INVESTMENT PRODUCTS

MATRIX INCOME & GROWTH 4 VCT PLC

4

A VENTURE CAPITAL TRUST

SUMMARY REPORT & ACCOUNTS

Summary Annual Report and Accounts
for the year ended 31 January 2012

MATRIX

www.mig4vct.co.uk

Investment Objective

Strategy

Matrix Income & Growth 4 VCT plc ("MIG4", the "Company" or the "Fund") is a tax efficient company listed on the London Stock Exchange. It invests primarily in established and profitable unquoted companies.

Investment Objective

The VCT's objective 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.

Dividend Policy

The Company seeks to pay dividends at least annually out of income and capital as appropriate, and subject to fulfilling certain regulatory requirements.

Contents

This Summary Financial Statement has been prepared voluntarily by the Directors in accordance with the relevant requirements of section 428 of the Companies Act 2006. It does not contain sufficient information to allow a full understanding of the results and state of affairs of the Company. For further information, the full Annual Financial Statements, the Auditor's Report on those financial statements and the Directors' Report should be consulted. A copy of the Annual Report, which may be obtained free of charge from the Company Secretary, will be delivered to the Registrar of Companies after the Annual General Meeting. Shareholders wishing to receive the full Annual Report in future years may elect to do so by sending signed, written notice to the Company Secretary. This Summary Financial Statement contains additional information derived from the Directors' Report. It does not however contain the full text of that Report. PKF (UK) LLP has reported on the Company's statutory accounts for the year ended 31 January 2012. This report was unqualified and contained no statement under section 498 (2) and (3) of the Companies Act 2006. A pdf of the full report is available on the Company's webpage: www.mig4vct.co.uk.

Financial Highlights
as at 31 January 2012

- Increase in total shareholder return (net asset value basis) over the year of 5.2% from 131.6p to 138.4p per share
- Further funds of £3.5 million subscribed in the year
- Dividend of 5 pence per share declared for the year

Performance Summary – Ordinary Shares of 1 penny

Year ended 31 January	Net assets (£million)	Net asset value (NAV) per share (p)	Cumulative dividends paid per share (p)	NAV total return to shareholders since launch (p)[2]	Share price (p)[1]	Share price total return to shareholders since launch per share (p)[2]
2012	29.4	116.7	21.70	138.4	100.0	121.7
2011	25.3	112.9	18.70	131.6	103.5	122.2
2010	21.2	106.3	15.70	122.0	92.3	108.0
2009	21.0	104.6	13.70	118.3	92.0	105.7
2008	24.1	117.4	11.45	128.9	109.0	120.5
2007	9.8	116.3	8.90	125.2	91.0	99.9
2006	9.3	106.6	8.40	115.0	85.0	93.4

[1] Source: London Stock Exchange

[2] Total returns to Shareholders include dividends paid

Matrix Private Equity Partners LLP ("MPEP") became sole manager to the Company on 1 August 2006.

In the graph on page 22, the NAV and share price total returns to shareholders comprise the NAV and share price respectively assuming the dividends paid were re-invested on the date on which the shares were quoted ex-dividend in respect of each dividend. The total return figures have been rebased to 100 at 31 January 2007.

Financial Highlights
as at 31 January 2012

Return before and after income tax relief

The table below shows the NAV total returns at 31 January 2012 for a shareholder that invested £10,000 in each fundraising undertaken by the Company:

Fundraising	**1999/2000**	**2006/2007**	**2010 (Top-up Offer)**[3]	**2011 (Linked Offer)**[4]
Issue price per share (p)	200[1]	120.9[2]	112.4	121.6
Number of shares held	5,000	8,271	8,897	8,224
Net asset value (NAV) at 31 January 2012 (£)	5,837	9,655	10,385	9,600
Dividends paid to shareholder since subscription (£)	1,085	910	534	247[5]
NAV total return to shareholder since subscription (£)	6,922	10,565	10,919	9,847
Percentage change in NAV total return from last year	**5.2%**	**5.7%**	**5.9%**	**6.3%**
(Loss)/profit before income tax relief (£)[6]	**(3,078)**	**565**	**919**	**(153)[7]**
Income tax relief	20%[8]	30%	30%	30%
Cost net of income tax relief (£)	8,000	7,000	7,000	7,000
(Loss)/profit after income tax relief (£)[9]	**(1,078)**	**3,565**	**3,919**	**2,847**

[1] Original investment at 100p per ordinary share of 5p each, converted on a 2 for 1 basis to ordinary shares of 1p each in October 2006.

[2] Weighted average issue price of shares.

[3] 2010 Top-Up Offer to raise up to £2.18 million.

[4] Linked Offer for Subscription with Matrix Income & Growth VCT plc and The Income & Growth VCT plc to raise up to £21 million in total. The issue price is a weighted average for all shares issued.

[5] As all investors except for the last allotment received this period's dividend, it has been shown in these figures.

[6] NAV total return minus initial investment cost (before income tax relief).

[7] Current unrealised loss results from initial Offer costs of 5.5% paid on subscription.

[8] Additional capital gains tax deferral relief of up to £4,000 available to qualifying shareholders.

[9] NAV total return minus cost net of income tax relief.

The data for the 1999/2000 fundraising above includes the period up to 1 August 2006, when the Company used three investment advisers. The three subsequent fundraisings have raised capital which has been solely managed by MPEP.

Dividend history

Year ended 31 January	Dividends per share paid in respect of each year (p)	Cumulative dividends per share paid and proposed since launch (p)
2012	5.00**	26.70
2011	4.00	21.70
2010	3.00	17.70
2009	2.00	14.70
2008	2.00	12.70
2007	1.80*	10.70
2006	0.50*	8.90
2005	0.20*	8.40
2004	0.50*	8.20
2003	0.50*	7.70
2002	1.00*	7.20
2001	3.10*	6.20
2000	3.10*	3.10

Dividends paid include distributions from both income and capital.

* re-stated following capital reorganisation in 2006.

** Interim dividend – an interim dividend of 5p per share for the year ended 31 January 2012 has been declared on 18 April 2012 payable on 6 June 2012.

Chairman's Statement

I am pleased to present to Shareholders the Annual Report of the Company for the year ended 31 January 2012.

Performance

At 31 January 2012, the Net Asset Value (NAV) per Share was 116.7 pence (2011: 112.9 pence). Adjusted for the dividends paid to shareholders during the year, this represents an increase of 6.0% over the twelve month period. The NAV Total Return per Share since launch increased in the year by 5.2% from 131.6 pence at 31 January 2011 to 138.4 pence at 31 January 2012.

Despite tough economic conditions, many of the portfolio companies continue to develop well. The Board is satisfied with the performance of the portfolio compared to its generalist VCT peers (a benchmark the Board uses), and supports the Manager's investment approach. A continuation of current performance trends, if achieved, should result in payment of a useful dividend stream comprising both income and capital elements.

In this context, it is relevant to note that total dividends declared in respect of the year to 31 January 2012 amount to 5 pence per share.

Economic background

The year under review was dominated by continuing concerns about the severity of the UK recession, the coalition government's reaction to this and the timing of any recovery. Further concerns are rising UK inflation and a lack of clarity on the future direction of the European community.

Against this backdrop, the quoted UK equity market as represented by the FTSE All-Share Index was volatile but ended the year down (0.31%) on a total return basis. Bearing in mind that many of the portfolio companies are primarily valued by reference to the valuations of companies trading in similar sectors within the FTSE All-Share Index, it is encouraging to note that the Company's NAV total return rose by 5.2%.

The portfolio

The portfolio continues to be dominated by investments in management buy-out situations ("MBOs"), which has risen to 75.4% of the portfolio, followed by 16.8% in acquisition companies, 5.3% in development capital, 1.0% invested in one AIM investment and the remaining 1.5% of the portfolio being invested in what were originally development capital and early stage investments of previous managers. The portfolio is now invested in a wide range of market sectors with the largest of those being Support Services at 44.8%.

The stronger dealflow in the second half of 2010 continued into 2011. Three new investments were completed during the year under review to support the management buy-outs ("MBOs") of Motorclean Group Limited, EMaC Limited, and to provide development capital to Equip Outdoor Technologies Limited. The Company's existing investments in the acquisition vehicles Fullfield and Vanir were used in respect of the Motorclean and EMaC investments.

Further investments were made into ASL to support the acquisition of the assets of a similar company, Transcribe Copier Systems Limited and into Monsal as part of a £1.75 million facility to continue supporting the turnaround of that company.

There has been a pleasing level of realisations in the year. Most notably, in December 2011, the Company made a partial disposal of its investment in DiGiCo to ISIS Equity Partners. The Company has received total cash proceeds of £3 million over the life of this investment, representing a 3 times cash return to date. In addition, the Company continues to hold some loan stock and a small equity investment in this company, valued in total at £1.3 million.

Five loan stocks held by the Company totalling £1.41 million in value were fully or partly repaid during the year (including any premia due). Repayments were received from Focus Pharma Holdings Limited, Fullfield (Motorclean), Iglu.com Holidays, MachineWorks and Vectair. In addition, £4 million was received in loan stock repayments and related premia from Bladon Castle Management Limited, Backbarrow Limited, Rusland Management Limited and Torvar Limited, who had not been able to find suitable investment opportunities.

A number of the investee companies continued to trade well, notably DiGiCo, ATG Media and Iglu.com Holidays. Other companies are still endeavouring to recover from the effects of the 2008/09 recession. Plastic Surgeon returned a modest profit after a period of weak trading and Youngman fully repaid its bank debt and so is well-positioned to benefit from any upturn in its markets. Blaze Signs reported improved results demonstrating a recovery during the year. PXP, however, continues to be valued at nil although a further small investment into this company has been approved to support its prospective turnaround. As you will see from the Manager's Review, most companies in the portfolio continue to generate operating profits.

As at the year end the portfolio included three acquisition companies actively searching for further investments. Since the year-end, investments of £1 million each have been made in 4 further acquisition companies. A number of opportunities are under active consideration.

For further information on the portfolio please refer to the Investment Manager's Review on pages 7 to 11.

Offer for Subscription

The Company is participating in a linked fundraising with The Income & Growth VCT plc and Matrix Income & Growth VCT plc which was launched on 20 January 2012 to raise up to £21 million across the three VCTs. The funds to be raised for the VCT of up to £7 million will further improve the Company's liquidity, enable the VCT to continue to take advantage of the expected favourable conditions for new investment, support the Company's share buy-back policy and mean that its fixed running costs will be spread over a larger asset base. Details of the Offer have been posted to Shareholders. As at 30 April 2012, £4.3m has been subscribed after the year-end for further shares in the Company, and your Company has allotted 3,546,964 new ordinary shares so far.

The Offer will remain open until 30 June 2012 although the Directors of the three VCTs reserve the right to extend the closing date at their discretion.

Earlier in the year a further £3.4 million of net funds were raised from the 2010/2011 linked fundraising with The Income & Growth VCT plc and Matrix Income & Growth VCT plc, allotting 2,960,632 shares.

Cash available for investment

Cash and liquidity fund balances as at 31 January 2012 together with funds in acquisition companies, amounted to £14.4m which is advantageous to have at a time of increasing investment opportunities. In the meantime these funds continue to be invested in a number of leading cash funds and deposits with major banks. Despite the frustration of very low returns, your Board has taken the view that it would not be prudent to further increase counter party or timing exposures for a relatively small overall increase in the return rates. However, the Board continues to keep this policy under active review.

Review of results

The Company returned a profit for the year of £1,643,274 (2011: £1,893,790), comprised of a revenue return of £430,307 (2011: £119,808) and a capital return of £1,212,967 (2011: £1,773,982).

The revenue return for the Company has increased markedly during the year, from £119,808 to £430,307. Three main factors affected the overall increase in income to £955,864, from £636,426 for the year to 31 January 2011. Firstly, loan interest from investee companies has increased by £208,204 (44%) to £677,597. This is due to the benefit of further investments made in the year, notably Motorclean, EOTH and EMaC, in addition to a full year's interest received from CB Imports, ASL and RDL. Youngman has resumed loan stock interest payments and settled some of the arrears.

Secondly, the Company's dividend income from investee companies also rose by £79,130 (62%) to £206,966 during the year, compared to £127,836 for the year to 31 January 2011, predominantly due to dividends received from ATG Media and DiGiCo.

Finally, interest on bank deposits and money-market funds continued to be modest, rising slightly to £45,637 (2011: £34,092) due to higher liquidity following monies raised from the joint offer for subscription.

Against this net improvement in income, there was an increase in investment management fees of £185,898, principally due to increases in net assets and reclassification. This figure has been adjusted for the reclassification of Accounting and Company Secretarial fees to become part of Investment Management fees, which occurred in the previous year.

Dividend

A final dividend of 3 pence per share in respect of the year ended 31 January 2011 was paid in June 2011.

The Company's earnings per Ordinary Share were 6.62 pence per share (2011: 9.04 pence per share) comprising 1.73p of Income and 4.89p of capital. The Board is pleased to declare a dividend of 5 pence per share which will be paid as an interim dividend, comprising 1.5 pence from income and 3.5 pence from capital in respect of the year under review. This payment will bring total cumulative dividends paid since launch to 26.7 pence per share.

Dividend Investment Scheme

Shareholders have the opportunity of reinvesting all or part of their dividends into new Ordinary Shares of the Company at the higher of an amount equivalent to (i) the mid-market share price (averaged over the last 5 business days) or (ii) a 30% discount to the unaudited last published NAV per share. It provides a convenient, easy and cost effective way for Shareholders to build their shareholding in the Company, and further income tax relief is available on the amount re-invested. The recent dividend declared above will be eligible for the Scheme.

Shareholders that wish to participate in the Scheme should contact Capita Registrars, whose contact details can be found on page 33. Please note that Shareholders must be registered no later than 15 days prior to the dividend payment date to be eligible for the Scheme.

Investment in qualifying holdings

In order to comply with VCT tax legislation, the Company must meet the target set by HM Revenue & Customs (HMRC) of investing 70% of total funds raised in qualifying unquoted and AiM quoted companies ("the 70% test"). At 31 January 2012, the Company was 61.2% invested in qualifying companies (based upon the tax values, which differ from the valuations included in the Investment Portfolio Summary on pages 12 to 16. However, once this figure is adjusted for the partial disposal of DiGiCo, the percentage becomes 70.2%. In accordance with HMRC rules, the Company is allowed six months from the date of a realisation to meet the 70% test and the Board has taken sufficient steps to restore the position post year-end.

Share buy-backs

During the year ended 31 January 2012 the Company continued to implement its buy-back policy and bought back 275,403 (2011: 610,555) Ordinary Shares, representing 1.23% (2011: 3.1%) of the shares in issue at 1 February 2011 at a total

Chairman's Statement

cost of £280,089 (2011: £582,286). These shares were subsequently cancelled by the Company.

The shares above were bought back for an average price of 101.05 pence per share. The share price discount to NAV has narrowed from 11.8% at the start of the year to around 9.9% at the year end, in line with the Board's current policy which is to seek to maintain the discount at which the Company's shares trade at around 10%. Shareholders will continue to benefit from the difference between the Net Asset Value and the price at which the Shares are bought back and cancelled.

The Company's shares are listed on the London Stock Exchange and as such they should be sold in the same way as any other quoted company through a stockbroker. However, to ensure that they obtain the best price, Shareholders wishing to sell their shares are advised to contact the Company's stockbroker, Matrix Corporate Capital by telephoning 020 3206 7176/7 before agreeing a price with their stockbroker. Shareholders are also advised to discuss their individual tax position with their financial advisor before deciding to sell their shares.

Change of ownership at Matrix Private Equity Partners

Since April 2004, the Company's Investment Manager, MPEP has been owned jointly by its executive partners and Matrix Group Limited ("Matrix"). On 12 January 2012, the executive partners reached an agreement to acquire Matrix's interest in the business and this will lead to the Manager becoming a fully independent owner-managed firm. The acquisition is subject to approval from the FSA of the change of control in MPEP and is expected to be completed on or around 30 June 2012.

The Company's arrangements with MPEP, in particular its investment strategy and services, are not expected to change. The Directors look forward to continuing to work with MPEP to provide attractive long term returns on your Company investment whilst reserving the Company's rights under the investment management agreement.

Shareholder Communication

Shareholders receive a twice-yearly Matrix VCT Newsletter from the Investment Manager, approved by the Board. The Annual General Meeting to be held in June 2012 will provide a useful platform for the Board to meet Shareholders and exchange views. Your Board welcomes your attendance at General Meetings to give you the opportunity to meet your Directors and representatives of the Investment Manager.

The Investment Manager held a second successful investor workshop on 25 January 2012. The workshop provided a forum for about 100 Matrix VCT Shareholders to hear presentations from the Manager about its investment activity in greater depth and from a successful entrepreneur of one of the portfolio companies. It is intended that this will be an annual event, to which all Shareholders will be invited.

May I remind you that the Company continues to have its own website which is available at www.mig4vct.co.uk.

Outlook

The outlook for the UK economy remains uncertain. The coalition government has largely side-stepped taking robust decisions to improve the balance between the productive sectors of the economy and the public sector overhead, with the result that an early recovery is less likely. Higher tax rates combined with the rise in inflation in 2011 has increased pressures on consumers and the small businesses that service them. Parts of the property and construction industry have also been adversely affected. Despite this difficult environment, the majority of companies in the portfolio continue to generate operating profits and several are reporting results ahead of their budget and prior year. However, the Investment Manager expects that there may be companies in our portfolio which may find the challenges of the economic climate testing in the short term as the public sector cuts begin to take effect and the economy struggles to achieve permanent positive growth.

The Company has a significant cash position which will be further increased by this year's fundraising. This will ensure that it is well-placed to take advantage of new investment opportunities as well as supporting existing investee companies' trade through a testing period. This is particularly important at a time that UK banks, despite government exhortations, are limiting, or even withdrawing funds from the smaller company sector. The Investment Manager continues to investigate a number of investment opportunities at realistic purchase levels. The Board believes that the VCT's strategy of investing primarily in MBOs and structuring investments to include loan stock will continue to mitigate downside risk. This should contribute to enhancing the Company's performance and help to achieve the objective of attractive dividend payout levels.

As noted at the foot of the Investment Policy as set out in the Full Annual Report, your Board and Investment Manager are aware of proposed changes to the VCT legislation which could affect future operations and policies. It is still too early to know the final details, but any resulting impact on the fund will be reported to the Shareholders.

Finally, I would like to express my thanks to all Shareholders for their continuing support of the Company.

Christopher Moore
Chairman

30 April 2012

Investment Manager's Review

Overview

We continue to be encouraged by the positive signs that we have seen in our investment market both in terms of making investments and in achieving realisations. There has been a clear upward trend in deal flow in the year under review and we have seen a higher number of better priced, profitable, well-positioned and cash generative businesses seeking investment.

We believe that this is due to two important converging factors which have combined to make our level of investment in 2011 the highest for several years. Firstly, the continuing flat level of activity in the economy has led to greater realism amongst vendors regarding the value of their companies, leading to more realistic pricing. Secondly, our ability to invest significant levels of capital in a market lacking bank funding means that management buy-out ("MBO") teams are increasingly turning to us as a source of deliverable, long-term finance.

Furthermore, we are finding that there is trade interest, as well as enthusiasm from private equity investors, in the type of businesses in which we have invested, creating some interesting exit opportunities.

We believe that the Company's strategy of investing in modestly-geared MBO opportunities, supporting highly motivated management teams, focusing on acquiring established, profitable, positive cashflow businesses and investing partly in income yielding loan stocks substantially increases the degree of downside protection to Shareholders' capital.

We have continued to work actively with the management teams of investee companies, encouraging them to take cost cutting measures and discussing their budgets, forecasts and cost structure with them to ensure that their businesses remain as resilient as possible. The majority of investee companies have managed their cashflow well and remain cash-generative.

New investment

Three new investments completed during the year under review totalling £3.5 million, two of which used the VCT's existing investments of £1 million each in the acquisition vehicles Fullfield and Vanir.

First in July 2011, was a further investment of £280,880 into the acquisition vehicle Fullfield to enable it to support the MBO of Motorclean Group Limited, a provider of vehicle cleaning and valet services to the car dealership market, bringing the Company's investment in this company to £1.20 million.

In October, the Company made an investment of £951,471 to provide mezzanine finance as part of a £7.8m transaction to support the acquisition of the international intellectual property and assets of Lowe Alpine Srl from administration in Italy, by Equip Outdoor Technologies Limited, a company specialising in owning and distributing brands focused on the outdoor sector.

Finally the Company invested a further £263,817 into the acquisition vehicle Vanir to support the MBO of EMaC Limited, the UK's leading provider of outsourced service plans to franchised dealers in the automotive sector, bringing the Company's investment in this company to £1.26 million.

Our Operating Partner programme continues to pursue an active search for investment opportunities in their chosen sectors. Two of the acquisition companies successfully identified promising businesses during the year, as described above. However, in December 2011, Bladon Castle Management Limited repaid its loan stock as it had been unable to execute a transaction within an acceptable period of time and its shares were exchanged for shares in Watchgate Limited. Similarly, Backbarrow Limited, Rusland Management Limited and Torvar Limited had not been able to identify suitable opportunities so they also repaid their loan stocks, and their shares have been sold to Watchgate Limited in January 2012. However, the research undertaken by these companies will not be lost as we will continue to work with our operating partners in new vehicles in which this Company has invested in January 2012, namely Ackling Management Limited, Fosse Management Limited and Peddars Management Limited. Each of these acquisition vehicles is headed by an experienced Chairman, well-known to us, who is working closely with us in seeking to identify and complete investments in specific sectors relevant to their industry knowledge and experience. We have established these companies to provide time for us to identify and invest in suitable target companies at sufficiently attractive prices. We anticipate that the Operating Partner programme will lead to further new investments during 2012.

Follow-on investment

In March and June 2011, a further £409,067 in total was invested in the loan stock of ASL Technology Holdings Limited, making the total investment in ASL Technology Holdings £1,257,133, to finance its acquisition of Transcribe Copier Systems Limited, as part of its strategy to be a large player in this sector.

We have continued to work closely with our investee companies during the downturn in the economy to support and encourage them to make the necessary changes to ensure that they were well placed to withstand the economic contraction.

It is indicative of the success of these efforts that Monsal is the only investment in the portfolio that has required further working capital funding during the year under review. Earlier in the year, Monsal was experiencing completion delays on an existing contract and in the commissioning of new contracts.

Investment Manager's Review

These delays led to a requirement for additional funding and, following careful consideration, your Company approved a further loan stock investment of up to £147,007 as part of a £1.75 million fundraising alongside other Matrix VCTs and other shareholders. Three tranches of this new funding round, totalling £63,431, have been drawn down to date in separate tranches in July and August 2011; these investments are held at cost. The terms of this new investment round provided for it to rank ahead of the existing investment. With this additional funding, Monsal now has the ability to pursue a number of major contracts in the waste and water sector which will make the potential for recovery of value in the original investment a more realistic prospect. Encouragingly, since approval of this facility Monsal has materially advanced its negotiations on a number of new contracts, and has secured two of them.

Realisations

In the prevailing economic circumstances, we are pleased to report a healthy level of realisations. Realisations during the year generated cash proceeds of £3,582,042 (excluding seed company loan repayments of £3,996,000). In December 2011 the Company made a partial realisation of its investment in DiGiCo Europe Limited ("DiGiCo") through a sale to ISIS Equity Partners. This realisation increased the total cash proceeds received by the Company over the life of the investment by £2.14 million to £3 million, representing a 3.0 times cash return on the Company's original investment of £1 million. In addition, the VCT retains a 2.39% equity stake, and new loan stock in DiGiCo valued at £1.33 million at the date of completion of the transaction. The total return to date thus equates to approximately £4.4 million; a 4.4 times return on the Company's original investment. DiGiCo is a leading manufacturer and distributor of sound mixing consoles used at major corporate and sporting events worldwide. Its sustained strong profit growth since investment has been largely driven by product development and a series of successful launches. DiGiCo is a good example of how a properly financed business with strong management and a market-leading product can develop a niche opportunity and grow significant value.

A number of companies in the portfolio continue to be strongly cash generative and some have repaid part or all of their loan stock during the year to 31 January 2012. As a result of this the Company has received a total of £1,409,899 in loan stock repayments plus premiums during the year. The payments received were: £876,207 from Iglu.com Holidays in February 2011; £90,322 from Vectair in March 2011; £116,588 from MachineWorks in April 2011, £241,390 from Focus Pharma in January 2012 and £85,392 from Fullfield in January 2012.

The Portfolio

The MPEP invested portfolio at 31 January 2012 comprised thirty-two investments (2011: thirty) with a cost of £18.1 million (2011: £17.4 million) and valued at £17.8 million (2011: £18.8 million), representing 98.3% of cost (2011: 107.7%).

The portfolio's performance as a whole continues to be robust. Many investee companies, of which DiGiCo, Iglu.com Holidays and ATG Media have been the most notable, have continued to increase sales and profits despite the challenges of the economic environment.

Of the new investments made during the year, Fullfield (Motorclean Group) and Ingleby (EMaC) have made a good start. Fullfield in particular is performing in line with its investment plan. EOTH (Equip), however, has experienced a lower level of growth than expected since investment, reflecting the recent problems affecting the retail leisure goods sector.

Iglu.com Holidays continues to perform strongly and is now valued significantly above cost following out-performance of its business plans at the time of investment. DiGiCo and ATG experienced increased trading and profitability which has contributed to their higher valuations (in the former case, value is now held principally in loan stock). Focus Pharma continues to trade well, although it ended its financial year behind a stretching budget. It launched two new products during 2011 and expects to progress further with several further product launches planned for 2012.

Other companies are still endeavouring to recover fully from the effects of the 2008-9 recession. Activity in the construction and house building sectors remains well below historical levels and this continues to affect the performance of PXP and Plastic Surgeon. Although Youngman has now fully repaid its bank debt, demand for its products remains volatile and difficult to predict. Blaze Signs has made an impressive recovery from the depths of the recession but profitability remains well below peak levels. Westway has experienced less favourable trading but remains solidly profitable and with strong customer relationships. ASL has now integrated Transcribe, is trading well and is examining further acquisitions.

Elsewhere the position is mixed. RDL has had a disappointing first year with net reduction contract staff placements in its core pharmaceuticals and IT markets. Faversham is streamlining its operations although progress is slower than anticipated.

Of the Company's investments more directly exposed to the consumer, CB Imports has continued to advance its position in a difficult floristry supplies market and has started its trading year strongly. Racoon continues to generate solid profitability.

British International has experienced a disappointing year after record profitability in 2010 achieved on the back of high activity in oil and gas support work. The oil support work in the Falklands ended in May and has not been replaced by other contracts. In addition the long term decline in passenger numbers on the Penzance to Isles of Scilly passenger route has continued.

In March 2011, VSI completed a demerger of its two constituent businesses and the VCT now holds equivalent investment in two companies, LightWorks Software Limited and MachineWorks Software Limited. As part of the agreement MachineWorks assumed all of VSI's loan stock, which it repaid in April. Both investments are valued above cost.

The investments originally made by Elderstreet continue to trade satisfactorily with sparesFinder in particular making strong progress. We remain hopeful that value will be realised from the remaining investments, although their impact on the Company as a whole is now very small.

Our strategy remains to invest in strong, profitable companies and we consider that the prospect of further recovery and progress over the medium term is good. We believe that the portfolio, taken as a whole, is resilient and of high quality.

Outlook

Whilst we cannot be sure of the extent of UK economic recovery, we have been encouraged by strong or resilient performance by most of our investee companies in the year and we look forward to a productive new investment period. The coming year may prove more testing as the public sector cuts continue and the economy struggles to stabilise its faltering growth. We consider that good quality companies of the calibre in which we seek to invest, capable of maintaining competitive advantage, still have the potential to succeed in this environment. We are seeing the confidence of both vendors and sellers return, although the difficult economic outlook and the volatility in the quoted markets will inevitably continue to have an impact on the unrealised valuations of the companies in the portfolio. However, we believe that the portfolio overall is resilient and essentially of high value which will be released in the long term. Our strategy of investing primarily in MBOs and structuring investments to include loan stock will continue to mitigate downside risk. Having retained significant uninvested cash, which will be bolstered by the current fundraising, we consider the Company is very well placed to cover both any portfolio needs and funding for attractive new investment opportunities that may arise. Alongside this, the Manager is conscious of the need to ensure that investee companies take appropriate actions to respond to the challenging environment ahead.

Details of the Company's ten largest investments by value (excluding the three acquisition companies), representing 51.5% by cost and 64.1% by value of the portfolio:

ATG Media Holdings Limited

Cost: £888,993
Valuation: £1,854,802
Basis of valuation: Discounted earnings multiple
Equity % held: 8.5%
Business: Publisher and online auction platform operator
Location: London
History: Management buy-out
Income in year: £89,862
Audited financial information:

Year ended	Turnover	Operating profit	Net assets
30 September 2010	£7,215,000	£1,261,000	£2,505,000

Newincco 1124 Limited (trading as DiGiCo Europe Limited)

Cost: £1,334,293
Valuation: £1,334,293
Basis of valuation: Price of recent investment
Equity % held: 2.4%
Business: Designer and manufacturer of digital sound mixing consoles
Location: Chessington, Surrey
History: Management buy-out
Income in year: £150,076
Audited financial information:

Year ended	Turnover	Operating profit*	Net assets
31 December 2010	£18,757,000	£5,501,000	£8,909,000

Investment Manager's Review

Ingleby (1879) Limited (trading as EMaC Limited)

Cost:	£1,263,817
Valuation:	£1,263,817
Basis of valuation:	Price of recent investment
Equity % held and voting rights:	6.3%
Business:	Service plans for the motor trade
Location:	Crewe
History:	Management buy-out
Income in year:	£26,579
Audited financial information:	First audited accounts since investments will be for the year ended 31 December 2011

Fullfield (Motorclean) Limited

Cost:	£1,195,488
Valuation:	£1,195,488
Basis of valuation:	Price of recent investment
Equity % held:	8.8%
Business:	Vehicle cleaning & valet services
Location:	Laindon, Essex
History:	Management buy-out
Income in year:	£64,481
Audited financial information:	First audited accounts since investment will be for the year ended 30 November 2011

ASL Technology Holdings Limited (formerly Apricot Trading Limited)

Cost:	£1,257,133
Valuation:	£1,154,217
Basis of valuation:	Discounted earnings multiple
Equity % held and voting rights:	6.8% (fully diluted)
Business:	Supplier of printer and photocopier services
Location:	Cambridge
History:	Management buy-out
Income in year:	£90,960
Audited financial information:	First audited accounts since investment will be for the year ended 30 September 2011

Iglu.com Holidays Limited

Cost:	£133,779
Valuation:	£1,107,862
Basis of valuation:	Discounted earnings multiple
Equity % held:	7.2%
Business:	Online ski and cruise travel agent
Location:	Wimbledon
History:	Management buy-out
Income in year:	£1,142
Audited financial information:	

Year ended	Turnover	Operating profit	Net assets
31 May 2011[1]	£72,924,000	£1,448,000	£1,213,000

[1] The financial information quoted above relates to the operating subsidiary, Iglu.com Limited.

CB Imports Group Limited

Cost:	£1,000,000
Valuation:	£1,082,283
Basis of valuation:	Discounted earnings multiple
Equity % held:	5.8%
Business:	Importer and distributor of artificial flowers, floral sundries and home décor products
Location:	East Ardsley, West Yorkshire
History:	Management buy-out
Income in year:	£81,534
Audited financial information:	

Year ended	Turnover	Operating profit	Net assets
31 December 2010	£21,197,000	£755,000	£4,259,000

EOTH Limited

Cost:	£951,471
Valuation:	£951,471
Basis of valuation:	Price of recent investment
Equity % held:	1.7% (fully diluted)
Business:	Branded outdoor equipment and clothing
Location:	Altreton, Derbyshire
History:	Acquisition capital
Income in year:	£24,705
Audited financial information:	

Year ended	Turnover	Operating profit	Net assets
28 February 2011	£13,457,000	£2,315,000	£4,706,000

The financial information quoted above relates to the operating subsidiary, Equip Outdoor Technologies Limited.

RDL Recruitment Limited (formerly Aust Recruitment Group Limited)

Cost:	£1,000,000
Valuation:	£893,542
Basis of valuation:	Discounted earnings multiple
Equity % held:	9.1%
Business:	Recruitment consultants for the pharmaceutical, business intelligence and IT industries
Location:	Woking, Surrey
History:	Management buy-out
Income in year:	£82,507
Audited financial information:	First audited accounts since investments will be for the year ended 31 December 2011

Focus Pharma Holdings Limited

Cost:	£605,837
Valuation:	£686,743
Basis of valuation:	Discounted earnings multiple
Equity % held:	3.1%
Business:	Licensing and distribution of generic pharmaceuticals
Location:	Burton upon Trent, Staffordshire
History:	Management buy-out
Income in year:	£54,897
Audited financial information:	

Year ended	Turnover	Operating profit	Net assets
31 December 2010	£24,429,000	£1,507,000	£3,342,000

*Note: Operating profit for each of the above investments is stated before charging amortisation of goodwill.

Further details of the investments in the MPEP portfolio may be found on MPEP's website: www.matrixpep.co.uk

Investment Portfolio Summary
as at 31 January 2012

	Ordinary Shares		Other Investments (loan stock/preference shares)	
	Cost at 31-Jan-12 £	Valuation at 31-Jan-12 £	Cost at 31-Jan-12 £	Valuation at 31-Jan-12 £
Matrix Private Equity Partners Portfolio				
ATG Media Holdings Limited Publisher and online auction platform operator	355,660	1,215,025	533,333	639,777
Newincco 1124 Limited (trading as DiGiCo Europe Limited) Manufacturer of audio mixing desks	2,391	2,391	1,331,902	1,331,902
Ingleby (1879) Limited (trading as EMaC Limited) (previously Vanir Consultants Limited) Provider of service plans for the motor trade	379,146	379,146	884,671	884,671
Fullfield Limited (Motorclean Limited) Vehicle cleaning and valet services	405,612	405,612	789,876	789,876
ASL Technology Holdings Limited Printer and photocopier services	297,099	–	960,034	1,154,217
Iglu.com Holidays Limited Online ski and cruise travel agent	131,737	1,105,820	2,042	2,042
CB Imports Group Limited Importer and distributor of artificial flowers, floral sundries and home décor products	175,000	82,283	825,000	1,000,000
Ackling Management Limited Food manufacturing, distribution and brand management	400,000	400,000	600,000	600,000
Fosse Management Limited Brand management, consumer products and retail	400,000	400,000	600,000	600,000
Peddars Management Limited Database management, mapping, data mapping and management services to legal and building industries	400,000	400,000	600,000	600,000
EOTH Limited (trading as Equip Outdoor Technologies) Distributor of branded outdoor equipment and clothing	95,147	95,147	856,324	856,324
RDL Corporation Limited (previously Aust Recruitment Limited) Recruitment consultants for the pharmaceutical, business intelligence and IT industries	173,932	4,967	826,068	888,575
Focus Pharma Holdings Limited Licensor and distributer of generic pharmaceuticals	270,359	201,244	335,478	485,499
Blaze Signs Holdings Limited Manufacturer and installer of signs	183,005	65,310	427,011	552,827
Westway Services Holdings (2010) Limited Installation, service and maintenance of air conditioning systems	38,688	134,973	197,408	287,089
Youngman Group Limited Manufacturer of ladders and access towers	50,027	–	449,999	349,983
British International Holdings Limited Helicopter service operator	56,250	–	239,205	323,360
Faversham House Holdings Limited Publlisher, exhibition organiser and operator of websites for the environmental, visual communications and building services sectors	131,465	13,340	215,023	277,380
Higher Nature Limited Mail order distributor of vitamins and natural medicines	500,127	258,347	–	–
The Plastic Surgeon Holdings Limited Snagging and finishing of domestic and commercial properties	45,884	–	412,953	225,654
Omega Diagnostics Group plc[1] In-vitro diagnostics for food intolerance, autoimmune diseases and infectious diseases	199,998	174,998	–	–
Machineworks Software Limited[2] Provider of software for CAD and CAM vendors	9,329	143,770	–	–

Total								
Cost at 31-Jan-12 £	Valuation at 31-Jan-11 £	Additional investments £	Valuation at 31-Jan-12 £	Unrealised gains/ (losses) in the year £	Realised gains/ (losses) in the year £	Proceeds in the year £	% of equity held	% of portfolio by value
888,993	1,293,507	104	1,854,802	561,191	–	–	8.50%	10.33%
1,334,293	–	1,334,293	1,334,293	–	–	–	2.39%	7.42%
1,263,817	1,000,000	263,817	1,263,817	–	–	–	6.32%	7.03%
1,195,488	1,000,000	280,880	1,195,488	–	–	85,392	8.75%	6.65%
1,257,133	848,066	409,067	1,154,217	(102,916)	–	–	6.78%	6.42%
133,779	1,420,200	–	1,107,862	563,869	–	876,207	7.15%	6.16%
1,000,000	1,242,622	–	1,082,283	(160,339)	–	–	5.79%	6.02%
1,000,000	–	1,000,000	1,000,000	–	–	–	16.66%	5.56%
1,000,000	–	1,000,000	1,000,000	–	–	–	16.66%	5.56%
1,000,000	–	1,000,000	1,000,000	–	–	–	16.66%	5.56%
951,471	–	951,471	951,471	–	–	–	1.71%	5.29%
1,000,000	1,000,000	–	893,542	(106,458)	–	–	9.05%	4.97%
605,837	1,060,749	–	686,743	(132,616)	–	241,390	3.10%	3.82%
610,016	560,223	–	618,137	57,914	–	–	5.70%	3.44%
236,096	646,071	–	422,062	(224,009)	–	–	3.20%	2.35%
500,026	349,983	–	349,983	–	–	–	4.24%	1.95%
295,455	433,545	–	323,360	(110,185)	–	–	2.50%	1.80%
346,488	346,488	–	290,720	(55,768)	–	–	6.26%	1.62%
500,127	429,671	–	258,347	(171,324)	–	–	10.34%	1.44%
458,837	114,709	–	225,654	110,945	–	–	6.88%	1.26%
199,998	241,664	–	174,998	(66,666)	–	–	1.96%	0.97%
9,329	277,184	–	143,770	(45,740)	–	116,588	4.20%	0.80%

Investment Portfolio Summary
as at 31 January 2012

	Ordinary Shares		Other Investments (loan stock/preference shares)	
	Cost at 31-Jan-12 £	Valuation at 31-Jan-12 £	Cost at 31-Jan-12 £	Valuation at 31-Jan-12 £
Duncary 8 Limited (trading as BG Consulting Limited) City-based provider of specialist technical training	25,328	22,798	101,667	101,667
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	122,043	–	284,762	94,621
Letraset Limited Manufacturer and distributor of graphic art products	150,010	80,070	–	–
Monsal Holdings Limited Supplier of engineering services to the water and waste sectors	216,313	–	483,131	63,431
Vectair Holdings Limited Designer and distributor of washroom products	24,643	59,268	89	89
Lightworks Software Limited[2] Provider of software for CAD and CAM vendors	9,329	52,810	–	–
DiGiCo Europe Limited Manufacturer of audio mixing desks	–	–	–	–
Backbarrow Limited Food manufacturing, distribution and brand management	–	–	–	–
Bladon Castle Management Limited Brand management, consumer products and retail	–	–	–	–
Rusland Management Limited Brand management, consumer products and retail	–	–	–	–
Torvar Limited Database management, mapping, data mapping and management services to legal and building industries	–	–	–	–
PXP Holdings Limited Designer, manufacturer and supplier of timber frames for buildings	168,217	–	511,332	–
Legion Group plc (formerly Sectorguard plc) Provider of manned guarding, patrolling and alarm response services	150,102	–	–	–
Box-it Data Management Limited Document management and storage	–	–	25,759	–
Watchgate Limited Holding company	1,000	–	–	–
FH Ingredients Limited Processor and distributor of frozen herbs to the food processing industry	–	–	–	–
Total	**5,567,841**	**5,697,319**	**12,493,067**	**12,108,984**
Former Elderstreet Private Equity Portfolio				
Cashfac Limited Provider of virtual banking application software solutions to corporate customers	260,101	104,906	–	–
Sparesfinder Limited Supplier of industrial spare parts online	250,854	53,625	–	–
Sift Group Limited Developer of business-to-business internet communities	130,116	6,523	–	–
Westchester Holdings Limited E-tailer of CDs, videos and multi-media titles	–	–	–	–
Total	**641,071**	**165,054**	**–**	**–**
Investment Managers' Total	**6,208,912**	**5,862,373**	**12,493,067**	**12,108,984**

[1] Quoted on AiM

[2] On 31 March 2011, VSI Limited (VSI) undertook a demerger, such that the Company now holds separate investments in Machineworks Software Limited (Machineworks) and Lightworks Soft
However the valuation of the ordinary share investments at the merger date were split 75:25 between Machineworks and Lightworks respectively. The former loan investment in VSI of £93,2

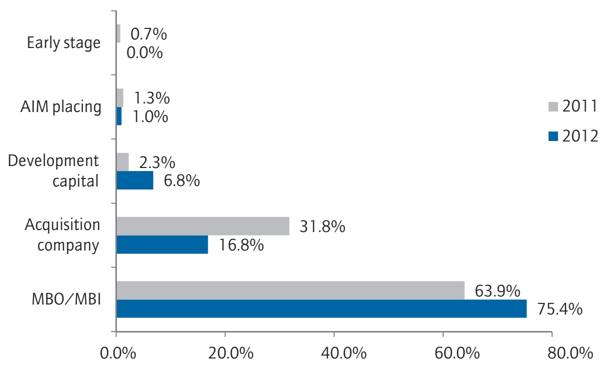
Cost at 31-Jan-12 £	Total Valuation at 31-Jan-11 £	Additional investments £	Valuation at 31-Jan-12 £	Unrealised gains/ (losses) in the year £	Realised gains/ (losses) in the year £	Proceeds in the year £	% of equity held	% of portfolio by value
126,995	104,769	–	124,465	19,696	–	–	5.10%	0.70%
406,805	174,507	–	94,621	(79,886)	–	–	5.70%	0.53%
150,010	19,540	10	80,070	60,520	–	–	5.26%	0.46%
699,444	–	63,431	63,431	–	–	–	6.14%	0.35%
24,732	181,406	–	59,357	(31,727)	–	90,322	2.14%	0.33%
9,329	92,395	–	52,810	(10,671)	–	–	4.20%	0.29%
–	1,900,210	–	–	1,331,902	260,803	3,492,915	6.52%	0.00%
–	1,000,000	–	–	–	(1,000)	999,000	0.00%	0.00%
–	1,000,000	–	–	–	–	999,000	0.00%	0.00%
–	1,000,000	–	–	–	(1,000)	999,000	0.00%	0.00%
–	1,000,000	–	–	–	(1,000)	999,000	0.00%	0.00%
679,549	–	–	–	–	–	–	4.98%	0.00%
150,102	–	–	–	–	–	–	0.72%	0.00%
25,759	25,759	–	–	(25,759)	–	–	N/A	0.00%
1,000	–	–	–	–	(1,000)	–	33.33%	0.00%
–	–	–	–	–	2,551	2,551	N/A	0.00%
18,060,908	**18,763,268**	**6,303,073**	**17,806,303**	**1,381,973**	**259,354**	**8,901,365**	**–**	**99.08%**
260,101	111,054	–	104,906	(6,148)	–	–	2.88%	0.58%
250,854	26,568	–	53,625	27,057	–	–	1.70%	0.30%
130,116	–	–	6,523	6,523	–	–	1.03%	0.04%
–	–	–	–	–	8,579	8,579	1.03%	0.00%
641,071	**137,622**	**–**	**165,054**	**27,432**	**8,579**	**8,579**	**–**	**0.92%**
18,701,979	**18,900,890**	**6,303,073**	**17,971,357**	**1,409,405**	**267,933**	**8,909,944**	**–**	**100.00%**

ware Limited (Lightworks). On the demerger date, the cost of the ordinary shares and the cost and valuation of the preference shares were split equally between Machineworks and Lightworks.
270 was wholly transferred to Machineworks at the date of the demerger. It was repaid in full on 4 April 2011.

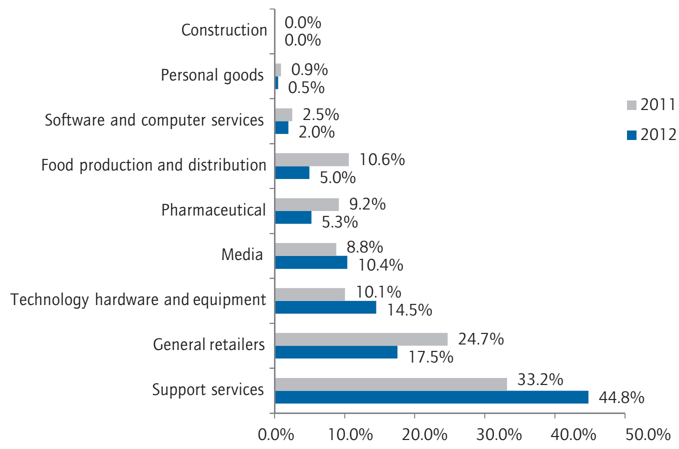
Investment Portfolio Summary
as at 31 January 2012

Investments at valuation as at 31 January 2012

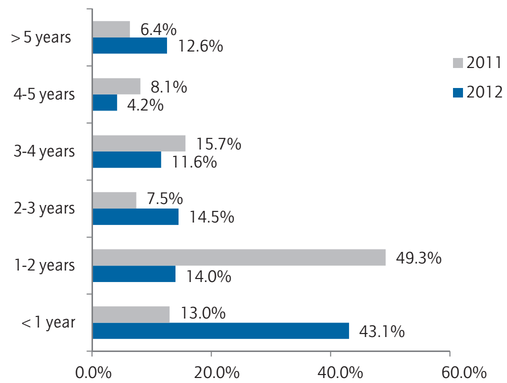
By stage of development



By market sector



By number of years held



Board of Directors

Christopher Moore

Status: **Independent, Non-Executive Chairman**

Age: **67**

Date of appointment: 1 April 2002

Experience: Christopher has considerable experience of the venture capital industry. After a law degree and qualifying as an accountant with Price Waterhouse he worked for Robert Fleming Inc., Lazards, Jardine Fleming and then Robert Fleming, latterly as a main board director from 1986 to 1995. During this period he was involved in various unquoted and venture capital investments and remained chairman of Fleming Ventures Limited, an international venture capital fund, until the fund's final distribution in 2003. His roles have included acting as senior adviser to the chairman of Lloyds and chairing the successful turnaround of a public industrial group. Until May 2010, he was a director of Matrix Income & Growth VCT and Matrix Income & Growth 3 VCT and until September 2010 he was a director of The Income & Growth VCT.

Last re-elected to the Board: June 2011, standing for re-election at the forthcoming Annual General Meeting;

Committee memberships: Audit Committee (Chairman until 27 September 2010), Investment Committee, Nominations and Remuneration Committee (Chairman until 18 April 2012)

Number of Board and Committee meetings attended 2011: 12/12

Remuneration 2011/12: £31,000

Relevant relationships with the Investment Manager or other service providers: None

Shareholding in the Company: 33,887 Ordinary Shares

Andrew Robson

Status: **Independent, Non-Executive Director**

Age: **53**

Date of appointment: 1 August 2010

Experience: Andrew qualified as a Chartered Accountant in 1984. From 1984 to 1997, he worked in Corporate Finance at Robert Fleming & Co Limited, becoming a director. Following a four year term in charge of the finances of the National Gallery, he joined Société Générale as a director in the London M&A department. He subsequently became finance director of the eFinancial group, a group specialising in financial publishing and online recruitment. He now works as a business adviser to small companies. Andrew has over 12 years of experience as a non-executive director, including with investment companies. He is currently a non-executive director of First Integrity Limited (from December 2006), Brambletye School Trust Limited, British Empire Securities and General Trust PLC (from August 2008), Peckwater Limited (from August 2008), Shires Income PLC (from May 2008) and JP Morgan Smaller Companies Investment Trust PLC (from 2007). Andrew was a non-executive director of Edinburgh UK Smaller Companies Tracker Trust PLC from 1998 to 2006, M&G Equity Investment Trust PLC from 2007 until 2011 and Gate Gourmet Group Holding LLC from 2006 to 2007.

Last re-elected to the Board: June 2011, not standing for election at the forthcoming Annual General Meeting;

Committee memberships: Audit Committee (Chairman), Investment Committee, Nominations and Remuneration Committee (Chairman with effect from 18 April 2012);

Number of Board and Committee meetings attended 2011: 12/12

Remuneration 2011/12: £26,000

Relevant relationships with the Investment Manager or other service providers: None

Shareholding in the Company: 6,493 Ordinary Shares

Helen Sinclair

Status: **Non-Executive Director**

Age: **46**

Date of appointment: 1 February 2003

Experience: Helen has extensive experience of investing in a wide range of small and medium sized businesses. She graduated in economics from Cambridge University and began her career in banking. After an MBA at INSEAD business school, Helen worked from 1991 to 1998 at 3i plc based in their London office. She was a founding director of Matrix Private Equity Limited when it was established in early 2000 and has since raised two funds, Matrix Income & Growth 2 VCT plc (formerly Matrix e-Ventures VCT plc) and Matrix Enterprise Fund. She is a non-executive director of The Income & Growth VCT plc, Downing Income & Growth VCT 4 plc and Spark Ventures plc, Octopus Eclipse VCT 3 PLC and is Chairman of British Smaller Companies VCT plc.

Last re-elected to the Board: June 2011, standing for re-election at the forthcoming Annual General Meeting.

Committee memberships: Investment Committee (Chairman), Audit Committee, Nominations and Remuneration Committee

Number of Board and Committee meetings attended 2011: 12/12

Remuneration 2011/12: £26,000

Relevant relationships with the Investment Manager or other service providers: Director of The Income & Growth VCT plc which is also advised by Matrix Private Equity Partners LLP.

Shareholding in the Company: 12,425 Ordinary Shares

Summary Directors' Report

Business and principal activities

The principal activity of the Company during the year was the investment in unlisted or AiM-quoted companies in the United Kingdom.

The Company's Ordinary Shares in the capital of the Company were first admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange on 9 March 1999.

The Company has satisfied the requirements for full approval as a Venture Capital Trust by HM Revenue & Customs (HMRC) under section 274 of the Income Tax Act 2007 (the "ITA") throughout the year ended 31 January 2012. It is the Directors' intention to continue to manage the Company's affairs in such a manner so as to comply with section 274 and remain as a Venture Capital Trust.

To enable capital profits to be distributed by way of dividends, the Company revoked its status as an investment company as defined by section 833 of the Companies Act 2006 ("the 2006 Act") on 28 July 2008.

All the businesses of the investee companies are within the United Kingdom.

Business review

For a review of the Company's development and performance during the year, please see the Chairman's Statement on pages 4 to 6 and the Investment Manager's Review and information on the Company's ten largest investments on pages 7 to 11 of this Report. The Financial Highlights on pages 1 to 3 provide data on the Company's key performance indicators.

The Board reviews performance by reference to various measures, taking account of the long term nature of the assets in which the Company invests:

- **Total return**
  The total return per share is the key measure of performance for the Company which comprises NAV plus cumulative dividends paid per share. NAV is calculated quarterly in accordance with the IPEVCV guidelines. The Company's net assets increased during the year under review resulting in a 6.0% increase in NAV per share (after adding-back dividends paid during the year) and a 5.2% increase in total NAV return per share.

- **Total expense ratio (TER)**
  The TER of the Company for the year under review was 3.30% (2011: 3.46%) which includes irrecoverable VAT of 0.09% (2011: 0.13%). Under the terms of the management agreement, the total management and administration expenses of the VCT, excluding any irrecoverable VAT and exceptional items, are capped at 3.4% of closing net assets. There was therefore no breach of the expense cap for the year under review (2011: Nil).

Future developments

The objective of the Company continues to be to provide Shareholders with an attractive investment return, principally by maximising the stream of dividend distributions from the income and capital gains generated by a portfolio of investments in a wide variety of unquoted companies in the United Kingdom. The Directors intend to continue to pursue this objective throughout the coming year.

Share capital

Linked Offer for Subscription 2010/11

The Company issued 2,960,632 Ordinary Shares at an average of 121.6 pence per share from 31 January 2011 to 6 July 2011, under the Linked Offer for Subscription with Matrix Income & Growth VCT plc and The Income & Growth VCT plc launched on 12 November 2010 to raise up to £21 million (the "**Offer**"). The Offer raised £3.4 million for the Company and it closed on 30 June 2011.

Linked Offer for Subscription 2012

The Company has issued 3,546,964 new Ordinary Shares under the Linked Offer for Subscription launched with Matrix Income & Growth VCT plc and The Income & Growth VCT plc on 20 January 2012. The issued Ordinary Share Capital of the Company as at the date of this report is therefore £287,489 and the number of Ordinary Shares in issue is 28,748,870. Since the year end, the Company has made three allotments under the Offer:

Allotment date	No. of Ordinary Shares issued	Issue price (p)
8 March 2012	1,445,046	1.235
4 April 2012	1,217,929	1.235
5 April 2012	883,989	1.235
Total	**3,546,964**	

To date the Linked Offer has raised £14.1 million and is expected to close on 30 June 2012.

Dividend Investment Scheme

The Company issued a total of 60,875 Ordinary Shares to shareholders participating in its Dividend Investment Scheme on 24 June 2011. Further details can be found below under "Dividend Investment Scheme".

Share buybacks

The Company currently has authority to purchase its own shares pursuant to section 701 of the Companies Act 2006 as approved by Shareholders on 20 June 2011. For further details please see Note 15 to the accounts on page 64 of the Full Annual Report. A resolution to renew this authority will be put to members at the Annual General Meeting to be held on 13 June 2012 (see below). During the year the Company bought back 275,403 Ordinary Shares of 1 penny each (being £2,754 nominal value and 1.23% of the shares in issue at 1 February 2011) at a total cost of £280,089. These shares were subsequently cancelled by the Company.

The issued Ordinary Share capital of the Company as at 31 January 2012 was £252,019 and the number of Ordinary Shares in issue as at this date was 25,201,906.

Rights attaching to shares

Each shareholder has one vote on a show of hands, and on a poll one vote per share held, at a general meeting of the Company. No member shall be entitled to vote or exercise any rights at a general meeting unless all shares have been paid up in full. Any instrument of proxy must be deposited at the place specified by the directors no later than 48 hours before the time for holding the meeting.

Shareholders may, if they so wish, arrange for their shares to be held via a nominee or depository where they retain the financial rights carried by the Company's shares.

Results and dividend

The revenue profit attributable to equity shareholders for the year to 31 January 2012 was £430,307 (2011: £119,808) after taxation. Arising from the partial realisation of DiGiCo, your Board declared a dividend of 5 pence per share which will be paid as an interim dividend, comprising 1.5 pence from income and 3.5 pence from capital in respect of the year under review, payable on 6 June 2012 to Shareholders who are on the Register of Members at 6.00 pm on 11 May 2012. This brings total cumulative dividends paid to 26.7 pence per share.

The Board declared an interim dividend, as the timing of the payment helps the VCT to comply with the minimum 70% qualifying investment ratio, within 6 months of the sale of DiGiCo (Europe).

This dividend will be eligible for the Dividend Investment Scheme (see below for further information on how to join the Scheme).

Dividend Investment Scheme

At the Annual General Meeting held on 20 June 2011, Shareholders approved the introduction of a Dividend Investment Scheme (the "Scheme") and authorised the Directors to allot new shares to participating shareholders. The dividend payment referred to below was eligible for the Scheme and the following shares were allotted:

Dividend payment date	Dividend amount (p)	No. of new Ordinary Shares issued under the Scheme	Allotment date	Issue price (p)
24 June 2011	3.0	60,875	6 July 2011	100.7
Total	**3.0**	**60,875**		

The Scheme will be available for the interim dividend of 5 pence per share and Shareholders that have not already elected to participate in the Scheme should notify the Scheme Administrator, Capita Registrars, by 23 May 2012 that they wish to participate in the Scheme. A personalised Mandate form for this purpose can be obtained by contacting Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open 8.30 am – 5.30 pm Mon – Fri. If calling from overseas please ring +44 208 639 3399).

A copy of the Scheme rules can be obtained from the Company's website, www.mig4vct.co.uk.

Directors and their interests

The Directors who held office throughout the year under review and their interests in the issued Ordinary Shares of the Company as at 31 January 2012 were:

Director	Ordinary Shares held: 31 January 2012	31 January 2011
Christopher Moore	32,464	32,464
Andrew Robson	4,358	2,887
Helen Sinclair	11,002	11,002

Since the year-end, the Directors have been issued shares in the Company as follows:

Director	Holdings at 31 January 2012	Shares issued since the year-end	Holdings at 8 March 2012
Christopher Moore	32,464	1,423	33,887
Andrew Robson	4,358	2,135	6,493
Helen Sinclair	11,002	1,423	12,425

Christopher Moore and Helen Sinclair will be subject to re-election by Shareholders at the forthcoming Annual General Meeting on 13 June 2012;

- Having served for ten years and in accordance with the AIC Code of Corporate Governance, Christopher Moore will retire by rotation and offer himself for re-election annually.
- In accordance with the AIC Code of Corporate Governance, Helen Sinclair is now subject to annual re-election by Shareholders as she is not considered to be independent of the Investment Manager.

The Board considers that each director continues to offer valuable skills and experience and recommends Shareholders vote in favour of electing or re-electing each Director.

It is the policy of the Directors not to participate in decisions concerning investee companies in which they hold an interest. None of the Directors held interests in investee companies throughout the year.

Anti-bribery policy

The VCT has adopted a zero tolerance approach to bribery. The following is a summary of its policy:

- It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company is committed to acting professionally, fairly and with integrity in all its business dealings and relationships where it operates.
- Directors and service providers must not promise, offer, give, request, agree to receive or accept a financial or other advantage in return for favourable treatment, to influence a

Summary Directors' Report

business outcome or to gain any other business advantage on behalf of themselves or of the Company or encourage others to do so.

- The Company has communicated its anti-bribery policy to each of its service providers. It expects and requires each of its service providers to have policies in place which reflect the key principles of this policy and procedures and which demonstrate that they have adopted procedures of an equivalent standard to those instituted by the Company.

Going concern

After due consideration, the Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future and it is appropriate to continue to adopt the going concern basis in preparing the accounts. As at 31 January 2012, the Company held cash balances and investments in money market funds with a combined value of £11,394,275. Cash flow projections have been reviewed and show that the Company has sufficient funds to meet both contracted expenditure and any discretionary cash outflows from share buybacks and dividends. The Linked Offer for Subscription launched on 20 January 2012 will provide further funds. The Company has no external loan finance in place and is therefore not exposed to any gearing covenants.

Related party transactions

As part of the arrangements for the Matrix VCTs Linked Offer launched on 20 January 2012 ("the Offer"), the Company has agreed to pay Matrix Private Equity Partners, the Company's Manager, the sum of 5.5% of the funds subscribed by way of a promoter's fee, out of which MPEP will pay all of the expenses of the Offer (excluding trail commission to financial intermediaries which will continue to be paid by the Company).

In addition, the Company has also appointed Matrix Corporate Capital as sponsor to the Offer at a fee based on 0.12% of funds raised. An additional charge will also be made across the three VCTs in the Offer of £1,500 per supplementary prospectus issued. The agreement includes a "cap" of £15,000 per company.

These transactions are both deemed to be related party transactions under the Listing Rules of the UK Listing Authority.

Post balance sheet events

Under the Linked Offer for subscription launched on 20 January 2012, 3,546,964 Ordinary shares were allotted at a price of 123.5 pence per share raising net funds of £4,145,844 up to the date of approval of these accounts.

On 20 March 2012, the Company made separate investments of £1 million into each of the acquisition vehicles Almsworthy Trading Limited, Culbone Trading Limited, Madacombe Trading Limited and Sawrey Limited.

Annual general meeting

The Notice of the Annual General Meeting (AGM), which will be held on 13 June 2012, is set out on pages 30 to 32 of this Summary Annual Report. Proxy Forms for the AGM are enclosed with Shareholder's copies of this Summary Annual Report.

Resolutions 1 to 7 and Resolution 10 are being proposed as ordinary resolutions requiring more than 50% of the votes cast at the meeting to be passed and resolutions 8 and 9 will be proposed as special resolutions requiring the approval of at least 75% of the votes cast at the meeting to be passed.

An explanation of resolutions 7 to 10 is set out below:

Authorities for the Directors to allot shares (Resolution 7) and disapply pre-emption rights (Resolution 8) under sections 551 and 570(1) of the Companies Act 2006 ("the Act").

These two resolutions grant the Directors the authority to allot shares for cash to a limited and defined extent otherwise than pro rata to existing shareholders.

Resolution 7 will authorise directors to allot shares up to a nominal amount of £357,498, representing approximately 124% of the Company's issued share capital at the date hereof.

Under section 561(1) of the Act, if the Directors wish to allot any new shares or sell treasury shares for cash they must first offer such shares to existing shareholders in proportion to their current holdings. It is proposed by resolution 8 to sanction the disapplication of such pre-emption rights in respect of the allotment of equity securities:

(i) with an aggregate nominal value of £300,000 in connection with offer(s) for subscription;

(ii) with a nominal value of up to 10% of the issued share capital of the Company from time to time in respect of the Company's Dividend Investment Scheme; and

(iii) with a nominal value of up to 10% of the issued share capital of the Company from time to time

in each case where the proceeds may in part be used to purchase the Company's shares.

Both of these authorities, unless previously renewed or revoked, will expire on the conclusion of the Annual General Meeting of the Company to be held in 2013, except that the Directors may allot securities after this date in pursuance of offers or agreements made prior to the expiration of these authorities.

The Directors have authority to allot Ordinary Shares under the Dividend Investment Scheme at either 70% of the then latest published net asset value or the mid-market share price averaged over the last 5 business days of an existing Ordinary Share, whichever is greater. Such authority will be used to allot shares under the Dividend Investment Scheme in respect of the interim dividend.

The Directors launched a Linked Offer for subscription with The Income & Growth VCT plc and Matrix Income & Growth VCT plc on 20 January 2012 to raise up to £7 million for each company and it is the Directors' intention that new shares may be issued pursuant to the offer under this authority (to the extent that existing authorities do not apply). The Directors have no further immediate intention of exercising the above powers.

Both resolutions replace previous authorities approved by Shareholders on 20 June 2011.

Authority to purchase the Company's own shares (Resolution 9)

This resolution authorises the Company to purchase its own shares pursuant to section 701 of the Act. The authority is limited to the purchase of an aggregate of 4,309,455 Ordinary Shares representing 14.99 per cent. of the issued share capital of the Company at the date of the notice convening the Annual General Meeting. The resolution specifies the minimum and the maximum price which may be paid for an Ordinary Share.

Market liquidity in VCTs is normally very restricted. The passing of this resolution will enable the Company to purchase its own shares thereby providing a mechanism by which the Company may enhance the liquidity of its shares and seek to manage the level and volatility of the discount to NAV at which its shares may trade.

It is the Directors' intention to cancel any shares bought back under this authority. Shareholders should note that the Directors do not intend to exercise this authority unless to do so would result in an increase in net assets per share which would be in the interests of Shareholders generally. This resolution will expire at the conclusion of the Annual General Meeting of the Company to be held in 2013.

Authority to approve electronic communications with shareholders (Resolution 10)

The Companies Act 2006 introduced the key principle that companies should, subject to shareholder approval, be able to use electronic communication in place of the previous requirement for using paper communications.

This resolution authorises the Company to send or supply documents or information to shareholders by making them available on a website, provision for this already having been made in the articles of association of the Company adopted at the annual general meeting of the Company held in May 2010.

The Resolution covers all documents or information that the Company sends to shareholders, including the annual report and accounts, summary financial statements, notice of general meetings, shareholder newsletters from the Company's Investment Manager or the Company and any documents which the Company is required to send to shareholders under the Listing Rules or other rules to which the Company is subject.

This not only reduces printing and mailing costs but also reduces the environmental impact usually associated with paper communications. Shareholders can, however, ask for a hard copy of any document at any time.

If the resolution is passed, the Company will ask each shareholder individually to agree that the Company may send or supply documents or information by means of making them available to view on a website. The request will explain that, if the Company has not received a response from the shareholder within 28 days, the shareholder will be deemed to have agreed. The request will be sent to all Matrix Income & Growth 4 VCT plc shareholders.

Even if a shareholder fails to respond, and is deemed to have agreed to website publication, he or she can ask for a hard copy of any document from the Company at any time. The Company will send the copy free of charge within 21 days of receiving the request.

The Company will notify shareholders when a document or information is made available on the website.

By order of the Board

Matrix Private Equity Partnership LLP

Company Secretary

30 April 2012

Summary Directors' Remuneration Report

Nominations and Remuneration Committee

The remuneration of individual Directors is determined by the Nominations and Remuneration Committee within the framework set by the Board. The Committee comprises all three directors, Andrew Robson (Chairman with effect from 18 April 2012), and Christopher Moore (Chairman until 18 April 2012), who are both considered independent from the Investment Manager, and Helen Sinclair. The Committee meets at least once a year and makes recommendations to the Board within its terms of reference. Its duties include responsibility for reviewing the remuneration of the Directors and the appropriateness and relevance of the remuneration policy. It held one formal meeting during the year under review. The Committee has access to independent advice where it considers it appropriate. However, it was not considered necessary to take any such advice during the year under review.

Remuneration policy

The remuneration policy is set by the Board. The Directors' fees are reviewed annually by the Nominations and Remuneration Committee which determines the amount of fees to be paid to the Directors. When considering the level of Director's fees, the Committee takes account of remuneration levels elsewhere in the VCT industry and other relevant information. The Company's Articles of Association state that the aggregate of the remuneration (by way of fees) of all the Directors shall not exceed £120,000 per annum. The Directors fees have remained at £25,000 (Chairman) and £20,000 (per Director) per annum since 1 June 2003. A supplement of £6,000 is paid to members of the Investment Committee. Details of the Directors' remuneration are disclosed below and in the Notes to the Accounts. It is not considered appropriate at the current time to relate any portion of the fees paid to the Directors, who are all non-executive, to performance. The Company does not have any employees, except for its Directors.

(Audited information)

Details of individual emoluments and compensation

The emoluments in respect of qualifying services of each person who served as a Director during the year were as set out in the table below. The Company does not have any schemes in place to pay any of the Directors bonuses or benefits in addition to their Directors' fees.

	Total emoluments year to: 31 January 2012 £	31 January 2011 £
Christopher Moore[1]	31,000	27,796
Andrew Robson[2]	26,000	13,277
Helen Sinclair	26,000	26,000
Colin Hook[3]	–	19,985
Total emoluments	**83,000**	**87,058**

Aggregate emoluments in respect of qualifying services amounted to £83,000 (2011: £87,058).

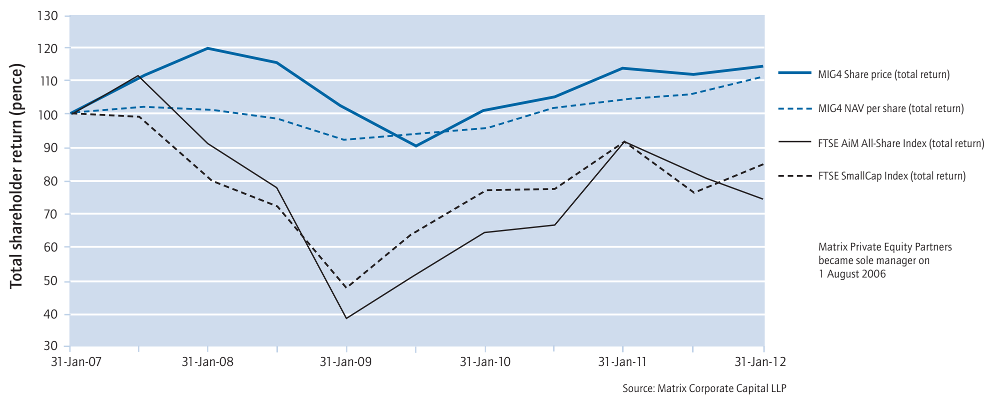
[1] Appointed chairman of the Company on 27 September 2010.
[2] Appointed 1 August 2010.
[3] Resigned 27 September 2010.

From 1 January 2011 onwards £26,000 (2011: £2,167) of Christopher Moore's fee was paid to his consultancy business, The Moore Corporation.

Total shareholder return

The graph below charts the total cumulative shareholder return of the Company (assuming all dividends had been re-invested) for the last five years compared to the FTSE SmallCap and AiM All-share Indices. These indices are industry recognised indices of listed companies. The FTSE SmallCap index comprises companies with the smallest capitalisation of the capital and industry segments and represents approximately 2% of the UK market capitalisation. All data has been re-based to 100 with affect from 31 January 2007. An explanation of the performance of the Company is given in the Chairman's Statement on pages 4 to 6.

Total shareholder return for the last five years compared to the FTSE SmallCap and AiM All-Share Indices



The NAV total return per share has been shown separately in addition to the information required by law because the Directors believe it is a more accurate reflection of the Company's performance.

By order of the Board
Matrix Private Equity Partners LLP
Company Secretary
30 April 2012

Summary Corporate Governance Statement

The Company is a member of the Association of Investment Companies (AIC) and the Directors have continued to adopt the AIC Code of Corporate Governance ("the AIC Code"), as revised in October 2010 for the financial year ended 31 January 2012. The AIC Code addresses all the principles set out in section 1 of the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Financial Reporting Council (FRC) has confirmed that in complying with the AIC Code the Company will meet its obligations in relation to the UK Corporate Governance Code and paragraph 9.8.6 of the Listing Rules.

The Board considers that reporting against the principles and recommendations of the AIC Code will provide more relevant information to shareholders. The AIC Code is available online at www.theaic.co.uk.

The AIC issued an updated Code in October 2010, which the Company is following for the year ending 31 January 2012 and will report on in the Annual Report in respect of that year.

Compliance with the UK Corporate Governance Code

There are certain areas of the UK Corporate Governance Code that the AIC feels are not relevant to investment companies, and with which the Company does not specifically comply, and for which the AIC Code provides dispensation. These areas are:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

As an externally managed investment company, the Company does not employ a chief executive nor any executive directors. The systems and procedures of the Investment Manager, the provision of VCT monitoring services by PricewaterhouseCoopers LLP, as well as the size of the Company's operations, give the Board full confidence that an internal audit function is not necessary. The Company is therefore not reporting further in respect of these areas.

The Board has further considered the principles of the UK Corporate Governance Code and believes that the Company has complied with the provisions thereof for the year under review, except as outlined below.

Compliance with the AIC Code

The Board has not appointed a Senior Independent Director, as it does not believe that such an appointment is necessary when the Board is comprised solely of non-executive directors. The Chairman of the Audit Committee fulfills this role where appropriate.

As is common practice among Venture Capital Trusts, the Directors are not appointed for fixed terms, as the AIC Code requires. A Director's appointment may be terminated on three months' notice being given by the Company. However, under the Articles of Association, one third of the Directors must retire by rotation at each Annual General Meeting and being eligible may offer themselves for re-election. A Director must retire by rotation if he has not retired at either of the last two Annual General Meetings.

The AIC Code stipulates that directors who sit on the boards of more than one company managed by the same manager will not be regarded as independent, for either the purpose of fulfilling the requirement that there must be an independent majority, or for serving as chairman. In addition, this requirement became mandatory under the Listing Rules in September 2010. The Board has therefore reviewed its composition during the year and, with the exception of Helen Sinclair, all of the Directors are considered independent of the Investment Manager. Further details are provided below.

The Board

The Company has a Board of three non-executive Directors. The Board meets at least quarterly and is in regular contact with the Investment Manager between these meetings.

The table below details the formal Board and Committee meetings held and the Directors' attendance during the year. The Board also met informally on a number of occasions and additional Board committee meetings or written resolutions were completed in respect of share allotments. The Investment Committee meets to discuss investments as required and, if appropriate, complete written resolutions for approval.

Director	Board	Audit Committee	Nomination & Remuneration committee
No. meetings held	**7**	**4**	**1**
Christopher Moore	7	4	1
Andrew Robson	7	4	1
Helen Sinclair	7	4	1

All the Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that their policies and operations are in the best interests of all the Company's Shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

The Board has considered whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. It has concluded that, with the exception of Helen Sinclair, all of the Directors are considered independent of the Investment Manager.

Summary Corporate Governance Statement

Helen Sinclair was a director of Matrix Private Equity Limited (a predecessor of Matrix Private Equity Partners LLP) and a director and shareholder of Matrix Group Limited until May 2005. She is also a director of The Income & Growth VCT plc which is also advised by the Investment Manager, and is therefore not considered independent. In accordance with the AIC Code, Helen will therefore be subject to annual re-election.

For the reasons given and bearing in mind the relationships referred to above, the Board has no hesitation in emphasizing the personal integrity, experience and professionalism of the individual Directors, and their overall independence in character and judgement.

Internal control

The Board acknowledges that it is responsible for the Company's system of internal control. Internal control systems are designed to manage the particular needs of the Company and the risks to which it is exposed and can by their nature only provide reasonable and not absolute assurance against material misstatement or loss.

The internal control systems aim to ensure the maintenance of proper accounting records, the reliability of the financial information used for publication and upon which business decisions are made, and that the assets of the Company are safeguarded. The financial controls operated by the Board include the authorisation of the investment strategy and regular reviews of the financial results and investment performance.

The Board has put in place procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process an annual review of the control systems is carried out in accordance with the Turnbull guidelines for internal control. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company. Each risk is considered with regard to: the controls exercised at Board level; reporting by service providers; controls relied upon by the Board; exceptions for consideration by the Board; responsibilities for each risk and its review period; and risk rating. As part of this process, investment risk is spread by means of a diverse investment portfolio, as more fully described in the Investment Manager's Review. The Board reviews a schedule of other key risks at each Board meeting which identifies the risk, controls, any deficiencies that have arisen in the quarter and action to be taken. Each quarterly board meeting reviews the management accounts, and annual or half-yearly reports arising from there, prepared by the Investment Manager.

The main aspects of the internal controls which have been in place throughout the year in relation to financial reporting were:

- Controls are in place around the preparation and reconciliation of the valuations prepared by the Manager;
- Independent reviews of the valuations of investments within the portfolio are undertaken quarterly by the Board and annually by the external auditor;
- Bank and money-market fund reconciliations are carried out monthly by the Manager;
- The information contained in the Annual Report and other financial reports is reviewed separately by the Audit Committee prior to consideration by the Board; and
- The Board reviews all financial information prior to publication.

The Investment Manager reports by exception on matters that may be of relevance to financial reporting and on other matters as appropriate on a quarterly basis. The auditor reviews the accounting processes in place at the Investment Manager as part of the annual audit and reports any concerns to the Audit Committee. The Audit Committee reviews the independence of the auditor each year.

This system of internal controls and the procedure for the review of control systems referred to above has been in place and operational throughout the year under review and up to the date of this Report. The assessment of the effectiveness of internal controls in managing risk included consideration of reports from the relevant service providers. The last review took place on 18 April 2012. The Board has not identified any issues with the Company's internal control mechanisms that warrant disclosure in the Annual Report.

Diversity

The Directors have considered diversity in relation to the composition of the Board and have concluded that its membership is diverse in relation to gender and quality and depth and experience. The Board has made a commitment to consider diversity in making future appointments.

Investor relations

The Company communicates regularly with its Shareholders by means of periodic performance reporting, twice yearly VCT shareholders newsletters which contain information on the portfolio and recent investment and corporate activity and its website. The Board welcomes feedback from Shareholders who are encouraged to attend the Annual General Meeting. The Investment Manager holds an annual Shareholder Workshop to which all shareholders are invited. The Directors and the

Investment Manager are present and available to answer questions and discuss any issues at the Annual General Meeting and Shareholder Workshop.

Shareholders may contact the Chairman of the Audit Committee, Andrew Robson, if they have concerns which contact through the Chairman or Investment Manager has failed to resolve or for which such contact is inappropriate. Shareholders should initially contact the Company Secretary who will direct their enquiry accordingly.

The Board as a whole approves the content of its communications to Shareholders including the Annual and Half-Yearly Reports in order to ensure that they present a balanced and understandable assessment of the Company's position and future prospects.

The notice of the Annual General Meeting accompanies this Annual Report, which is normally sent to shareholders allowing a minimum of 20 working days before each meeting. Separate resolutions are proposed for each substantive issue. The number of proxy votes received for each resolution is announced after each resolution has been dealt with on a show of hands and is published after the Meeting on the Company's website: www.mig4vct.co.uk.

Accountability and audit

The Statement of Directors' Responsibilities in respect of the accounts is set out on pages 47 – 48 of the full Annual Report and Accounts.

The independent auditor's report is set out on pages 49 – 50.

By order of the Board

Matrix Private Equity Partners LLP
Company Secretary

30 April 2012

DIRECTORS' STATEMENT

The auditor has issued unqualified reports on the full financial statements, the auditable part of the Directors' Remuneration Report and on the consistency of the Directors' Report with those Annual Financial Statements. Their report on the full Annual Financial Statements and the auditable part of the Directors' Remuneration Report contained no statement under sections 498(2) or 498(3) of the Companies Act 2006.

Independent Auditor's Statement to the Members of Matrix Income & Growth 4 VCT plc

We have examined the Summary Financial Statement for the year ended 31 January 2012 set out on pages 27 – 29.

This statement is made solely to the Company's members, as a body, in accordance with Section 428 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the Summary Annual Report in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement within the Summary Annual Report with the full Annual Financial Statements, the Directors' Remuneration Report and the Directors' Report, and its compliance with the relevant requirements of section 428 of the Companies Act 2006 and the regulations made thereunder.

We also read the other information contained in the Summary Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement. The other information comprises only the Financial Highlights, the Chairman's Statement, the Investment Manager's Review, the Board of Directors and the Summary Corporate Governance Statement.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the Company's full Annual Financial Statements describes the basis of our opinion on those financial statements, the Directors' Remuneration Report and the Directors' Report.

Opinion

In our opinion the Summary Financial Statement is consistent with the full Annual Financial Statements, the Directors' Report and the Directors' Remuneration Report of Matrix Income and Growth 4 VCT plc for the year ended 31 January 2012 and complies with the applicable requirements of section 428 of the Companies Act 2006, and the regulations made thereunder.

PKF (UK) LLP
Statutory auditors

London, UK

30 April 2012

Income Statement

for the year ended 31 January 2012

	Year ended 31 January 2012			Year ended 31 January 2011		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Unrealised gains on investments	–	1,409,405	1,409,405	–	2,119,702	2,119,702
Gains on investments realised	–	247,559	247,559	–	16,077	16,077
Income	955,864	–	955,864	636,426	–	636,426
Recoverable VAT	–	–	–	(264)	(794)	(1,058)
Investment management fees	(166,809)	(500,427)	(667,236)	(120,335)	(361,003)	(481,338)
Other expenses	(302,318)	–	(302,318)	(396,019)	–	(396,019)
Profit on ordinary activities before taxation	486,737	1,156,537	1,643,274	119,808	1,773,982	1,893,790
Taxation on ordinary activities	(56,430)	56,430	–	–	–	–
Profit for the year	**430,307**	**1,212,967**	**1,643,274**	**119,808**	**1,773,982**	**1,893,790**
Basic and diluted earnings per ordinary share	1.73p	4.89p	6.62p	0.57p	8.47p	9.04p

All the items in the above statement derive from continuing operations of the Company.

There were no other recognised gains or losses in the year.

The total column is the profit and loss account of the Company.

Other than revaluation movements arising on investments held at fair value through the profit and loss account, there were no differences between the return as stated above and at historical cost.

Balance Sheet

as at 31 January 2012

	as at 31 January 2012 £	£	£	as at 31 January 2011 £	£	£
Fixed assets						
Investments at fair value			17,971,357			18,900,890
Current assets						
Debtors and prepayments	200,080			1,948,065		
Current investments	8,883,265			3,644,741		
Cash at bank	2,511,010			1,061,164		
		11,594,355			6,653,970	
Creditors: amounts falling due within one year		(147,047)			(209,681)	
Net current assets			11,447,308			6,444,289
Net assets			**29,418,665**			**25,345,179**
Capital and reserves						
Called up share capital			252,019			224,558
Share premium account			6,847,570			3,413,664
Capital redemption reserve			894,105			891,351
Revaluation reserve			1,204,972			992,420
Special distributable reserve			14,078,325			15,256,001
Profit and loss account			6,141,674			4,567,185
Equity shareholders' funds			**29,418,665**			**25,345,179**
Basic and diluted net asset value per Ordinary Share			**116.73p**			**112.87p**

The financial statements were approved and authorised for issue by the Board of Directors on 30 April 2012 and were signed on its behalf by:

Christopher Moore
Chairman

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 January 2012

	Year ended 31 January 2012 £	Year ended 31 January 2011 £
Opening shareholders' funds	25,345,179	21,222,542
Share capital subscribed	3,464,121	3,444,752
Purchase of own shares	(280,089)	(582,286)
Profit for the year	1,643,274	1,893,790
Dividends paid in year	(753,820)	(633,619)
Closing shareholders' funds	29,418,665	25,345,179

Cash Flow Statement

for the year ended 31 January 2012

	Year ended 31 January 2012 £	Year ended 31 January 2011 £
Interest income received	609,497	494,974
Dividend income	264,438	144,366
VAT (paid)/received and interest thereon	(15,287)	10,199
Other income	–	2,544
Investment management fees paid	(667,235)	(561,799)
Cash payments for other expenses	(299,720)	(397,775)
Net cash outflow from operating activities	**(108,307)**	**(307,491)**
Investing activities		
Sale of investments	7,549,563	923,983
Purchase of investments	(4,971,171)	(2,397,128)
Net cash inflow/(outflow) from investing activities	**2,578,392**	**(1,473,145)**
Dividends		
Equity dividends paid	**(753,820)**	**(633,619)**
Cash inflow/(outflow) before liquid resource management and financing	**1,716,265**	**(2,414,255)**
Management of liquid resources		
(Increase)/decrease in monies held in current investments	(5,238,524)	2,331,078
Financing		
Issue of own shares	5,297,186	1,611,231
Purchase of own shares	(325,081)	(537,294)
Increase in cash for the year	**1,449,846**	**990,760**

MATRIX INCOME & GROWTH 4 VCT PLC
(Registered in England and Wales No. 3707697)

NOTICE of the ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at 12.00 noon on Wednesday, 13 June 2012 at One Vine Street, London W1J 0AH for the purpose of considering and, if thought fit, passing the following resolutions of which, resolutions numbered 1 to 7 and Resolution 10 will be proposed as ordinary resolutions and resolutions numbered 8 and 9 will be proposed as special resolutions:

1. To receive and adopt the audited annual report and accounts of the Company for the year ended 31 January 2012 ("Annual Report") together with the auditors' report thereon.
2. To approve the directors' remuneration report as set out in the Annual Report of the Company for the year ended 31 January 2012.
3. To appoint PKF (UK) LLP of Farringdon Place, 20 Farringdon Road, London, EC1M 3AP as auditors to the Company until the conclusion of the next annual general meeting.
4. To authorise the directors to determine PKF (UK) LLP's remuneration as auditors of the Company.
5. To re-elect Christopher Moore as a director of the Company.
6. To re-elect Helen Sinclair as a director of the Company.
7. That, in substitution for any existing authorities, the directors be and hereby are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot ordinary shares of 1 pence each in the Company ("Shares") and to grant rights to subscribe for, or convert, any security into Shares ("Rights") up to an aggregate nominal value of £357,498 (being approximately 124 per cent of the issued share capital of the Company as at the date hereof), provided that the authority conferred by this resolution shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the annual general meeting of the Company to be held in 2013 but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require Shares to be allotted or Rights to be granted after such expiry.

   To consider and, if thought fit, to pass the following resolutions as special resolutions:

8. That, subject to the passing of resolution 7 set out in this notice and in substitution for any existing authorities, the directors of the Company be and hereby are empowered in accordance with sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash, pursuant to the authority conferred upon them by resolution 7 set out in this notice, or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the annual general meeting of the Company to be held in 2013, and provided further that this power shall be limited to:-

   (i) the allotment and issue of equity securities up to an aggregate nominal value representing £300,000 in connection with offer(s) for subscription;

   (ii) the allotment of equity securities with an aggregate nominal value of up to, but not exceeding, 10 per cent. of the issued share capital of the Company from time to time pursuant to any dividend investment scheme operated by the Company; and

   (iii) the allotment, otherwise than pursuant to sub-paragraphs (i) and (ii) above, of equity securities with an aggregate nominal value of up to, but not exceeding, 10 per cent. of the issued share capital of the Company from time to time

   in each case where the proceeds may be used, in whole or part, to purchase the Company's Shares.

9. That, in substitution for any existing authorities, the Company be and hereby is authorised pursuant to and in accordance with section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its own shares provided that:

   (i) the aggregate number of shares which may be purchased shall not exceed 4,309,455 (representing approximately 14.99 per cent. of the Company's issued share capital at the date hereof);

   (ii) the minimum price which may be paid for a share is 1 penny (the nominal value thereof);

   (iii) the maximum price which may be paid for a share (excluding expenses)shall be the higher of (a) an amount equal to five per cent. above the average of the middle market quotations for a share in the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased and (b) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC 2273/2003);

   (iv) the authority conferred by this resolution shall (unless previously renewed or revoked) expire on the conclusion of the annual general meeting of the Company to be held in 2013; and

(v) the Company may make a contract or contracts to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuance of any such contract.

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

10. That, the Company be and hereby is generally and unconditionally authorised to use electronic communications with its shareholders and in particular to authorise the Company to send or supply documents or information to shareholders by making them available to view on a website.

BY ORDER OF THE BOARD

Matrix Private Equity Partners LLP
Company Secretary

Registered Office
One Vine Street
London W1J 0AH

Dated: 30 April 2012

NOTES:

1. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 6.00 pm on 11 June 2012 (or, in the event of any adjournment, 6.00 pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may copy the proxy form, clearly stating on each copy the shares to which the proxy relates, or alternatively contact the Company's registrars, Capita Registrars, on 0871 664 0300 (lines are open between 8.30 am and 5.30 pm Monday to Friday, calls cost 10p per minute (including VAT) plus network extras – if calling from overseas please dial +44 208 639 3399 (international rates will apply)) to request additional copies of the proxy form. Different charges may apply to calls from mobile telephones and call may be recorded and randomly monitored for security and training purposes. For legal reasons Capita Registrars will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
4. The statement of the rights of members in relation to the appointment of proxies in paragraphs 1 to 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
5. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
6. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (so the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to us in error. The only exception to this is where the Company, in exercising one of its powers under the Act, writes to you directly for a response.
7. A personal reply paid form of proxy is enclosed with this document. To be valid, it should be lodged, together with the power of attorney or other authority, if any, under which it is signed or a notarilly certified or office copy thereof, at the offices of the Company's registrar, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received not later than 12:00 noon on 11 June 2012 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
8. If you prefer, you may return the proxy form to the Registrar in an envelope addressed to FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

NOTICE of the ANNUAL GENERAL MEETING

9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. Appointment of a proxy or CREST proxy instruction will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.

11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 12.00noon on 11 June 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

13. As at 30 April 2012 (being the last business day prior to the publication of this notice), the Company's issued share capital consisted of 28,748,870 Ordinary Shares of 1p, carrying one vote each. Therefore, the total voting rights in the Company as at 30 April 2012 were 28,748,870.

14. The Company, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, specifies that only those Shareholders registered in the Register of Members of the Company as at 6.00 pm on 11 June 2012 or, in the event that the meeting is adjourned, in the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the Register of Members after 6.00 pm on 11 June 2012 or, in the event that the meeting is adjourned, in the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

15. The Register of Directors' Interests and Directors' appointment letters will be available for inspection at the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) until the end of the Annual General Meeting and will also be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting. The Directors do not have any service contracts with the Company.

16. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.

17. Under section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act to publish on a website.

18. At the meeting shareholders have the right to ask questions relating to the business of the meeting and the Company is obliged under section 319A of the Act to answer such questions, unless; to do so would interfere unduly with the preparation of the meeting or would involve the disclosure of confidential information, if the information has been given on the Company's website, www.mig4vct.co.uk in the form of an answer to a question, or if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

19. Further information, including the information required by section 311A of the Act, regarding the meeting is available on the Company's website, www.mig4vct.co.uk.

Corporate Information

Directors (Non-executive)
Christopher Moore (Chairman)
Andrew Robson
Helen Sinclair

Secretary
Matrix Private Equity Partners LLP
One Vine Street
London W1J 0AH

Company's Registered Office and Head Office
One Vine Street
London W1J 0AH

Company Registration Number
3707697

Investment Manager, Promoter and Administrator
Matrix Private Equity Partners LLP
One Vine Street
London W1J 0AH
www.matrixgroup.co.uk
Telephone: 020 3206 7000

Website: www.mig4vct.co.uk

Solicitors
Martineau
No 1 Colmore Square
Birmingham
B4 6AA

Stockbroker
Matrix Corporate Capital LLP
One Vine Street
London W1J 0AH

Registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Tel: 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open 8.30am-5.30pm Mon-Fri. If calling from overseas please ring +44 208 639 2157)

Independent Auditor
PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London EC1M 3AP

VCT Status Adviser
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Bankers
National Westminster Bank plc
Financial Institutions Team
First Floor
Mayfair Commercial Banking Centre
Piccadilly
London W1A 2PP

Designed and printed by
Fraser Hamilton Associates
Tel: 0208 493 0123