share	11	<b>76.19p</b>	<b>94.66p</b>
			<b>80.05p</b>

The financial information for the six months ended 30 June 2023 and the six months ended 30 June 2022 has not been audited.

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

The Half Year Report was approved and authorised for issue by the Board of Directors on 27 September 2023 and was signed on its behalf by:



Graham Paterson  
Chair

## Unaudited Condensed Statement of Changes in Equity

for the six months ended 30 June 2023

Notes	Called up share capital £	Non-distributable reserves			Distributable reserves			Total £
		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 2023</b>	1,043,565	32,933,951	51,572	13,645,665	6,114,513	28,102,955	1,647,621	83,539,842
<b>Comprehensive income for the period</b>								
Profit/(loss) for the period	-	-	-	1,116,025	-	(291,552)	415,347	1,239,820
<b>Total comprehensive income for the period</b>	-	-	-	<b>1,116,025</b>	-	<b>(291,552)</b>	<b>415,347</b>	<b>1,239,820</b>
<b>Contributions by and distributions to owners</b>								
Shares issued via Offer for Subscription (Note c)	60,091	4,931,125	-	-	-	-	-	4,991,216
Issue costs and facilitation fees on Offer for Subscription (Note c)	-	(125,650)	-	-	(54,895)	-	-	(180,545)
Issue of shares under Dividend Investment Scheme	11,772	869,160	-	-	-	-	-	880,932
Shares bought back (Note d)	(9,860)	-	9,860	-	(735,692)	-	-	(735,692)
Dividends paid	8	-	-	-	-	(4,953,452)	(550,384)	(5,503,836)
<b>Total contributions by and distributions to owners</b>	<b>62,003</b>	<b>5,674,635</b>	<b>9,860</b>	-	<b>(790,587)</b>	<b>(4,953,452)</b>	<b>(550,384)</b>	<b>(547,925)</b>
<b>Other movements</b>								
Realised losses transferred to special reserve (Note a)	-	-	-	-	(2,676,289)	2,676,289	-	-
Realisation of previously unrealised gains	-	-	-	1,337,713	-	(1,337,713)	-	-
Cancellation of share premium account (Note e)	-	(38,608,586)	(57,834)	-	38,666,420	-	-	-
<b>Total other movements</b>	-	<b>(38,608,586)</b>	<b>(57,834)</b>	<b>1,337,713</b>	<b>35,990,131</b>	<b>1,338,576</b>	-	-
<b>At 30 June 2023</b>	<b>1,105,568</b>	-	<b>3,598</b>	<b>16,099,403</b>	<b>41,314,057</b>	<b>24,196,527</b>	<b>1,512,584</b>	<b>84,231,737</b>

Notes:

- a): The Special distributable reserve also provides the Company with a reserve to absorb any existing and future realised losses and, when considered by the Board to be in the interests of Shareholders, to fund share buybacks and for other corporate purposes. The transfer of £2,676,289 to the special distributable reserve from the realised capital reserve above is the total of realised losses incurred by the Company in the period. As at 30 June 2023, the Company has a special reserve of £41,314,057, £2,705,471 of which 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 are within three years of the end of an accounting period in which the shares were issued.
- b): The Realised capital reserve and the Revenue reserve together comprise the Profit and Loss Account of the Company.
- c): Under the Company's Offer for subscription launched on 5 October 2022, 6,009,092 Ordinary Shares were allotted on 6 February 2023, raising net funds of £4,810,671 for the Company. This figure is net of issue costs of £125,650 and facilitation fees of £54,895.
- d): During the period, the Company repurchased 986,022 of its own shares at the prevailing market price for a total cost (including stamp duty) of £735,692, which were subsequently cancelled.
- e): The cancellation of £38,608,586 from the Share Premium Reserve and £57,834 from the Capital Redemption Reserve (as approved at the General Meeting on 12 October 2022 and by the court order dated 20 June 2023) has increased the Company's special distributable reserve out of which it can fund buybacks of shares as and when it is considered by the Board to be in the interests of the Shareholders, and to absorb any existing and future realised losses, or for other corporate purposes.

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 2022

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 2022</b>	833,897	13,129,427	33,606	32,819,832	20,109,912	24,028,652	1,831,928	92,787,254
<b>Comprehensive income for the year</b> (Loss)/Profit for the year	-	-	-	(1,048,140)	-	60,641	168,978	(10,818,521)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(11,048,140)</b>	-	<b>60,641</b>	<b>168,978</b>	<b>(10,818,521)</b>
<b>Contributions by and distributions to owners</b>								
Shares issued via Offer for Subscription	73,612	7,426,388	-	-	-	-	-	7,500,000
Issue costs and facilitation fees on Offer for Subscription	-	(188,072)	-	-	(40,749)	-	-	(228,821)
Issue of shares under Dividend Investment Scheme	5,087	501,457	-	-	-	-	-	506,544
Shares bought back	(2,693)	-	2,693	-	(259,553)	-	-	(259,553)
Dividends paid	-	-	-	-	(3,143,366)	-	(209,558)	(3,352,924)
<b>Total contributions by and distributions to owners</b>	<b>76,006</b>	<b>7,739,773</b>	<b>2,693</b>	-	<b>(3,443,668)</b>	-	<b>(209,558)</b>	<b>4,165,246</b>
<b>Other movements</b>								
Realised losses transferred to special reserve	-	-	-	-	(720,813)	720,813	-	-
Realisation of previously unrealised gains	-	-	-	(1,335,005)	-	1,335,005	-	-
<b>Total other movements</b>	-	-	-	<b>(1,335,005)</b>	<b>(720,813)</b>	<b>2,055,818</b>	-	-
<b>At 30 June 2022</b>	<b>909,903</b>	<b>20,869,200</b>	<b>36,299</b>	<b>20,436,687</b>	<b>15,945,431</b>	<b>26,145,111</b>	<b>1,791,348</b>	<b>86,133,979</b>

The composition of each of these reserves is explained below:

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

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

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

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

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

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

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

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

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

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

## Unaudited Condensed Statement of Cash Flows

for the six months ended 30 June 2023

Notes	Six months ended 30 June 2023 (unaudited) £	Six months ended 30 June 2022 (unaudited) £	Year ended 31 December 2022 (audited) £
<b>Cash flows from operating activities</b>			
Profit/(losses) for the financial period	1,239,820	(10,818,521)	(15,174,472)
<b>Adjustments for:</b>			
Net investment portfolio (gains)/losses	(1,436,095)	10,266,686	14,708,270
(Increase)/decrease in debtors	(328,052)	169,170	140,220
(Decrease)/increase in creditors and accruals	(34,845)	14,051	76,139
<b>Net cash outflow from operating activities</b>	<b>(559,172)</b>	<b>(368,613)</b>	<b>(249,843)</b>
<b>Cash flows from investing activities</b>			
Sale of investments	2,138,910	4,341,501	8,701,638
Purchase of investments	(1,211,204)	(1,891,656)	(3,777,121)
<b>Net cash inflow from investing activities</b>	<b>927,706</b>	<b>2,449,845</b>	<b>4,924,517</b>
<b>Cash flows from financing activities</b>			
Share issued as part of Offer for Subscription	4,991,216	7,500,000	18,501,786
Subscription issue costs and facilitation fees	(180,545)	(228,821)	(621,964)
Equity dividends paid	(4,622,904)	(266,603)	(7,912,932)
Purchase of own shares	(735,692)	(259,553)	(1,460,054)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(547,925)</b>	<b>6,745,023</b>	<b>8,506,836</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(179,391)</b>	<b>8,826,255</b>	<b>13,181,510</b>
Cash and cash equivalents at start of period	35,716,176	22,534,666	22,534,666
<b>Cash and cash equivalents at end of period</b>	<b>35,536,785</b>	<b>31,360,921</b>	<b>35,716,176</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand	1,872,352	2,422,753	1,573,079
Cash equivalents	33,664,433	28,938,168	34,143,097

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

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 June 2023

### 1. Company information

Mobeus Income and Growth 4 VCT plc is a public limited company incorporated in England, registration number 3707697. The registered office is 5 New Street Square, London, EC4A 3TW.

### 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 July 2022) issued by the Association of Investment Companies.

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

### 3. Principal accounting policies

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

### 4. Income

	Six months ended 30 June 2023 (unaudited) £	Six months ended 30 June 2022 (unaudited) £	Year ended 31 December 2022 (audited) £
<b>Income from investments</b>			
Dividends	38,072	74,231	925,987
Loan stock interest	220,726	548,258	708,901
Money-market funds	716,454	59,788	326,187
Bank deposit interest	47,889	17,722	55,899
<b>Total Income</b>	<b>1,023,141</b>	<b>699,999</b>	<b>2,016,974</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 2023 (unaudited) £	Six months ended 30 June 2022 (unaudited) £	Year ended 31 December 2022 (audited) £
Allocated to revenue return: Investment Adviser's fees	234,385	247,680	470,253
Allocated to capital return: Investment Adviser's fees	703,152	743,037	1,410,756
<b>Total Investment Adviser's fees</b>	<b>937,537</b>	<b>990,717</b>	<b>1,881,009</b>

### 6. Taxation

	Six months ended 30 June 2023 (unaudited)			Six months ended 30 June 2022 (unaudited)			Year ended 31 December 2022 (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	91,530	(91,530)	-	22,224	(22,224)	-	3,528	(3,528)	-
<b>Total current tax charge/(credit)</b>	<b>91,530</b>	<b>(91,530)</b>	<b>-</b>	<b>22,224</b>	<b>(22,224)</b>	<b>-</b>	<b>3,528</b>	<b>(3,528)</b>	<b>-</b>
Corporation tax is based on a rate of 19.0% (2022: 19.0%)									
<b>b) Profit/(loss) on ordinary activities before tax</b>	506,877	732,943	1,239,820	191,202	(11,009,723)	(10,818,521)	944,554	(16,119,026)	(15,174,472)
Profit/(loss) on ordinary activities multiplied by rate of corporation tax in the UK of 19.0% (2022: 19.0%)	96,307	139,260	235,567	36,328	(2,091,848)	(2,055,520)	179,465	(3,062,615)	(2,883,150)
<b>Effect of:</b>									
UK dividends	(7,234)	-	(7,234)	(14,104)	-	(14,104)	(175,937)	-	(175,937)
Net investment portfolio (gains)/losses not (taxable)/allowable	-	(272,859)	(272,859)	-	1,950,670	1,950,670	-	2,794,571	2,794,571
Expenditure not allowable for tax purposes	2,457	-	2,457	-	-	-	-	-	-
Losses not utilised	-	42,069	42,069	-	118,954	118,954	-	264,516	264,516
<b>Actual current tax charge</b>	<b>91,530</b>	<b>(91,530)</b>	<b>-</b>	<b>22,224</b>	<b>(22,224)</b>	<b>-</b>	<b>3,528</b>	<b>(3,528)</b>	<b>-</b>

### 7. Basic and diluted earnings per share

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

	Six months ended 30 June 2023 (unaudited) £	Six months ended 30 June 2022 (unaudited) £	Year ended 31 December 2022 (audited) £
i) Total earnings after taxation	1,239,820	(10,818,521)	(15,174,472)
<b>Basic and diluted earnings per share (Note a)</b>	<b>1.14p</b>	<b>(12.24)p</b>	<b>(16.58)p</b>
ii) Revenue earnings from ordinary activities after taxation	415,347	168,978	941,026
<b>Basic and diluted revenue earnings per share (Note b)</b>	<b>0.38p</b>	<b>0.19p</b>	<b>1.03p</b>
Net investment portfolio gains/(losses)	1,436,095	(10,266,686)	(14,708,270)
Capital Investment Adviser's fees less taxation	(611,622)	(720,813)	(1,407,228)
iii) Total capital earnings	824,473	(10,987,499)	(16,115,498)
<b>Basic and diluted capital earnings per share (Note c)</b>	<b>0.76p</b>	<b>(12.43)p</b>	<b>(17.61)p</b>
iv) Weighted average number of shares in issue in the period	109,106,261	88,388,162	91,535,106

Notes:

- Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
- Basic revenue return per share is the revenue return after taxation divided by the weighted average number of shares in issue.
- Basic capital return per share is the capital return 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 2023

### 8. Dividends paid

Dividend	Type	For the year ended 31 December	Pence per share	Date paid	Six months ended 30 June 2023 (unaudited) £	Six months ended 30 June 2022 (unaudited) £	Year ended 31 December 2022 (audited) £
Interim	Income	2021	0.25p	7 January 2022	-	209,558	209,558
Interim	Capital*	2021	3.75p	7 January 2022	-	3,143,366	3,143,366
Interim	Capital*	2022	4.00p	8 July 2022	-	-	3,639,561
Interim	Income	2022	1.00p	7 November 2022	-	-	915,775
Interim	Capital*	2022	2.50p	7 November 2022	-	-	2,289,439
Interim	Capital	2022	2.50p	7 November 2022	-	-	2,289,439
Interim	Income	2023	0.50p	26 May 2023	550,384	-	-
Interim	Capital	2023	4.50p	26 May 2023	4,953,452	-	-
<b>Total Dividends Paid</b>					<b>5,503,836</b>	<b>3,352,924</b>	<b>12,487,138</b>

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

For the period ended 30 June 2023, £5,503,836 disclosed above differs to that shown in the Condensed Statement of Cash Flows of £4,622,904 due to £880,932 of new shares allotted subject to listing under the Company's Dividend Investment scheme.

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

	As at 30 June 2023 (unaudited) £	As at 30 June 2022 (unaudited) £	As at 31 December 2022 (audited) £
OEIC Money market funds	33,664,433	28,938,168	34,143,097
Cash equivalents per Statement of Cash Flows	33,664,433	28,938,168	34,143,097
Bank deposits that mature after three months	2,000,000	2,000,000	2,000,000
<b>Current asset investments</b>	<b>35,664,433</b>	<b>30,938,168</b>	<b>36,143,097</b>
<b>Cash at Bank</b>	<b>1,872,352</b>	<b>2,422,753</b>	<b>1,573,079</b>

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

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments at "fair value through profit and loss" (FVTPL). All investments held by the Company are classified as FVTPL and measured in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines, as updated in December 2022. 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 a disposal state that consideration may be received at some future date and, subject to the conditionality and materiality of the amount of deferred consideration, an estimate of the fair value discounted for the time value of money may be recognised through the Income Statement. In other cases, the proceeds will only be recognised once the right to receive payment is established and there is no reasonable doubt that payment will be received.

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

or:-

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

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

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

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

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

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

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

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

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 June 2023

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

	Traded on AIM Level 1 £	Unquoted equity shares Level 3 £	Unquoted preference shares Level 3 £	Unquoted Loan Stock Level 3 £	Total £
Valuation at 31 December 2022	2,591,357	35,614,195	1,720,203	6,025,925	45,951,680
Purchases at cost	-	712,512	498,692	-	1,211,204
Sales - proceeds	-	(1,060,150)	(3,591)	(1,075,169)	(2,138,910)
- net realised gains (Note a)	-	494,001	2,432	(176,363)	320,070
Net unrealised (losses)/gains on investments in the period (Note a)	(1,341,952)	2,879,240	70,280	(491,543)	1,116,025
<b>Valuation at 30 June 2023</b>	<b>1,249,405</b>	<b>38,639,798</b>	<b>2,288,016</b>	<b>4,282,850</b>	<b>46,460,069</b>
Book cost at 30 June 2023	45,915	24,293,524	1,966,878	7,347,323	33,653,640
Unrealised gains/(losses) at 30 June 2023	1,203,490	16,761,932	321,365	(2,187,385)	16,099,402
Permanent impairment of investments	-	(2,415,658)	(227)	(877,088)	(3,292,973)
<b>Valuation at 30 June 2023</b>	<b>1,249,405</b>	<b>38,639,798</b>	<b>2,288,016</b>	<b>4,282,850</b>	<b>46,460,069</b>
Gains on investments	-	314,893	2,432	(1,334,968)	(1,017,643)
Less amounts recognised as unrealised gains in previous years	-	179,108	-	1,158,605	1,337,713
<b>Realised gains/(losses) based on carrying value at 31 December 2022</b>	<b>-</b>	<b>494,001</b>	<b>2,432</b>	<b>(176,363)</b>	<b>320,070</b>
Net movement in unrealised (losses)/gains in the period	(1,341,952)	2,879,240	70,280	(491,543)	1,116,025
<b>(Losses)/gains on investments for the six months ended 30 June 2023</b>	<b>(1,341,952)</b>	<b>3,373,241</b>	<b>72,712</b>	<b>(667,906)</b>	<b>1,436,095</b>

Note a) Net realised gains on investments of £320,070 together with net unrealised gains of £1,116,025 equal net investment portfolio gains of £1,436,095 as disclosed in the Income Statement.

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

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

	As at 30 June 2023 (unaudited) £	As at 30 June 2022 (unaudited) £	As at 31 December 2022 (audited) £
<b>Valuation methodology</b>			
Multiple of earnings, revenues or gross margin, as appropriate	42,233,330	47,708,019	41,889,408
Net asset value	1,648,909	-	931,159
Recent investment price	1,228,883	1,088,538	-
Recent investment price (reviewed for impairment)	99,540	329,398	500,612
Average Share Price	-	-	39,144
Estimated and discounted realisation proceeds	-	49,597	-
	<b>45,210,664</b>	<b>49,175,552</b>	<b>43,360,323</b>

### 11. Net asset value per share

	As at 30 June 2023 (unaudited) £	As at 30 June 2022 (unaudited) £	As at 31 December 2022 (audited) £
Net assets	£84,231,737	£86,133,979	£83,539,842
Number of shares in issue	110,556,762	90,990,361	104,356,447
<b>Net asset value per share (pence)</b>	<b>76.19p</b>	<b>94.66p</b>	<b>80.05p</b>

### 12. Post balance sheet events

On 4 July 2023, the Company made a follow on investment of £0.33 million into Legatics Holdings Limited, an SaaS legal transaction management platform.

On 26 July 2023, the Company made an investment of £0.40 million into Mable Therapy Limited, a digital health platform for speech therapy and counselling.

On 3 August 2023, the Company made an investment of £0.39 million into Branchspace Limited, a digital retail software provider to aviation and travel industry.

On 11 August 2023, the Company made a follow on investment of £0.13 million into Orri Limited, a specialist private clinic, for those aged 16+, for expert treatment of Anorexia, Bulimia and Binge Eating Disorder.

13. The financial information for the six months ended 30 June 2023 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 2022 have been filed with the Registrar of Companies. The auditor has reported on the financial statements for the year ended 31 December 2022 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, 5 New Street Square, London, EC4A 3TW 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. 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 where it does not publish half or full year accounts.

The Investment Adviser holds an annual shareholder event. The last event was held as a virtual event on 23 March 2023 and it is expected that another event will be held in early 2024.

Shareholders wishing to follow the Company's progress can visit its website at [www.mig4vct.co.uk](http://www.mig4vct.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 up to the minute details of the share price and the latest NAV announcements, etc.

## Financial calendar

September 2023	Announcement of the Company's Half-Year results and circulation of the Half-Year Report for the six months ended 30 June 2023 to Shareholders.
31 December 2023	Year-end.
April 2024	Announcement of the Company's annual results and circulation of Annual Report and Financial Statements for the year ending 31 December 2023 to Shareholders.
May 2024	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 Group, at the address given on page 29.

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

## Dividend Investment Scheme (the "Scheme")

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

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

## Selling your shares

The Company's Shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. Shareholders are also advised to discuss their individual tax position with their financial advisor before deciding to sell their shares.

The Company is unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. If you do not have a broker already, the following links may be useful to help you identify a suitable broker: [Find a Broker | London Stock Exchange](#) or [Unbiased](#). You can check that they are FCA registered on the FCA website at: [fca.org.uk](http://fca.org.uk).

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 <a href="mailto:chris.lloyd@panmure.com">chris.lloyd@panmure.com</a>	Paul Nolan 0207 886 2717 <a href="mailto:paul.nolan@panmure.com">paul.nolan@panmure.com</a>
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## Managing your shareholding online

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

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

Tax legislation was introduced with effect from 1st January 2016 under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information. The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares. As an affected entity, the Company has to provide information annually to HMRC relating to a number of non-UK based certificated Shareholders who are deemed to be resident for tax purposes in any of the 90 plus countries who have joined CRS. All new Shareholders, excluding those whose shares are held in CREST, entered onto the share register from 1 January 2016 will be asked to provide the relevant information.

Additionally, HMRC's policy on FATCA now means that, as a result of the restricted secondary market in VCT shares, the Company's shares are not considered to be "regularly traded". The Company is therefore also an affected entity for the purposes of this legislation and as to provide information annually to HMRC relating to Shareholders who are resident for tax purposes in the United States.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information 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, Gresham House. To contact the Chair or any member of the Board, please contact the Company Secretary, also at Gresham House, in the first instance at: [mobeusvcts@greshamhouse.com](mailto:mobeusvcts@greshamhouse.com).

The Registrar, Link Group, may be contacted via the Shareholder Portal at [www.signalshares.com](http://www.signalshares.com), by post or telephone for queries relating to your shareholding including dividend payments, dividend mandate forms, change of address, etc.

Full contact details for each of Gresham House and Link Group are included under Corporate Information on page 29.

## Key Information Document

The European Union's Packaged Retail Investment and Insurance based Products (PRIIP's) 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.

## Fraud Warning

### Boiler Room fraud and unsolicited communications to Shareholders

We have been made aware of a 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.mobeusvcts.co.uk](http://www.mobeusvcts.co.uk) 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@greshamhouse.com](mailto:info@greshamhouse.com) 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 Registrar of the Company is up to date, to avoid cases of identity fraud.

## 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 the Company's website. 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 1999.

### 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 Company's total assets less its total liabilities. It is equal to the total equity Shareholders' funds.

### Net asset value per share or NAV per share

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

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.

### 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 Company in the future.

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

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

### Revenue

The total amount of income generated by the sale of goods or services related to a company's primary operations.

### Share price Total Return (APM)

As NAV Total Return, but the Company's mid-market share price (source: Panmure Gordon & Co) is used in place of NAV. This measure better reflects the actual return a Shareholder will have earned, were they to sell their shares at the year/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 value of the Company. If the shares trade at a discount, the returns could be less than the NAV Total Return, but if trading at a premium, returns could be higher than the NAV Total Return.

## Corporate Information

### Directors (Non-executive)

Graham Paterson (Chair)  
Christopher Burke  
Lindsay Dodsworth

### Investment Adviser, Company Secretary and Administrator

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### Company Registration Number

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