

Mobeus Income & Growth 4 VCT plc

A VENTURE CAPITAL TRUST

Annual Report & Financial Statements
for the year ended 31 December 2016

Mobeus Income & Growth 4 VCT plc, (“MIG4”, the “Company” or the “Fund”) is a Venture Capital Trust (“VCT”) advised by Mobeus Equity Partners LLP (“Mobeus”), investing primarily in established, unquoted companies.

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

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

Financial Highlights	1
Chairman’s Statement	2
Strategic Report	4
- Objective	4
- Summary of Investment Policy	4
- The Company and its Business Model	4
- Summary of VCT Regulation	4
- Performance and Key Performance Indicators	5
- Investment Review	8
- Principal Investments in the Portfolio at 31 December 2016 by Valuation	10
- Investment Portfolio Summary	14
- Key Policies	18
- Investment Policy	18
- Principal risks, management and regulatory environment	19
Reports of the Directors	21
- Board of Directors	21
- Directors’ Report	22
- Corporate Governance Statement	25
- Report of the Audit Committee	31
- Directors’ Remuneration Report	33
- Statement of Directors’ Responsibilities	36
Independent Auditor’s Report	37
Financial Statements	40
Information for Shareholders	62
- Shareholder Information	62
- Notice of the Annual General Meeting	64
- Corporate Information	67

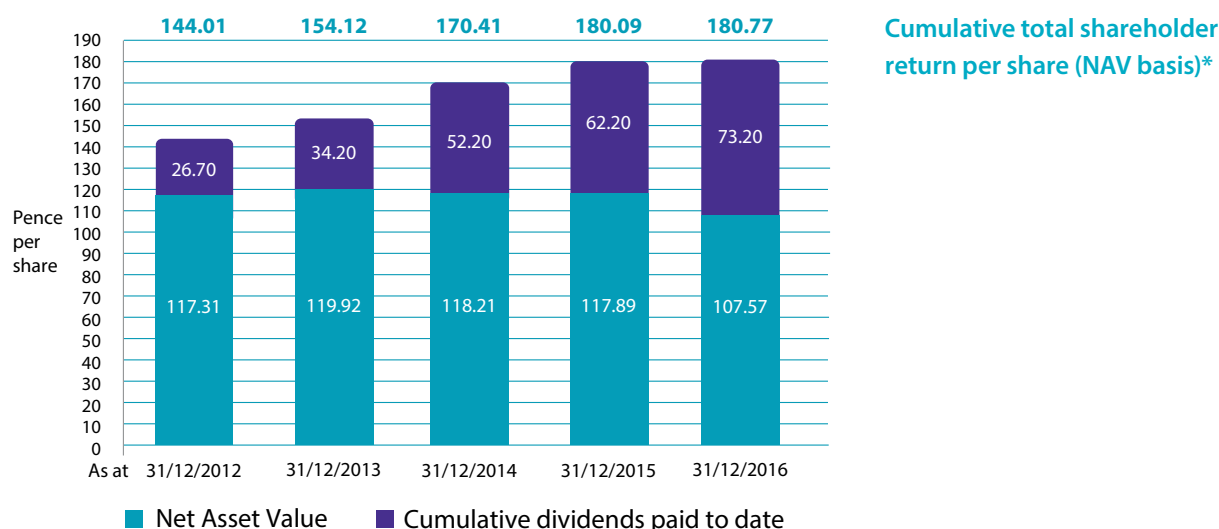
Financial Highlights

Annual results for the year ended 31 December 2016

- Net Asset Value ("NAV") Total Return per share of 0.6% for the year.
- Share Price Total Return per share of 3.3% for the year.
- Shareholders received an interim dividend of 2.00 pence per share in September 2016. A second interim dividend of 7.00 pence per share has been declared and was paid on 17 March 2017. This brought dividends paid per share in respect of the year to 9.00 pence and cumulative dividends paid per share to date to 80.20 pence.
- £3.14 million was invested during the year into five growth capital investments.
- A total of £2.10 million cash proceeds was received primarily from loan stock repayments.

Cumulative total shareholder return per share (NAV basis)*

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



* Cumulative total shareholder return (NAV basis) is net asset value plus cumulative dividends paid since 1999 to 31 December 2016. The cumulative dividend figure of 73.20 pence per share excludes the payment of the second interim dividend after the year end on 17 March 2017, of 7.00 pence per share. Payment of this dividend has the effect of reducing NAV per share by the equivalent amount.

The net asset value (NAV) per share as at 31 December 2016 was 107.57 pence.

The chart above shows the recent past performance of the original funds raised in 1999. The original subscription price was 200p per share before the benefit of income tax relief. Subscription prices from subsequent fundraisings and historic performance data from 2008 are shown in the Investor Performance Appendix on the Company's website, www.mig4vct.co.uk, where they can be downloaded by clicking on "table" under "Reviewing the performance of your investment" on the home page.

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

Chairman's Statement

I am pleased to present the annual results of Mobeus Income & Growth 4 VCT plc for the year ended 31 December 2016.

Overview

2016 represented a year of significant change for your Company. It was the first year of operating after the amendments introduced by the 2015 Finance Act "New VCT Rules".

Because of the magnitude of the changes, shareholders were asked to approve a new investment policy, which they did at last year's annual general meeting in May, 2016.

The Investment Adviser has expanded its investment team to address the new requirements, and has started making investments under the new rules.

Six new investments have already been completed under the New VCT Rules, which is encouraging.

The portfolio held up well despite the uncertainties of the Brexit campaign, which included some unduly pessimistic views advanced by the then government and its allies.

Performance

The NAV total return per share for the year was 0.6 per cent. (2015: 8.2 per cent.) (being the closing NAV plus dividends paid in the year divided by the opening NAV). The small rise in NAV return over the year was primarily due to a positive revenue return. The share price total return was 3.3 per cent. (2015: 11.7 per cent.). These figures are after adding back a total of 11.00 pence of dividends paid in the year. The NAV at 31 December 2016 was 107.57 pence. For details of these calculations, please refer to the Strategic Report.

For more details on the longer-term performance of your investment in the Company, please consult the Investor Performance Appendix on the Company's website.

Dividends

Your Directors declared a second interim dividend in respect of 2016 of 7.00 pence (2015: final of 9.00 pence) per share, comprising 1.00 pence from income (2015: 1.50 pence) and 6.00 pence from capital

(2015: 7.50 pence) of which 6.00 pence was paid from the Company's Special Distributable Reserve. This dividend was paid on 17 March 2017 to shareholders on the Register on 17 February 2017. This brought dividends paid in respect of the year ended 31 December 2016 to 9.00 pence (2015: 11.00 pence) per share and cumulative dividends paid since inception to 80.20 pence (2015: 71.20 pence) per share. In view of the second interim dividend paid in March, the Board is not proposing the payment of a final dividend in respect of 2016.

A chart showing the dividends paid in respect of each of the last five years and cumulative dividends on the same basis is included in the Strategic Report.

Investment Portfolio

Partly as a consequence of the move to target younger and smaller companies seeking growth capital funding in order to comply with the New VCT Rules, the amount of new investment completed by the Company was lower in 2016 than 2015. These New VCT Rules contain more restrictive investment criteria which, as anticipated in my Statement last year, reduced new investment by the Company in the first half of the year (and across the whole VCT generalist sector), while the Board and the Investment Adviser adapted to the changes.

It was thus pleasing that the last quarter of the year saw a significant pick up in the pace of new investment such that a total of £3.14 million (2015: £8.48 million) was invested in five (2015: seven) companies during the year plus £0.58 million in another company just after the year-end. While this level of investment is lower than in previous years, it compares favourably to levels achieved elsewhere, as Mobeus advised VCTs invested around a sixth of the total invested by the VCT generalist sector in 2016. These investments were made into Redline, MPB, BookingTek, Biosite, Preservica, an existing portfolio company, and finally into Tapas Revolution just after the year-end. The average transaction size of these new investments is less than half that of last year, reflecting the change in focus to younger, smaller companies as required by the New VCT Rules. Further details of all of these transactions are included in the Investment Adviser's Review on pages 8 - 9.

In addition to these new investments, the Investment Adviser is reporting a growing

pipeline of opportunities, from which we expect the rate of new investment to increase. The Board remains of the view that the changes in the VCT legislation clearly restrict the universe of companies that the Company can invest in, but has been encouraged by the numbers and quality of the opportunities identified by the Investment Adviser so far. The Board believes that such earlier stage investments will carry higher risk alongside potentially higher, but more variable, capital returns. It also believes that loan stock income will represent a lower proportion of total returns from such investments. Transactions to date have sought to mitigate these factors by use of the capital structure applied to that investment.

Shareholders should note that, at the year-end but adjusted for the inclusion of Tapas, 88.1% of the value of the investment portfolio (excluding companies preparing to trade) is still held in investments made under the previous MBO-focused strategy. Overall, performance of this principal portion of the portfolio remained solid, and should continue to yield annual income returns to shareholders, supplemented by capital returns as they are realised over time. Net proceeds totalling £2.10 million were received during the year under review. Of this total, £0.58 million was received in the form of realisation proceeds, of which £0.38 million was deferred consideration arising from the previous year's realisations of Focus and Westway. The balance of net proceeds of £1.52 million comprised loan repayments from companies held within the portfolio. Unless a compelling case for an exit opportunity is presented, the Board and the Investment Adviser would prefer to develop this portfolio to further maturity.

During the year the value of the opening portfolio increased by £0.38 million of realised gains (net of transaction costs) and fell by £0.38 million of net unrealised falls in valuations. On a like for like basis, the value of the portfolio was therefore maintained over the year. The portfolio under management at the year-end was valued at £38.93 million (2015: £38.72 million) representing 101.5 per cent. of cost.

Full details of all of these transactions and of the new investment following the year end are included in the Investment Review.

Industry and regulatory developments

HMRC published its guidance on the New VCT Rules in May 2016 which has provided further information on the new requirements at a detailed level. There remain several areas where further clarity is still required and the VCT, the Investment Adviser and the VCT industry as a whole, are continuing to work constructively with Government departments, through its industry bodies, to develop an improved practical approach. Notwithstanding the EU Referendum result, the Board is working on the assumption that there will be no further changes to the existing VCT legislation in the near future.

A summary of the current VCT regulations is included on page 4 of this Annual Report.

Fundraising and liquidity

The Board continues to hold £7.51 million in a selection of money market funds with AAA credit ratings as at the year-end. The balance of the cash and current asset investments of £5.66 million is held in deposit accounts in a number of well-known financial institutions across a range of maturities. Alternative ways of prudently investing cash continue to be sought, although the risk of a loss of capital remains the overriding consideration. In addition, there is £8.33 million invested in companies preparing to trade, at the year-end.

The Board will consider additional fundraising in the future in line with its liquidity and new investment requirements, together with an assessment of the effects of possible future legislative changes.

Audit tender

New legislation has been introduced in the UK on audit firm rotation, resulting from the new European Audit Regulation Directive, making it mandatory for listed companies to undergo a tender process for the audit of their company at least every ten years. An audit firm can, however, be appointed for up to twenty years provided a public tender process has been carried out after ten years. The Company therefore held an audit tender process over the summer. The Board, on the recommendation of the Audit Committee, has decided to recommend the reappointment of BDO LLP as the Company's external auditor. For further

information on the audit tender, please see the Audit Committee section of the Corporate Governance Statement on pages 31 – 32 of this Annual Report.

Share buybacks

During the year ended 31 December 2016, the Company bought back 0.5 per cent. of the issued share capital of the Company which was subsequently cancelled. Further details of the purchases are included in the Strategic Report on page 7.

Shareholder Communications

The annual shareholder event was held on Tuesday 24 January 2017 at the Royal Institute of British Architects in central London. This annual event included presentations on the Mobeus advised VCTs' investment activity and performance including presentations from investee companies. There were separate day-time and evening sessions, and feedback from those who attended indicated that they found it informative and worthwhile.

Annual General Meeting

The Annual General Meeting of the Company will be held at 11.30 am on Monday, 8 May 2017 at a new venue, **The Clubhouse, 8 St James's Square, London SW1Y 4JU**. Both the Board and the Investment Adviser look forward to welcoming shareholders to the meeting which will include a presentation from the Investment Adviser on the investment portfolio and provide an opportunity to ask questions of the Board and the Investment Adviser. The Notice of the meeting is included in the Annual Report and an explanation of the resolutions to be proposed can also be found in the Directors' Report on page 23 - 24 of this Annual Report.

Future prospects

In the context of a global economy that is facing increased uncertainty following the UK's Referendum vote and the US Presidential Election, the outlook for the UK economy in 2017 remains somewhat unclear, although not as doom laden as some forecasts have predicted. This will probably continue as the EU exit negotiations are unlikely to be completed rapidly. In this environment, we will continue our measured and cautious approach to investment appraisal and with our active engagement with existing portfolio companies.

The portfolio has a solid foundation of investments made under the previous MBO strategy, the majority of which are mature and profitable companies providing consistent income returns. Over the coming years, this portfolio mix will change towards younger growth capital companies. Your Board remains confident that, with the Investment Adviser's expanded management team, interesting investment opportunities will continue to be identified and developed. Notwithstanding the global political and economic uncertainties mentioned above, the Board and the Investment Adviser remain optimistic regarding the future prospects of the Company.

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

Christopher Moore

Chairman

22 March 2017

Company Objective and Business Model

Objective

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

Summary of Investment Policy

The VCT's policy is to invest primarily in a diverse portfolio of UK unquoted companies. Investments are generally structured as part loan and part equity in

order to receive regular income, to generate capital gain upon sale and to reduce the risk of high exposure to equities. To spread the risk further, investments are made in a number of businesses across different industry sectors.

The Company's cash and liquid resources are held in a range of investments which can be of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

The Company seeks to make investments in accordance with the requirements of VCT regulation. A summary of this is set out below.

The full text of the Company's Investment Policy is available on page 18 of this Strategic Report.

The Company and its Business Model

The Company is a Venture Capital Trust ("VCT"). Its Objective and its full Investment Policy are designed to ensure that the VCT continues to qualify and is approved as a VCT by HM Revenue & Customs ("HMRC") whilst maximising returns to shareholders from both income and capital.

Summary of VCT Regulation

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

Summary of VCT Regulation

To achieve continued status as a VCT, the Company must meet a number of conditions, the most important of which are that:-

- The Company must hold at least 70%, by VCT tax value*, of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;
- Of these qualifying holdings, an overall minimum of 30% by VCT tax value* (70% for funds raised on or after 6 April 2011) must be in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules);
- No investment in a single company or group of companies may represent more than 15% (by VCT tax value*) of the Company's total investments at the date of investment;

- The Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- The Company's shares must be listed on a regulated European stock market; and
- Non-qualifying investments can no longer be made, except for certain exemptions in managing the Company's short-term liquidity.

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

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and £16 million immediately following investment from VCTs;

- whose maximum age is generally seven years (ten years for knowledge intensive businesses);
- that receive no more than an annual limit of £5 million and a lifetime limit of £12 million (£20 million for knowledge intensive companies), from VCTs and similar sources of State Aid funding;
- that use the funds received from VCTs for growth and development purposes.

* VCT tax value means as valued in accordance with prevailing VCT legislation, which may not be the actual cost of the investment shown in the Investment Portfolio Summary on pages 14 - 17.

The above takes into account legislation up to the Finance Act 2016 enacted in September 2016 but effective from 6 April 2016.

Performance and Key Performance Indicators

The Board has identified six key performance indicators that are used in its own assessment of the Company's progress. It is intended that these will provide shareholders with sufficient information to assess how the Company has performed against its Objective in the year to 31 December 2016, and over the longer term, through the application of its investment and other principal policies:

1. Annual and cumulative returns per share for the year

The Company does not consider it appropriate to set a specific annual and cumulative return per share target for the year. However, shareholders should note that the Board assesses these returns against the Company's ability to meet its current annual dividend target of 4.00 pence per share.

Total shareholder returns per share for the year

The Net Asset Value (NAV) and share price total returns per share for the year ended 31 December 2016 were 0.6% and 3.3% respectively, as shown below:

	NAV basis (p)	Share price basis (p)
Total return (p)	Closing NAV per share	Closing share price*
	107.57	97.00
	Plus: dividends paid in year	11.00
	Total for year	Total for year
	118.57	108.00
	Less: opening NAV per share	Less: opening share price
	(117.89)	(104.50)
	Return for year per share	Return for year per share
	+0.68	+3.50
	Return for year	Return for year
	+0.6%	+3.3%

Cumulative total returns per share

	NAV basis (p)	Share price basis (p)
Cumulative total return (p)	Closing NAV per share	Closing share price*
	107.57	97.00
	Plus: cumulative dividends paid to date	73.20
	Closing cumulative total return	Closing cumulative total return
	180.77	170.20
	Less: opening cumulative total return	Less: opening cumulative total return
	(180.09)	(166.70)
	Increase in cumulative <u>total</u> return for year	Increase in cumulative <u>total</u> return for year
	+0.68	+3.50

*Source: Panmure Gordon & Co (mid-market price)

Taking into account initial income tax relief, founder shareholders who invested in 1999 have now seen, as at 31 December 2016, an overall gain on net investment cost of 13.0% (2015: 12.6%) since the launch of the Company. This is on a NAV return basis and assumes a net investment cost of 160.00 pence per share after initial income tax relief of 40.00 pence per share (both figures restated for the 2 for 1 share consolidation in 2006). Original shareholders who also took advantage of the enhanced buyback offer made in 2013 have now seen an overall gain over net investment cost on this basis of 46.1%.

Both NAV and share price returns for the year are considered to be satisfactory by the Board, after considering that this has been the first year of investing under the new VCT rules.

Internal rate of return

	Original investment cost (pence per share)	Income tax relief	Cost net of income tax (p)	Internal Rate of Return
With benefit of Income Tax Relief				
2006/7 shareholders	120.9	30%	84.6	8.5%
1999 shareholders	200.0	20%	160.0	0.7%
Without benefit of Income Tax Relief				
2006/7 shareholders	120.9	n/a	n/a	3.9%
1999 shareholders	200.0	n/a	n/a	(0.6)%

The table above shows internal rates of return of shareholders' investment for those founder shareholders who invested in 1999 alongside those shareholders who invested in 2006/7, shortly after the date at which Mobeus took over as sole Investment Adviser.

The internal rate of return is the annual discount rate that equates the original investment cost per share with the value of subsequent dividends received and the latest NAV.

2. The VCT's performance compared with its peer group (Benchmarking)

The Board places emphasis on the Company's performance against a peer group of VCTs. Using the benchmark of NAV total return on an investment of £100, the VCT is ranked 14 out of 49 (2015: 10 out of 54) over three years, and 16 out of 44 (2015: 19 out of 45) over five years amongst generalist VCTs by the Association of Investment Companies (AIC) (based on statistics prepared by Morningstar) at 31 December 2016. The Board considers this performance to be satisfactory.

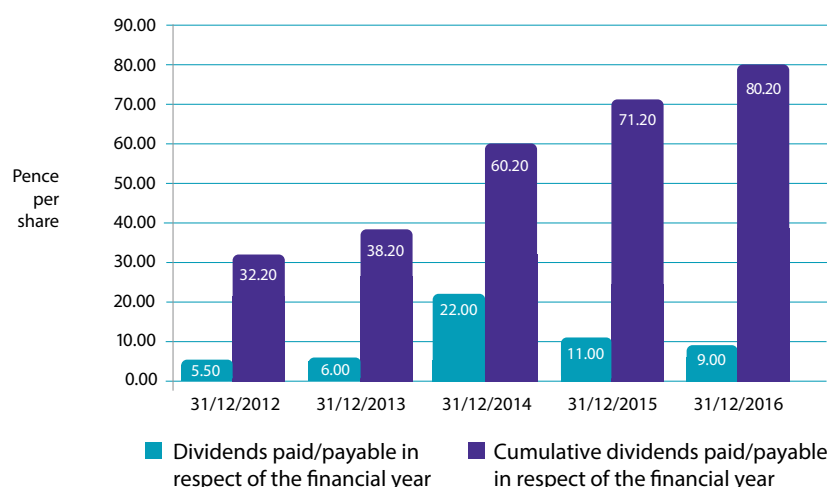
3. Dividend policy

The Company has an annual target dividend of paying not less than 4.00 pence per share in respect of each financial year. It has met or exceeded this target in respect of its last seven financial years. The last five years are shown below.

During the year the Company paid an interim dividend of 2.00 pence per share, comprising 1.00 penny from capital and 1.00 penny from income per share.

The Directors declared and paid a second interim dividend in respect of 2016 of 7.00 pence (2015: 9.00 pence (final)) per share comprising 6.00 pence (2015: 7.50 pence) per share from capital (paid from the Special distributable reserve) and 1.00 pence (2015: 1.50 pence) per share from income. Following the payment of this second interim dividend, cumulative dividends paid to shareholders since launch now total 80.20 pence per share.

The ability of the Company to pay dividends in the future cannot be guaranteed and will be subject to performance and available cash and reserves. While the Board still believes in the attainment of the target dividend, the gradual move of the portfolio to growth capital investments is likely to result in annual dividend payments being less than in recent years.



The second interim dividend of 7.00 pence per share was paid on 17 March 2017, bringing the total dividends paid in respect of the year to 9.00 pence per share as shown in the chart above. This increased cumulative dividends paid to 80.20 pence per share.

4. Compliance with VCT legislation

In order to comply with VCT tax legislation, the Company must meet a number of tests set by HMRC as set out in the table headed 'Summary of VCT Regulation' on page 4. For the year ended 31 December 2016 and to date, the Company continued to meet these tests.

5. Share buyback and discount policy

Subject to the Company having sufficient available funds and distributable reserves, it is the Board's current intention to pursue a buyback policy with the objective of maintaining the discount to the latest published NAV per share at which the shares trade at approximately 10 per cent. It has succeeded in carrying out this objective in the year.

The Board considers that a 10 per cent. discount currently represents a fair balance between assisting investors who wish to sell shares and the majority of investors who wish to continue to invest in a portfolio of investments in unquoted shares.

The Board intends to continue with the above buyback policy. Any future repurchases will be subject to the Company having appropriate authorities from shareholders and sufficient funds available for this purpose. Share buybacks will also be subject to the Listing Rules and any applicable law at the relevant time. Shares bought back in the market are always cancelled.

The discount of approximately 10 per cent. has been maintained for the whole of the last five years, since the Board stated its intent to pursue this policy.

Shareholders granted the Directors authority to buyback up to 7.2 million of the Company's shares, representing 14.99% of the shares in issue at the date of the notice of the meeting, at the AGM held on 13 May 2016. Shares bought back under this authority are cancelled and the Directors do not intend to exercise this authority unless they believe to do so would result in an increase in net assets per share which would be in the interests of shareholders generally. Continuing shareholders benefit from the difference between the NAV per share and the price at which the shares are bought back and cancelled. A resolution to renew this authority will be proposed at the forthcoming AGM. The resolution will grant authority for the Company to buyback up to 7.4 million of the Company's own shares representing 14.99% of the shares in issue and will normally expire at the AGM to be held in 2018.

During the year ended 31 December 2016, shareholders holding 251,468 shares expressed their desire to sell their holdings. The Company instructed its brokers, Panmure Gordon, to purchase these shares at prices representing discounts of approximately 10 per cent. to the previously announced NAV per share. The Company subsequently purchased these shares at prices of between 96.00 and 97.50 pence per share and cancelled them.

In total, the Company bought back 0.5 per cent. of the issued share capital of the Company at the beginning of the year, as calculated by reference to the issued share capital on 1 January 2016.

Continuing shareholders benefit from the difference between the NAV and the price at which the shares are bought back and cancelled.

6. Costs

The Board monitors costs using the Ongoing Charges Ratio*, which is as follows:

	2016	2015
Ongoing charges	2.81%	2.72%
Performance fee	0.00%	0.00%
Ongoing charges plus accrued performance fee	2.81%	2.72%

* The Ongoing Charges Ratio has been calculated, using the AIC recommended methodology. This figure shows shareholders the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded.

Although the Ongoing Charges figure is based upon historic information, it provides shareholders with an indication of the likely level of costs that will be incurred in managing the fund in the future.

The Ongoing Charges Ratio replaces the Total Expense Ratio reported previously. The Total Expense Ratio still forms the basis of any expense cap that may be borne by the Investment Adviser. For the purpose of calculating this ratio, actual running costs are capped at 3.4% of closing net assets but exclude any irrecoverable VAT and exceptional costs. There was no breach of the expense cap for the year ended 31 December 2016 (31 December 2015: £nil).

The rise in the Ongoing Charges ratio reflects a lower average level of net assets in 2016.

Investment Adviser fees and other expenses

Investment Adviser fees charged to both revenue and capital have remained at £1.22 million. Running costs have also remained at £0.37 million. Trail commission, audit and registrar's fees have fallen in the year offset by a rise in printing costs. Other expenses have fallen due to 2015 containing a provision for interest receivable from an investee company that was recognised in a previous year, which did not occur in 2016.

Further details of these are contained in the financial statements on pages 46 and 47 of this Annual Report.

Investment Review

Portfolio Review

This has been a year of continued progress within the portfolio. The exceptional level of disposals in 2014 and 2015 has reduced the age of the remaining portfolio such that 57% by value (44% by number) of the current portfolio comprises investments made since the start of 2014 (excluding companies preparing to trade). The latter half of the year has seen investment in five (plus one just after the year-end) new growth capital opportunities, which represent 12.0% of the portfolio. Many of the MBO portfolio companies are generating cash, have made repayments of their loan stock and are trading well.

Having experienced an unprecedented number of profitable realisations in 2014 and 2015, the Investment Adviser does not anticipate this level to be repeated in the near to medium term. Shareholders will note that the year-end valuation of the portfolio is only just above its cost. As the portfolio now has a younger profile, time is required for these more recent investments to grow in value. Unless a compelling offer is made for one of our investments, we plan to hold those that are performing, that are generating income, and that show potential to grow their value further.

Investments by market sector at valuation

Investments remain spread across a number of sectors, primarily in support services, software and computer services and general retailers.

Impact of Changes in VCT Rules

The amendments to VCT legislation were a significant change for the VCT industry and required all VCTs to reconsider the type of investments that VCTs can make in future. The Investment Adviser has responded to this by adding experienced growth capital investment resource to its existing team. Along with other investment advisers in the industry, Mobeus has focused on gaining familiarity with the practical implications of the rules on the types of investment opportunities it can now consider for VCT investment. That process is continuing, including discussions with HMRC in response to their draft Guidance to the legislation. The Investment Adviser is also gaining additional practical experience from assessing prospective opportunities at a detailed level and from continuing to seek HMRC Advance Assurance in respect of each new investment proposal.

There has been an inevitable initial slowdown in new deal activity, resulting from both the more restrictive criteria for VCT investment under the new VCT rules and delays at HMRC in processing applications for Advance Assurance. Independent research shows that as at 31 December 2016 the amount of completed new investment across the generalist VCT Industry for 2016 had fallen by 30% and 49% compared to the same periods in 2015 and 2014 respectively.

Impact of Brexit

It is too early to comment on the eventual impact of the UK leaving the EU upon the portfolio, whatever form that departure takes. Whilst the SME sector will not be immune to any general downturn in the UK economy, the portfolio has historically proved to be resilient and we believe will continue to be so. Portfolio companies with foreign currency exposure routinely cover this exposure and any negative effects of a longer term adjustment in exchange rate will not emerge for some months. Some portfolio companies will be beneficiaries of a weaker pound.

New Investment

Against this background, we are therefore pleased to have made six new investments under the New VCT Rules. A total of £3.14 million (including £0.84 million via a company preparing to trade) was invested during the year under review. This comprised new investments into Redline, MPB, BookingTek, Biosite and Preservica, an existing portfolio company. Just after the year-end, £0.58 million was invested into Tapas Revolution. Further details are set out below and opposite.

Principal new investments in the year

	Company	Business	Date of investment	Amount of new investment (£m)
	Redline	Provision of security products and services	February 2016	0.84*
	MPB Group	Online marketplace for used photo and video equipment	June 2016	0.47

Redline is a market leader in the provision of security consultancy and training services to airlines, governments, airports and global distribution companies. Redline currently operates predominantly in the aviation security market and is at the forefront of counter-terrorism training and services. The investment is being applied to enable the Company to grow in its core aviation market and in other sectors. The company's latest accounts for the year ended 31 March 2016 show turnover of £5.01 million and underlying profit before interest, tax and amortisation of goodwill of £1.04 million.

* £1.13 million previously held in Pound FM Consultants Limited, a company preparing to trade, was used for this investment. This resulted in a net repayment of £0.29 million. Pound FM Consultants Limited has subsequently changed its name to Redline Worldwide Limited.

MPB is Europe's leading online marketplace for used photo and video equipment. Based in Brighton, their custom-designed pricing technology enables MPB to offer both buy and sell services through the same platform and offers a one-stop shop for all its customers. The investment is to fund expansion of its platform globally, with launches into both the US and German markets. The company's latest audited accounts for the year ended 31 March 2016 show turnover of £8.37 million and profit before interest, tax and amortisation of goodwill of £0.001 million.

	Company	Business	Date of investment	Amount of new investment (£m)
	BookingTek	Direct booking software for hotels	October 2016	0.51

Based in London, BookingTek has developed software that enables hotels to reduce their reliance on third-party booking systems by means of a real-time booking platform for meeting rooms and restaurant reservations. The investment is to support further growth. The company's latest audited accounts for the year ended 31 July 2015 show turnover of £2.19 million and loss before interest, tax and amortisation of goodwill of £0.33 million.

	Biosite	Workforce management	November 2016	0.64
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Based in the Midlands, Pattern Analytics (Biosite) is a fast growing provider of biometric access control and software-based workforce management solutions for the construction sector. The investment will support the expansion of the team to facilitate the development of new site-management tools to enable managers to oversee all aspects of a construction project. The company's latest accounts for the year ended 31 July 2016 show turnover of £4.69 million and profit before interest, tax and amortisation of goodwill of £0.49 million.

Further investment into existing portfolio companies in the year

	Preservica	Sellers of proprietary digital archiving software	December 2016	0.68
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Based in Oxfordshire, Preservica has developed the world's leading software for the long-term preservation of digital records, ensuring that long-term digital content is accessible, irrespective of changes in future technology. Previously a subsidiary of Tessella, it was demerged prior to the sale of Tessella in December 2015. The additional investment was made to provide development funding to the company. The company's latest accounts for the year ended 31 March 2016 show turnover of £1.78 million and profit before interest, tax and amortisation of goodwill of £0.16 million.

New investment post year-end

	Company	Business	Date of investment	Amount of new investment (£m)
	Tapas Revolution	Restaurant	January 2017	0.58

Based in London, Ibericos Etc. Limited (which trades as Tapas Revolution) is a leading Spanish restaurant chain in the casual dining sector focusing on shopping centres sites with high footfall. Having opened its first restaurant in Shepherd's Bush Westfield, the business has since opened a further four restaurants. The investment provided growth capital to a high-calibre team with significant restaurant roll-out experience who have spent the past five years building and refining their offer and are now well placed to capitalise on a strong pipeline of new sites. The company's latest accounts for the year ended 25 October 2015 show a turnover of £2.37 million and loss before interest, tax and amortisation of goodwill of £0.16 million.

Realisations

There were no full realisations during the year ended 31 December 2016, although the Company received cash proceeds of £2.10 million, of which £1.52 million was in the form of loan stock repayments (detailed below), deferred consideration of £0.38 million and other receipts of £0.20 million.

Loan stock repayments

Loan stock repayments totalled £1.52 million for the year. These are summarised below:-

Company	Business	Month	Amount (£000's)
Ward Thomas	Logistics, storage and removals business	January	837
Barham	Company preparing to trade	December	454
Pound FM	Company preparing to trade	February	111
Motorclean	Vehicle cleaning and valeting services	February	64
Jablite	Expanded polystyrene products	April	57
Total			1,523

Principal investments in the portfolio at 31 December 2016 by valuation



Virgin Wines Holding Company Limited

www.virginwines.co.uk

Cost £1,931,000

Valuation £2,686,000

Basis of valuation

Earnings multiple

Equity % held

9.7%

Income receivable in year

£184,687

Business

Online wine retailer

Location

Norwich

Original transaction

Management buyout

Audited financial information

Year ended	30 June 2015
Turnover	£37,117,000
Operating profit	£2,424,000
Net assets	£1,465,000

Period ended	30 June 2014 ¹
Turnover	£25,813,000
Operating profit	£1,708,000
Net assets	£930,000

¹ The financial information above is for a 15 month period.

Movements during the year

None.



Tovey Management Limited

www.access-is.com

Cost £2,469,000

Valuation £2,601,000

Basis of valuation

Earnings multiple

Equity % held

10.1%

Income receivable in year

£188,542

Business

Data capture and scanning hardware

Location

Reading

Original transaction

Management buyout

Audited financial information

Year ended	31 December 2015 ¹
Turnover	£11,488,000
Operating profit	£1,526,000
Net assets	£5,236,000

Year ended	31 December 2014 ¹
Turnover	£9,952,000
Operating profit	£1,206,000
Net assets	£3,765,000

¹ The financial information quoted above is for Access Limited.

Movements during the year

None.



Entanet Holdings Limited

www.enta.net

Cost £2,168,000

Valuation £2,254,000

Basis of valuation

Earnings multiple

Equity % held

13.1%

Income receivable in year

£199,744

Business

Wholesale voice and data communications provider

Location

Telford, Shropshire

Original transaction

Management buyout

Audited financial information

Year ended	31 December 2015
Turnover	£31,887,000
Operating profit	£269,000
Net liabilities	£(1,463,000)

Period ended	31 December 2014 ¹
Turnover	£25,753,000
Operating profit	£1,053,000
Net liabilities	£(296,000)

¹ The financial information above is for an 11 month period.

Movements during the year

None.

Further details of the investments in the portfolio may be found on the Mobeus website: www.mobeusequity.co.uk.

Operating profit is stated before charging amortisation of goodwill where appropriate for all investee companies.



Media Business Insight Holdings Limited

www.mb-insight.com

Cost £2,723,000

Valuation £2,218,000

Basis of valuation

Earnings multiple

Equity % held

15.7%

Income receivable in year

£38,289

Business

Publishing and events business

Location

London

Original transaction

Management buyout

Audited financial information

Year ended	31 December 2015 ¹
Turnover	£8,768,000
Operating profit	£508,000
Net assets	£1,867,000

Year ended	31 December 2014 ¹
Turnover	£8,378,000
Operating profit	£1,139,000
Net assets	£1,796,000

¹ The financial information quoted above is for Media Business Insight Limited, the trading subsidiary of Media Business Insight Holdings Limited.

Movements during the year

None.



ASL Technology Holdings Limited

www.aslh.co.uk

Cost £1,934,000

Valuation £2,083,000

Basis of valuation

Earnings multiple

Equity % held

9.5%

Income receivable in year

£159,970

Business

Printer and photocopier services

Location

Cambridge

Original transaction

Management buyout

Audited financial information

Year ended	30 September 2015
Turnover	£15,361,000
Operating profit	£1,442,000
Net liabilities	£(2,450,000)

Year ended	30 September 2014
Turnover	£13,266,000
Operating profit	£1,176,000
Net liabilities	£(3,123,000)

Movements during the year

None.



Fullfield Limited

www.motorclean.net

Cost £1,131,000

Valuation £1,460,000

Basis of valuation

Earnings multiple

Equity % held

9.8%

Income receivable in year

£105,715

Business

Vehicle cleaning and valet services

Location

Laindon, Essex

Original transaction

Management buyout

Audited financial information

Year ended	31 March 2016
Turnover	£49,632,000
Operating profit	£1,952,000
Net assets	£1,607,000

Year ended	31 March 2015
Turnover	£41,166,000
Operating profit	£1,358,000
Net assets	£1,586,000

Movements during the year

Fullfield made a loan repayment of £0.06 million during the year.

Principal investments in the portfolio at 31 December 2016 by valuation



Gro-Group Holdings Limited

www.gro.co.uk

Cost £1,578,000

Valuation £1,361,000

Basis of valuation

Earnings multiple

Equity % held

10.7%

Income receivable in year

£83,702

Business

Manufacturer and distributor of baby sleep products

Location

Ashburton, Devon

Original transaction

Management buyout

Audited financial information

Period ended	31 December 2015 ¹
Turnover	£21,018,000
Operating profit	£1,304,000
Net assets	£1,110,000

Year ended	30 June 2014
Turnover	£12,854,000
Operating profit	£1,352,000
Net assets	£1,287,000

¹ The financial information above is for an 18 month period.

Movements during the year

None.



Turner TopCo Limited

www.antiquetradegazette.com

Cost £1,529,000

Valuation £1,330,000

Basis of valuation

Earnings multiple

Equity % held

3.7%

Income receivable in year

£Nil

Business

Publisher and online auction platform operator

Location

London

Original transaction

Secondary buyout

Audited financial information

Year ended	30 September 2015
Turnover	£18,918,000
Operating profit	£601,000
Net liabilities	£(7,125,000)

Period ended	30 September 2014 ¹
Turnover	£4,126,000
Operating profit	£(106,000)
Net liabilities	£(834,000)

¹ The financial information above is for a 3 month period.

Movements during the year

None.



CGI Creative Graphics International Limited

www.cgi-visual.com

Cost £1,450,000

Valuation £1,312,000

Basis of valuation

Earnings multiple

Equity % held

6.3%

Income receivable in year

£144,385

Business

Vinyl graphics to global automotive/ recreation vehicle and aerospace markets

Location

Kempston, Bedfordshire

Original transaction

Management buyout

Audited financial information

Year ended	29 February 2016
Turnover	£12,528,000
Operating profit	£518,000
Net assets	£800,000

Period ended	28 February 2015 ¹
Turnover	£12,124,000
Operating profit	£902,000
Net assets	£2,521,000

¹ The financial information above is for a 9 month period.

Movements during the year

None.

Further details of the investments in the portfolio may be found on the Mobeus website: www.mobeusequity.co.uk.

Operating profit is stated before charging amortisation of goodwill where appropriate for all investee companies.



Veritek Global Holdings Limited

www.veritekglobal.com

Cost £1,620,000

Valuation £1,283,000

Basis of valuation

Earnings multiple

Equity % held

10.3%

Income receivable in year

£181,170

Business

Maintenance of imaging equipment

Location

Eastbourne, East Sussex

Original transaction

Management buyout

Audited financial information

Year ended	31 March 2016
Turnover	£18,953,000
Operating profit	£1,009,000
Net liabilities	£(322,000)

Year ended	31 March 2015
Turnover	£22,165,000
Operating profit	£2,379,000
Net liabilities	£(72,000)

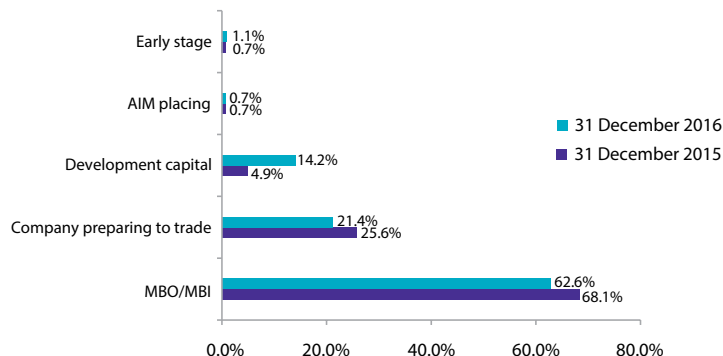
Movements during the year

None.

The remaining 32 investments in the portfolio (including seven companies preparing to trade) had a cost of £19.83 million and were valued at £20.34 million at 31 December 2016.

Investments at valuation at 31 December 2016

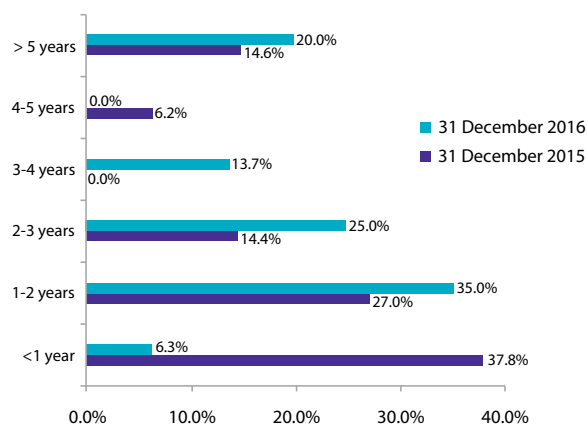
– By stage of development (including CPTs)



– By market sector (including CPTs)



– By number of years held (including CPTs)



Investment Portfolio Summary

as at 31 December 2016

	Ordinary shares		Other investments ¹ (loan stock/preference shares)		Total
	Cost at 31 December 2016 £	Valuation at 31 December 2016 £	Cost at 31 December 2016 £	Valuation at 31 December 2016 £	cost at 31 December 2016 £
Virgin Wines Holding Company Limited Online wine retailer	45,915	800,777	1,884,898	1,884,898	1,930,813
Tovey Management Limited (trading as Access IS) Provider of data capture and scanning hardware	891,576	158,665	1,577,437	2,442,532	2,469,013
Entanet Holdings Limited Wholesale communications provider	410,715	-	1,756,947	2,254,135	2,167,662
Media Business Insight Holdings Limited A publishing and events business focused on the creative production industries	1,089,103	-	1,633,657	2,218,152	2,722,760
ASL Technology Holdings Limited Printer and photocopier services	343,992	144,012	1,589,599	1,938,968	1,933,591
Manufacturing Services Investment Limited Company seeking to carry on a business in the manufacturing sector	456,400	456,400	1,560,500	1,560,500	2,016,900
Fullfield Limited (trading as Motorclean) Vehicle cleaning and valet services	462,184	331,803	669,260	1,127,722	1,131,444
Gro-Group Holdings Limited Baby sleep products	148,765	-	1,429,212	1,361,293	1,577,977
Turner Topco Limited (trading as ATG Media) Publisher and online auction platform operator	4,472	-	1,524,603	1,330,326	1,529,075
CGI Creative Graphics International Limited Vinyl graphics to global automotive, recreation vehicle and aerospace markets	476,612	-	973,134	1,311,572	1,449,746
Veritek Global Holdings Limited Maintenance of imaging equipment	43,527	-	1,576,559	1,283,041	1,620,086
Tharstern Group Limited MIS & Commercial print software solutions	338,861	138,636	753,025	1,078,760	1,091,886
EOTH Limited (trading as Equip Outdoor Technologies) Distributor of branded outdoor equipment and clothing	95,147	265,717	856,324	932,228	951,471
Vian Marketing Limited (trading as Tushingham Sails) Design, manufacture and sale of stand-up paddleboards and windsurfing sails	271,683	292,166	627,391	896,273	899,074
Backhouse Management Limited Company seeking to carry on a business in the motor sector	453,600	453,600	680,400	680,400	1,134,000
Chatfield Services Limited Company seeking to carry on a business in the retail sector	453,600	453,600	680,400	680,400	1,134,000
Creasy Marketing Services Limited Company seeking to carry on a business in the textile sector	453,600	453,600	680,400	680,400	1,134,000
McGrigor Management Limited Company seeking to carry on a business in the pharmaceutical sector	453,600	453,600	680,400	680,400	1,134,000
Hollydale Management Limited Company seeking to carry on a business in the food sector	438,200	438,200	657,300	657,300	1,095,500
RDL Corporation Limited Recruitment consultants for the pharmaceutical, business intelligence and IT industries	173,932	-	826,068	926,025	1,000,000
The Plastic Surgeon Holdings Limited Snagging and finishing of domestic and commercial properties	45,982	406,832	412,953	495,497	458,935
Bourn Bioscience Limited Management of In-vitro fertilisation clinics	323,577	55,138	808,944	808,944	1,132,521
Redline Worldwide Limited (formerly Pound FM Consultants Limited)² Provider of security services to the aviation industry and other sectors	269,190	269,190	569,187	569,187	838,377

Notes

¹ 'Other investments' comprise principally loan stock instruments, and/or relatively small amounts of preference shares.

² £1,134,000 invested in Pound FM Consultants Limited, a company preparing to trade, was used for the investment into Redline Assured Security Limited, which resulted in a net repayment £295,623. Pound FM subsequently changed its name to Redline Worldwide Limited.

Total valuation at 31 December 2015 £	Total additional investments £	Total valuation at 31 December 2016 £	Unrealised gains/(losses) in year £	Net realised gains in year £	Net proceeds in year £	% of equity held	% of portfolio by value
2,784,729	-	2,685,675	(99,054)	-	-	9.7%	6.9%
2,469,013	-	2,601,197	132,184	-	-	10.1%	6.7%
3,338,043	-	2,254,135	(1,083,908)	-	-	13.1%	5.8%
2,282,607	-	2,218,152	(64,455)	-	-	15.7%	5.7%
2,234,937	-	2,082,980	(151,957)	-	-	9.5%	5.4%
2,016,900	-	2,016,900	-	-	-	11.4%	5.2%
1,379,974	-	1,459,525	143,595	-	64,044	9.8%	3.7%
1,138,860	-	1,361,293	222,433	-	-	10.7%	3.5%
828,610	-	1,330,326	501,716	-	-	3.7%	3.4%
1,179,872	-	1,311,572	131,700	-	-	6.3%	3.4%
1,659,063	-	1,283,041	(376,022)	-	-	10.3%	3.3%
1,518,767	-	1,217,396	(301,371)	-	-	12.2%	3.1%
1,008,235	-	1,197,945	189,710	-	-	1.7%	3.1%
899,074	-	1,188,439	289,365	-	-	7.1%	3.1%
1,134,000	-	1,134,000	-	-	-	11.3%	2.9%
1,134,000	-	1,134,000	-	-	-	11.3%	2.9%
1,134,000	-	1,134,000	-	-	-	11.3%	2.9%
1,134,000	-	1,134,000	-	-	-	11.3%	2.9%
1,095,500	-	1,095,500	-	-	-	11.0%	2.8%
622,056	-	926,025	303,969	-	-	9.1%	2.5%
840,837	-	902,329	61,492	-	-	11.4%	2.3%
895,428	-	864,082	(31,346)	-	-	7.7%	2.2%
1,134,000	-	838,377	-	-	295,623	6.7%	2.2%

Investment Portfolio Summary

as at 31 December 2016

	Ordinary shares		Other investments ¹ (loan stock/preference shares)		Total
	Cost at 31 December 2016 £	Valuation at 31 December 2016 £	Cost at 31 December 2016 £	Valuation at 31 December 2016 £	cost at 31 December 2016 £
Master Removers Group Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van) A specialist logistics, storage and removals business	511,620	734,387	235	-	511,855
Barham Consulting Limited Company seeking to carry on a business in the catering sector	453,600	272,160	408,240	408,240	861,840
Preservica Limited³ Seller of proprietary digital archiving software	679,617	679,617	-	-	679,617
Pattern Analytics Limited (trading as Biosite) Workforce management and security services for the construction industry	640,171	640,171	-	-	640,171
Jablite Holdings Limited (formerly Duncary 16 Limited) Manufacturer of expanded polystyrene products	339,974	557,173	36,109	49,825	376,083
BookingTek Limited Software for hotel groups	512,137	512,137	-	-	512,137
MPB Group Limited Online marketplace for used photographic equipment	359,022	359,022	112,194	112,194	471,216
Omega Diagnostics Group plc² In-vitro diagnostics for food intolerance, auto-immune diseases and infectious diseases	200,028	291,682	-	-	200,028
Blaze Signs Holdings Limited Manufacturer and installer of signs	183,005	273,318	7,626	7,626	190,631
Vectair Holdings Limited Designer and distributor of washroom products	24,643	183,640	89	89	24,732
Racoon International Holdings Limited Supplier of hair extensions, hair care products and training	419,959	-	64,388	38,771	484,347
Lightworks Software Limited Provider of software for CAD and CAM vendors	9,329	34,926	-	-	9,329
BG Training Limited City-based provider of specialist technical training	-	-	14,167	14,167	14,167
Newquay Helicopters (2013) Limited (in creditors' voluntary liquidation) Helicopter service operator	12,342	-	-	-	12,342
CB Imports Group Limited (trading as Country Baskets) Importer and distributor of artificial flowers, floral sundries and home décor products	175,000	-	-	-	175,000
Watchgate Limited Holding company	1,000	-	-	-	1,000
Deferred proceeds from companies realised in previous years⁴	-	-	-	-	-
Total	12,665,680	10,110,169	25,051,646	28,429,865	37,717,326
Former Elderstreet Private Equity Portfolio					
Cashfac Limited Provider of virtual banking application software solutions to corporate customers	260,101	288,932	-	-	260,101
Sparesfinder Limited Supplier of industrial spare parts online	250,854	64,067	-	-	250,854
Sift Group Limited Developer of business-to-business internet communities	135,391	33,401	-	-	135,391
Total	646,346	386,400	-	-	646,346
Investment Adviser's Total	13,312,026	10,496,569	25,051,646	28,429,865	38,363,672

Notes

¹ 'Other investments' comprise principally loan stock instruments, and/or relatively small amounts of preference shares.

² Quoted on AIM.

³ A further £679,617 was invested into Preservica Limited, adding to the Company's existing shareholding that was received as part of the disposal of Tessella Holdings Limited in December 2015.

⁴ The deferred proceeds figure of £381,087 primarily consists of £371,652 received in respect of Focus Pharma and £9,435 from Westway Services (2014) Limited.

Total valuation at 31 December 2015 £	Total additional investments £	Total valuation at 31 December 2016 £	Unrealised gains/(losses) in year £	Net realised gains in year £	Net proceeds in year £	% of equity held	% of portfolio by value
1,485,897	-	734,387	85,315	-	836,825	4.3%	1.9%
1,134,000	-	680,400	-	-	453,600	11.3%	1.7%
-	679,617	679,617	-	-	-	4.6%	1.7%
-	640,171	640,171	-	-	-	4.8%	1.6%
1,097,406	-	606,998	(433,708)	-	56,700	9.1%	1.6%
-	512,137	512,137	-	-	-	3.4%	1.3%
-	471,216	471,216	-	-	-	5.3%	1.2%
258,347	-	291,682	33,335	-	-	1.5%	0.7%
356,486	-	280,944	(75,542)	-	-	5.7%	0.7%
123,079	-	183,729	60,650	-	-	2.1%	0.5%
77,542	-	38,771	(38,771)	-	-	10.5%	0.1%
24,858	-	34,926	10,068	-	-	4.2%	0.1%
14,167	-	14,167	-	-	-	0.0%	0.0%
21,250	-	-	(12,342)	-	8,908	2.5%	0.0%
-	-	-	-	-	-	5.8%	0.0%
-	-	-	-	-	-	33.3%	0.0%
-	-	-	-	381,087	381,087	0.0%	0.0%
38,455,537	2,303,141	38,540,034	(502,944)	381,087	2,096,787	-	99.0%
187,108	-	288,932	101,824	-	-	2.9%	0.7%
46,977	-	64,067	17,090	-	-	2.0%	0.2%
27,048	-	33,401	6,353	-	-	1.3%	0.1%
261,133	-	386,400	125,267	-	-	-	1.0%
38,716,670	2,303,141	38,926,434	(377,677)	381,087	2,096,787	-	100.0%

Key policies

The Board has put in place the following policies to be applied to meet the Company's overall Objective and to cover specific areas of the Company's business.

Investment Policy

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

Investments

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

There are a number of conditions within the VCT legislation which need to be met by the Company and which may change from time to time. The Company will seek to make investments in accordance with the requirements of prevailing VCT legislation.

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

Liquidity

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

Borrowing

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

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 breadth of experience. The Board comprises two men and one woman. The Company does not have any senior managers or employees. The Board has made a commitment to consider diversity in making future appointments.

Other policies

In addition to the Investment Policy, the Diversity policy and the policies on payment of dividends and share buybacks which were discussed earlier in this section (see pages 6 and 7), the Company has adopted a number of further policies relating to:

- Environmental and social responsibility
- Human rights
- Anti-bribery
- Global greenhouse gas emissions
- Whistleblowing

These are set out in the Directors' Report on pages 22 and 23 of this Annual Report.

Principal risks, management and regulatory environment

The Directors acknowledge the Board's responsibilities for the Company's internal control systems and have instigated systems and procedures for identifying, evaluating and managing the significant risks faced by the Company. This includes a key risk management review which takes place at each quarterly Board meeting. Further details of these are contained in the corporate governance section of the Directors' Report on pages 25 to 30. The principal risks identified by the Board are set out below:

Risk	Possible consequence	How the Board manages risk
Economic	Events such as an economic recession and movements in interest rates could affect trading conditions for smaller companies and consequently the value of the Company's qualifying investments.	<ul style="list-style-type: none"> ● The Board monitors the portfolio as a whole to (1) ensure that the Company invests in a diversified portfolio of companies and (2) ensure that developments in the macro-economic environment such as movements in interest rates are monitored.
Loss of approval as a Venture Capital Trust	The Company must comply with section 274 of the Income Tax Act 2007 ("ITA") which allows it to be exempted from capital gains tax on investment gains. Any breach of these rules may lead to the Company losing its approval as a Venture Capital Trust (VCT), qualifying shareholders who have not held their shares for the designated holding period having to repay the income tax relief they obtained and future dividends paid by the Company becoming subject to tax. The Company would also lose its exemption from corporation tax on capital gains.	<ul style="list-style-type: none"> ● The Company's VCT qualifying status is continually reviewed by the Investment Adviser. ● The Board receives regular reports from its VCT Status Adviser who has been retained by the Board to monitor the VCT's compliance with the VCT Rules.
Investment	Investment in unquoted small companies involves a higher degree of risk than investment in fully listed companies. Smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. This may lead to variable investment returns. Following the introduction of the New VCT Rules the Company is no longer permitted to invest in MBOs. The focus of investment has therefore moved to providing development capital to younger smaller companies. Such investments opportunities add a new aspect of investment risk to the Company.	<ul style="list-style-type: none"> ● The Board regularly reviews the Company's investment strategy. ● Careful selection and review of the investment portfolio on a regular basis. ● The Investment Adviser has provided a growing pipeline of compliant investment opportunities following a continuing strengthening of their investment team.
Regulatory	The Company is required to comply with the Companies Act, the listing rules of the UK Listing Authority and United Kingdom Accounting Standards. Changes to and breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report.	<ul style="list-style-type: none"> ● Regulatory and legislative developments are kept under review by the Board.
Financial and operating	Failure of the systems at any of the third party service providers that the Company has contracted with could lead to inaccurate reporting or monitoring. Inadequate controls could lead to the misappropriation or insecurity of assets.	<ul style="list-style-type: none"> ● The Board carries out an annual review of the Internal controls in place and reviews the risks facing the Company at each quarterly Board meeting and receives reports by exception. ● It reviews the performance of the service providers annually.
Market	Movements in the valuations of the VCT's investments will, inter alia, be connected to movements in UK Stock Market indices.	<ul style="list-style-type: none"> ● The Board receives quarterly valuation reports from the Investment Adviser. ● The Investment Adviser alerts the Board about any adverse movements.
Asset liquidity	The Company's investments may be difficult to realise.	<ul style="list-style-type: none"> ● The Board receives reports from the Investment Adviser and reviews the portfolio at each quarterly Board meeting. It carefully monitors investments where a particular risk has been identified.
Market liquidity	Shareholders may find it difficult to sell their shares at a price which is close to the net asset value given the limited secondary market in VCT shares.	<ul style="list-style-type: none"> ● The Board has a share buyback policy which seeks to mitigate market liquidity risk. This policy is reviewed at each quarterly Board meeting.
Counterparty	A counterparty may fail to discharge an obligation or commitment that it has entered into with the Company. This may lead to financial loss for the Company.	<ul style="list-style-type: none"> ● The Board regularly reviews and agrees policies for managing these risks. Further details can be found under 'credit risk' in Note 15 to the accounts on pages 55 and 56.

The risk profile of the Company has changed as a result of the recent changes to VCT regulation. As the Company is now focusing its investment on growth capital investments in younger companies it is anticipated that investment returns will be more volatile, and will have a higher risk profile. The Board remain confident that the Investment Adviser can adapt to these changing investment requirements, although the early stage investment process remains unproven. The combination of high liquidity levels in the Company and the challenge of the new VCT rules may also result in continuing high liquidity which may be a drag on performance. The Board has partially addressed this through the payment of a second interim dividend in March 2017. These issues will be monitored by the Board during the coming year.

Going concern and viability of the Company

The Board has assessed the Company's operation as a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in prior sections of this Strategic Report. The Directors have satisfied themselves that the Company continues to maintain a significant cash position. The majority of companies in the portfolio continue to trade profitably and the portfolio taken as a whole remains resilient and well diversified. The major cash outflows of the Company (namely investments, share buybacks and dividends) are within the Company's control. The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Note 15 on pages 54 to 60. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Furthermore, the Directors have considered whether there are any material uncertainties that the Company may face during the twelve months to 31 December 2017 that may impact on its ability to operate as a going concern. In particular, the Directors have continued to consider the impact of the new VCT Tax Rules on the Company's Investment Policy and this is discussed further below. No further material uncertainties have been identified by the Board.

Viability Statement

The UK Corporate Governance Code includes a requirement for companies to include a "Viability Statement" in the Strategic Report, addressed to shareholders with the intention of providing an improved and broader assessment of long term solvency and liquidity. The Code does not define "long term" but expects the period to be longer than twelve months with individual companies choosing a period appropriate to the nature of their own businesses. The Directors have chosen a period of three years, which they currently believe to be an appropriate period (as explained further below).

The Directors have carried out a robust assessment of the principal risks facing the Company which are listed above. Subsequent to this review they have a reasonable expectation that the Company will continue to operate and meet its liabilities, as they fall due, for the next three years. This period has been chosen, as a period longer than three years creates a level of future uncertainty for which a Viability Statement cannot, in the Directors' view, currently be made meaningfully. The chosen three year period should accommodate any necessary transitioning of the Company's Investment Policy to focus upon growth capital transactions in line with the New VCT Rules. The long-term viability of the Company is also dependent on future changes in legislation. The Board is not aware of impending legislation or other factors that could affect the Company's viability beyond the next three years at least.

The Directors' assessment has been made with reference to the Company's current position and prospects, the Company's present strategy, the Board's risk appetite and the Company's principal risks and how these are managed, as described on page 19. The Board is mindful of the risks contained therein, but considers that its actions to manage those risks provide reasonable assurance that the Company's affairs are safeguarded for the stated period.

The Directors have reached this conclusion after giving careful consideration to the Company's strategy. They believe the Company's current strategy of "providing investors with a regular income stream by way of tax-free dividends and to generate capital growth through portfolio realisations" remains valid.

The Board has focused upon the range of future investments that the Company will be permitted to fund under the latest VCT legislation. The focus of new investment has moved to financing primarily growth capital opportunities, but it is still anticipated that positive returns will continue to be achievable from future investments and from the existing portfolio. The Company has already made six new investments in compliance with the new Investment Policy and the Investment Adviser is building a healthy pipeline of such investments.

The Board will be monitoring that assumption of positive returns on a regular basis as the change in focus will take time to manifest itself in executing such investments, and the prospective returns thereon are currently less clear until such investments have been made over the next three years at least. The Board considers that the Company's liquidity is currently at adequate levels and has no plans to raise further capital in the current tax year but intends to maintain liquidity at a satisfactory level at all times.

Shareholders should be aware that, under the Company's Articles, it is required to hold a continuation vote at the next AGM falling after the fifth anniversary of last allotting shares. As shares were last allotted in March 2017 (under a Dividend Investment Scheme that remains in place), this factor has not affected the Board's assumptions for the next three years.

Future Prospects

For a discussion of the Company's future prospects (both short and medium term), please see the Chairman's Statement on pages 2 and 3 and the Investment Review on page 8.

Christopher Moore
Chairman

22 March 2017

Board of Directors - Non-Executive Directors

Christopher Moore (Chairman)

Date of appointment: 1 April 2002

Experience: Christopher has considerable experience of the venture capital industry. After completing a law degree and qualifying as a chartered 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 quoted industrial group. Until May 2010, he was a director of Matrix Income & Growth VCT plc ("MIG") and until September 2010 he was a director of The Income & Growth VCT plc ("I&G"). He was also a director of Matrix Income & Growth 3 VCT plc until it merged with MIG in 2010.

Andrew Robson

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 16 years' experience as a non-executive director, including with investment companies. He is currently a non-executive director of First Integrity Limited (from December 2006), British Empire 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, a non-executive director of Gate Gourmet Group Holdings LLC from 2006 to 2007 and a non-executive director of M&G Equity Investment Trust plc from 2007 until 2011.

Helen Sinclair

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 helped raise Mobeus Income & Growth 2 VCT plc (formerly Matrix e-Ventures VCT plc). She is a non-executive director of Gresham House Strategic plc, FTGS Holdco Limited and is chairman of British Smaller Companies VCT plc. Helen is a director of both I&G and MIG 4 and, as both are advised by Mobeus, is deemed not to be an independent director under the Listing Rules.

For details of the share interests and remuneration of each of the Directors please see page 35 of the Directors' Remuneration Report. Details of the attendance record of the Directors is also reported in the Directors' Remuneration Report on page 35.

Directors' Report

The Directors present the Annual Report and Audited Accounts of the Company for the year ended 31 December 2016.

The Board believes that the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Company is registered in England and Wales as a Public Limited Company (registration number 03707697).

The Company has satisfied the requirements for full approval as a Venture Capital Trust under section 274 of the Income Tax Act 2007 ("the ITA"). It is the Directors' intention to continue to manage the Company's affairs in such a manner as to comply with section 274 of the ITA.

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 Companies Act") on 28 July 2008. The Company does not intend to re-apply for such status.

Share capital

The Company's ordinary shares of 1.00 penny each are listed on the London Stock Exchange ("LSE").

During the year under review, the Company issued a total of 938,291 (2015: 813,364) under the Company's Dividend Investment Scheme, as detailed below.

The issued share capital of the Company as at 31 December 2016 was £490,430 (2015: £483,562) and the number of shares in issue at this date was 49,043,033 (2015: 48,356,210).

The Company also bought back 251,468 (2015: 168,443) of its own shares at a total cost of £244,575 (2015: £168,734) including expenses. These shares represented 0.5% of the issued share capital at the beginning of the year.

All shares bought back by the Company during the year were subsequently cancelled.

Dividend Investment Scheme

At the Annual General Meeting held on 27 May 2010, shareholders approved the introduction of a Dividend Investment Scheme (the "Scheme"). The Annual General Meeting on 13 May 2016 authorised the Directors to allot new Ordinary Shares to participating shareholders. The dividend payments made in the year were eligible for the Scheme and the following shares were allotted:

Dividend payment date	Dividend amount (p)	No. of new Ordinary Shares allotted under the Scheme	Allotment date	Issue price (p)
25 May 2016	9.00	753,238	25 May 2016	98.50
8 September 2016	2.00	185,053	8 September 2016	96.40
Total	11.00	938,291		

Shareholders wishing to join or leave the Scheme should submit a mandate form, if joining, or submit a written instruction requesting to leave the Scheme to Capita Asset Services, the Scheme Administrator. Capita Asset Services can be contacted on +44 (0) 371 664 0324. Telephone lines are open 9.00 am – 5.30 pm Mon – Fri excluding public holidays in England and Wales.

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

Directors

The names of and brief biographical details on each of the Directors are given on page 21 of this Annual Report.

Disclosure of Information to the Auditor

So far as each of the Directors in office at 31 December 2016 are aware, there is no relevant audit information of which the auditor is unaware. They have individually taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Director's indemnity and Directors' and officers' liability insurance

The Directors have individually entered into Deeds of indemnity with the Company which indemnifies each Director, subject to the provisions of the Companies Act 2006 and the limitations set out in each deed, against any liability arising out of any claim made against him or her in relation to the performance of their duties as Directors of the Company. Copies of each Deed of indemnity entered

into by the Company for the Directors are available at the registered office of the Company.

The Company maintains a Directors' and Officers' liability insurance policy. The policy does not provide cover for fraudulent or dishonest actions by the Directors.

Environmental and social responsibility

The Board recognises its obligations under Section 414c of the Companies Act to provide information in this respect about environmental matters (including the impact of the Company's business on the environment), human rights and social and community issues, including information about any policies the Company has in relation to these matters and the effectiveness of these policies.

The Board seeks to maintain high standards of conduct in respect of ethical, environmental, governance and social

issues and to conduct the Company's affairs responsibly. It considers relevant social and environmental matters when appropriate and particularly with regard to investment decisions. The Investment Adviser encourages good practice within the companies in which the VCT invests. The Board seeks to avoid investing in certain areas which it considers to be unethical and does not invest in companies which do not operate within relevant ethical, environmental and social legislation or otherwise fail to comply with appropriate industry standards. Environmental, social and governance issues are identified by the Investment Adviser prior to each investment and are drawn to the attention of the Board where appropriate.

The Company does not have any employees or officers and the Board therefore believes that there is limited scope for developing environmental, social or community policies. The Company has however adopted electronic communications for shareholders as a means of reducing the volume of paper that the Company uses to produce its reports. It uses mixed source paper from well-managed forests as endorsed by the Forest Stewardship Council for the printing of its circulars and annual and half-year reports. The Investment Adviser is conscious of the need to reduce its impact on the environment and has taken a number of initiatives in its offices including recycling and the reduction of its energy consumption.

Human rights policy

The Board seeks to conduct the Company's affairs responsibly and gives full consideration to the human rights implications of its decisions, particularly with regard to investment decisions.

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 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.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, (including those within the Company's underlying investment portfolio).

Whistleblowing

The Board has considered the recommendation made in the UK Corporate Governance Code with regard to a policy on whistleblowing and has reviewed the arrangements at the Investment Adviser under which staff may, in confidence, raise concerns. It has concluded that adequate arrangements are in place at the Investment Adviser for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken by the Investment Adviser. The Board has also asked each of its service providers to confirm that they have a suitable whistleblowing policy in place.

Financial risk management

The main risks arising from the Company's financial instruments are due to fluctuations in market prices, investment risk, liquidity risk, interest rates and credit risk. The Board regularly reviews and agrees policies for managing these risks and full details can be found in Note 15 to the Financial Statements on pages 54 to 60 of this Annual Report.

Post balance sheet events

For a full list of the post balance sheet events that have occurred since 31 December 2016, please see Note 18 to the Financial Statements on page 61.

Additional disclosures

The following additional disclosures are made in accordance with Part 6 of Schedule 7 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended 2013).

Articles of Association

The Company may amend its articles of association ("the Articles") by special resolution in accordance with section 21 of the Companies Act 2006.

Substantial interests

As at the date of this report the Company had not been notified of any beneficial interest exceeding 3 per cent. of the issued share capital.

Annual General Meeting

The Notice of the Annual General Meeting (AGM), which will be held at 11.30 am on 8 May 2017 at a new venue, **The Clubhouse, 8 St James's Square, London SW1Y 4JU**, is set out on pages 64 to 66 of this Annual Report. A proxy form for the meeting is enclosed separately with shareholders' hard copies of this Annual Report. Proxy votes may also be submitted electronically via the Capita Shareholder Portal www.capitashareportal.com.

Resolutions 1 to 9 are being proposed as ordinary resolutions requiring more than 50 per cent. of the votes cast at the meeting to be in favour and resolutions 10 and 11 will be proposed as special resolutions requiring the approval of at least 75 per cent. of the votes cast at the meeting. The following is an explanation of the main Resolutions to be proposed at the meeting.

Authorities for the Directors to allot shares in the Company (Resolution 9) and disapply the pre-emption rights of members (Resolution 10).

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.

Directors' Report

Resolution 9 will enable the Directors to allot new shares up to an aggregate nominal value of £248,086, representing approximately 50.59 per cent. of the Company's existing issued share capital as at the date of the notice convening the AGM.

Under section 561(1) of the Companies Act, if the Directors wish to allot new shares or sell or transfer treasury shares for cash they must first offer such shares to existing shareholders in proportion to their current holdings. It is proposed by Resolution 10 to sanction the disapplication of such pre-emption rights in respect of the allotment of equity securities:

- (i) with an aggregate nominal value of up to £150,000 in connection with offer(s) for subscription;
- (ii) with an aggregate nominal value of up to, but not exceeding, 10 per cent. of the issued share capital from time to time pursuant to any dividend investment scheme operated by the Company at a subscription price which is less than the net asset value per share; and
- (iii) otherwise than pursuant to (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 in part to purchase the Company's shares in the market.

The Company does not currently hold any shares as treasury shares.

Both of these authorities, unless previously renewed, varied or revoked, will expire on the date falling fifteen months after the passing of the resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2018. However, the Directors may allot securities after the expiry dates specified above in pursuance of offers or agreements made prior to the expiration of these authorities. Both resolutions generally renew previous authorities approved by shareholders at the Annual General Meeting of the Company held on 13 May 2016.

The Directors have no plans at the current time to fundraise for the Company or any other further immediate intention of exercising the above powers but will consider raising further funds in the future

in line with its liquidity and new investment requirements. It is therefore seeking authority to allot shares and disapply the pre-emption rights of members to take account of this contingency.

Authority to purchase the Company's own shares (Resolution 11)

This resolution authorises the Company to purchase its own shares pursuant to section 701 of the Companies Act. The authority is limited to the purchase of an aggregate of 7,351,551 shares representing approximately 14.99 per cent. of the issued share capital of the Company as at the date of the Notice of the Meeting or, if lower, such number of shares (rounded down to the nearest whole share) as shall equal 14.99 per cent. of the issued share capital at the date the resolution is passed. The maximum price that may be paid for a share will be the higher of (i) an amount that is not more than five per cent. above the average of the middle market quotations of the shares as derived from the Daily Official List of the UK Listing Authority for the five business days preceding the date such shares are contracted to be purchased and (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation. The minimum price that may be paid for a share is 1 penny, being the normal value thereof.

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 they believe that 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 on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the Company's annual general meeting to be held in 2018 except that the Company may purchase its own shares after this date in pursuance of a contract or contracts made prior to the expiration of this authority.

Recommendation

The Board recommends that shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting, as the Directors intend to do in respect of their own beneficial holdings of 71,041 shares (representing 0.15 per cent. of the issued share capital as at 21 March 2017, this being the latest practicable date prior to publication of this document).

Voting rights of Shareholders

At general meetings of the Company, each shareholder has one vote on a show of hands, and one vote per share held on a poll. No member shall be entitled to vote or exercise any rights at a general meeting unless all shares held by them 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 fixed for the meeting.

There are no restrictions on voting rights and no agreements between holders of securities that may prevent or restrict the transfer of securities or voting rights.

By order of the Board

Mobeus Equity Partners LLP
Company Secretary

22 March 2017

Corporate Governance Statement

The Directors have adopted the Association of Investment Companies (AIC) Code of Corporate Governance 2014 ("the AIC Code") for the financial year ended 31 December 2016. The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for investment companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code ("the UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide the most appropriate information to shareholders.

The AIC Code was endorsed by the Financial Reporting Council (FRC) on 14 July 2016. In adopting the AIC Code, the Company will therefore meet its obligations in relation to the UK Code and paragraph 9.8.6 of the Listing Rules.

Statement of Compliance

This statement has been compiled in accordance with the FCA's Disclosure and Transparency Rule (DTR) 7.2 on Corporate Governance Statements.

The Board considers that the Company has complied with the AIC Code throughout the year under review, except as explained in the following paragraphs.

As an externally managed VCT, most of the Company's operations are delegated to third parties. The Board has therefore concluded, for the reasons set out in the AIC Guide, that not all the provisions of the UK Code are relevant to the Company.

Firstly, as the Company does not employ a chief executive, nor any executive directors, the provisions of the AIC Code relating to the role of the chief executive and executive directors' remuneration are not relevant to the Company. Secondly, the systems and procedures of the Investment Adviser, the provision of VCT monitoring services by Philip Hare & Associates 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 has therefore not reported further in respect of these provisions.

The table below and on the following pages shows how the Company has complied with the AIC Code during the year. Explanations are provided where the Company had not complied with the AIC Code.

AIC Code	Principle	Compliance and/or departure from the Code
1	The Chairman should be independent.	<p>The Board have assessed the independence of the Chairman and concluded that Christopher Moore has continued to meet the independence criteria as set out in this section of the AIC Code. The remaining Directors monitor the continuing independence of the Chairman, and inform the Chairman of their discussions. The significant directorships and time commitments of the Chairman and the other Directors are considered by the Board and are disclosed on page 21.</p> <p>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. As suggested in the AIC Code, this role can be, and in this instance is, fulfilled by the Chairman of the Audit Committee.</p>
2	A majority of the Board should be independent of the manager.	<p>The Company has a Board of three non-executive directors. 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. Helen Sinclair is also a director of The Income & Growth VCT plc, a company that is also advised by Mobeus, and is therefore not considered to be independent of the Investment Adviser. The Board has concluded that Christopher Moore and Andrew Robson were independent of the Investment Adviser throughout the year ended 31 December 2016.</p> <p>The Directors have declared any existing or potential conflicts of interest and these are reviewed and authorised by the Board, as appropriate, in accordance with the procedures under the Articles and applicable rules and regulations. It is the policy of the Directors not to participate in decisions concerning investee companies in which they hold an interest. No Director currently holds, or has previously held, a direct interest in any of the Company's investee companies.</p>

Corporate Governance Statement

AIC Code	Principle	Compliance and/or departure from the Code
3	Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.	As is common practice among Venture Capital Trusts, the Directors are not appointed for specific terms. The Board has agreed that each Director will retire annually and, if appropriate, seek re-election, which is over and above what is required under the AIC Code. A Director's appointment may be terminated on three months' notice being given by the Company. For further information please see the Directors' Remuneration Report on page 33.
4	The Board should have a policy on tenure, which is disclosed in the annual report.	The Board has considered a policy on tenure and agreed that for a Company of the size and structure of MIG 4, it is not appropriate to insist on a Director's period of service being limited to a set number of years. The AIC Code does not explicitly make recommendations on the overall length of tenure for directors and has stated that it does not believe that there is any evidence that an individual director's length of service on a board may compromise his or her independence in the case of investment companies. It has specifically stated that investment company boards are perhaps more likely than most to benefit from having at least one director with considerably longer than nine years' experience. As part of its annual performance review, the Board has come to the conclusion that the length of service, experience and ability of the Company's Directors enhances its performance. It does not believe that the length of service of any of the Directors has a negative effect on their independence and is satisfied with the balance of experience on the current Board. In particular, the Board considers that the Chairman's length of service as a Director of the Company is an asset to the Board.
5	There should be full disclosure of information about the board.	Full biographical details on each Director are included on page 21 and on the Company's website.
6	The board should aim to have a balance of skills, experience, length of service and knowledge of the Company.	The Board believe that there is a diversity of skills, gender, experience and approach amongst the Board members. Both the Board and Nomination and Remuneration Committee give careful consideration to issues of board balance and diversity when considering board composition and appointments. Details of each Director's experience and background are set out on page 21.
7	The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.	The effectiveness of the Board and the Chairman is reviewed regularly as part of the internal control process led by the Audit Committee. The Board has carried out a performance evaluation review in respect of the year ended 31 December 2016. As part of their review, the Directors considered the performance of each of the Directors and of the Board as a whole in relation to specific areas of their activity. The performance of the Chairman was assessed separately. The Board as a whole discussed the outcome of the performance evaluation, and led by the Chairman, considered and agreed a plan of action to rectify any shortfalls where appropriate. The Board concluded that the performance of the Board, the Chairman and the Directors remained effective.

AIC Code	Principle	Compliance and/or departure from the Code
8	Directors' remuneration should reflect their duties, responsibilities and the value of their time spent.	The Nomination and Remuneration Committee considers the remuneration of the Directors annually and makes recommendations to the Board. One of the main tenets of the Company's Remuneration Policy is that directors' fees should take account of the workload and responsibilities of each and the value and amount of time that each Director is required to commit to the Company. For further details, please see page 33.
9	The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.	The Nomination and Remuneration Committee is responsible for proposing candidates for appointment to the Board and for overseeing the recruitment process. The Committee comprises a majority of independent directors. No new directors were appointed to the Board during the year under review.
10	Directors should be offered relevant training and induction.	New directors are provided with an induction pack and an induction session is arranged in conjunction with the Board and the Investment Adviser. A formal training programme has not been required during the year under review. All of the Directors participate in continuing professional development and regularly attend conferences and workshops relevant to the VCT industry.
11	The chairman (and the board) should be brought into the process of structuring a new launch at an early stage.	Principle 11 applies to the launch of new investment companies and is therefore not applicable to the Company. However, the Board participated fully in the launch of all fundraisings undertaken by the Company in previous years.
12	Boards and managers should operate in a supportive, co-operative and open environment.	The Board meets at least quarterly, which meetings are also attended by the Investment Adviser. Both parties are in regular contact between these meetings. The Board and the Investment Adviser aim to work together in a supportive, co-operative and open manner. The Board has overall responsibility for the Company's affairs. The Investment Adviser takes the initiative on most aspects of the Company's operations, under the guidance and formal approval of the Board and the Board has agreed policies with the Investment Adviser covering key operational issues. All investment, divestment and variation decisions are made by the Board having considered formal recommendations from the Investment Adviser. The Board invites senior members of the Investment Adviser to attend and contribute to its annual strategy meeting that it has held since 2012.
13	The primary focus at regular board meetings should be a review of investment performance and associated matters, such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues.	The Board considers a report from the Investment Adviser at each of its quarterly meetings which provides information on the performance of each of the investments in the portfolio, recent or forthcoming corporate actions at any of the investee companies and other matters relating to the portfolio. The Board monitors the investments made by the Investment Adviser to ensure they are in line with the Company's Investment Policy. The Board also considers peer group performance, asset allocation and wider industry and economic issues in reviewing investment performance and strategy. In addition, the Board monitors financial and other internal controls including maintenance of VCT status and the level of share price discount or premium. The Board has no current plans to undertake any gearing of the Company.

Corporate Governance Statement

AIC Code	Principle	Compliance and/or departure from the Code
14	Boards should give sufficient attention to overall strategy.	The Board monitors performance against its agreed strategy on an ongoing basis and reviews its overall strategy at its annual strategy meeting.
15	The Board should regularly review both the performance of, and contractual arrangements with, the manager.	The Board reviews annually and at other times, as and when necessary, the Investment Adviser's Agreement and the performance of the Investment Adviser.
16	The Board should agree policies with the manager covering key operational issues.	The Board has agreed that the Investment Adviser takes the initiative on most aspects of the Company's operations, under the guidance and formal approval of the Board. The Board has agreed policies with the Investment Adviser covering key operational issues.
17	The Board should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.	A review of the level of share price discount or premium is performed at each Board meeting. The Board approves every buyback of the Company's shares as it is undertaken.
18	The Board should monitor and evaluate other service providers.	The Board reviews annually and at other times, as and when necessary, the performance of the other service providers including the auditor, VCT status adviser, solicitors, bankers and registrars.
19	The Board should regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the Board's views to shareholders.	<p>The Board has a duty to promote the success of the Company and to ensure that its obligations to shareholders are met. The Company communicates with shareholders and solicits their views where it is appropriate to do so.</p> <p>The Board approves the circulation of the Half-Year and Annual Report and Financial Statements to shareholders. Shareholders are welcome at the Annual General Meeting which provides a forum for shareholders to ask questions of the Directors and the Investment Adviser and to discuss issues affecting the Company with them. In addition, the Investment Adviser publishes a twice-yearly VCT shareholder newsletter which contains information on the portfolio and recent investment and corporate activity. The Investment Adviser also organises an annual shareholder event, which the Board attends to listen to any views that shareholders may have and answer any questions about the Company. The Company has established its own website which is a dedicated section of the Investment Adviser's website.</p>
20	The Board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.	The Board reviews and agrees the content of all communications issued on behalf of the Company. It is consulted regarding promotional material which may be issued by the Investment Adviser.
21	The Board should ensure that shareholders are provided with sufficient information for them to understand the risk: reward balance to which they are exposed by holding the shares.	The Board believes that the Annual Report and Financial Statements have been prepared in order to ensure that the information presented to shareholders is fair, balanced and understandable and complies with the recommendations of the AIC Code. The principal risks faced by the Company are documented in the Strategic Report, as part of the Annual Report, and in the Half-Year Report.

Additional information relevant to the corporate governance of the Company is set out on the following pages:

Internal control

The Board acknowledges that it is responsible for the Company's system of internal control and for reviewing its effectiveness. 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 Company's internal control system aims to ensure the maintenance of proper accounting records, the reliability of the finance 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 Policy and regular reviews of the financial results and investment performance.

The Board has put in place ongoing 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. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company and includes a review of the risks in relation to the financial reporting process. The Board reviews a schedule of key risks and the management accounts at each quarterly Board meeting. It is assisted by the Audit Committee in respect of the Annual and Half-Year Reports and other published financial information.

The Board has delegated, contractually to third parties, the management of the investment portfolio, the day-to-day accounting, company secretarial and administration requirements and the registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered, including the financial control systems in operation at the service providers in so far as they relate to the affairs of the Company. The Board regularly monitors these controls from a risk perspective and receives reports from the Registrar and Investment Adviser and Administrator when appropriate.

The Board, assisted by the Audit Committee, carries out separate

assessments in respect of the Annual and Half-Year Reports and other published financial information. As part of these reviews, the Board appraises all the relevant risks ensuing from the internal control process referred to above. The main aspects of the internal controls which have been in place throughout the year in relation to financial reporting are:

- Internal controls are in place for the preparation and reconciliation of the valuations prepared by the Investment Adviser;
- Independent reviews of the valuations of investments within the portfolio are undertaken quarterly by the Board;
- 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 system of internal control and the procedure for the review of control systems has been in place and operational throughout the year under review and up to the date of this Report. An assessment of the effectiveness of internal controls in managing risk was conducted on the basis of reports from the relevant service providers. The last review took place on 13 March 2017. The Board has identified no significant problems with the Company's internal control mechanisms.

Alternative Investment Fund Manager ("AIFM")

The Board appointed the Company as its own AIFM in compliance with the European Commission's Alternative Investment Fund Management Directive with effect from 22 July 2014. The Company is registered as a small AIFM, and is therefore exempt from the principal requirements of the Directive. Mobeus continues to provide investment advisory and administrative services to the Company. However, in order for the Company to continue to discharge its safekeeping responsibilities for the documents of title to its investments, Mobeus company secretarial staff are now directly responsible to the Board, under its instruction, for accessing and dealing with these documents.

The Board

The powers of the Directors have been granted by company law, the Company's articles and resolutions passed by the

Company's members in general meeting. Resolutions are proposed annually at each annual general meeting of the Company to authorise the Directors to allot shares, disapply the pre-emption rights of members and buyback the Company's own shares on behalf of the Company. These authorities are currently in place and resolutions to renew them will be proposed at the Annual General Meeting of the Company to be held on 8 May 2017.

The Board (chaired by Christopher Moore) has agreed a schedule of matters specifically reserved for decision by the Board. These include compliance with the requirements of the Companies Act 2006 and the Income Tax Act 2007, the UK Listing Authority and the London Stock Exchange; strategy and management of the Company; changes relating to the Company's capital structure or its status as a plc; financial reporting and controls; board and committee appointments as recommended by the Nomination and Remuneration Committee and terms of reference of committees; material contracts of the Company and contracts of the Company not in the ordinary course of business.

Christopher Moore and Helen Sinclair have both served on the Board for more than nine years and in accordance with the recommendation of the AIC Code of Corporate Governance and the Company's Policy on tenure, have agreed to stand for re-election annually. Andrew Robson in conjunction with his fellow Directors also offers himself for re-election at the forthcoming Annual General Meeting.

Following the performance evaluation of the Directors during the year, the Board confirms that each of Christopher Moore, Helen Sinclair, and Andrew Robson continue to demonstrate commitment to their roles and to be effective in carrying out their duties on behalf of the Company.

Copies of the Directors' appointment letters will be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting.

Board Committees

The Board has established three Committees, the Nomination and Remuneration Committee, the Investment Committee and the Audit Committee, each with responsibilities for specific areas of its activity. Each of the Committees have written terms of reference, which detail their authority and duties. Shareholders may obtain copies of these

Corporate Governance Statement

by making a written request to the Company Secretary or by downloading these documents from the Company's website: www.mig4vct.co.uk.

The Board has satisfied itself that each of its Committees has sufficient resources to undertake its duties.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by Andrew Robson and comprises all three Directors.

A full description of the work of the Committee with regard to remuneration is included within the Directors' Remuneration Report on page 33 and 34.

In considering nominations, the Committee is responsible for making recommendations to the Board concerning new appointments of Directors to the Board and its committees; the periodic review of the composition of the Board and its committees; and the annual performance review of the Board, the Directors and the Chairman. This includes the ongoing review of each Director's actual or potential conflicts of interest which may arise as a result of the external business activities of Board members. No appointments were made during the year under review. The Board has made a commitment to consider diversity, including gender as part of the recruitment process for future appointments.

Investment Committee

The Investment Committee is chaired by Helen Sinclair and comprises all three Directors.

The Committee meets as necessary to consider the investment proposals put forward by the Investment Adviser. The Committee advises the Board on the development and implementation of the Investment Policy and leads the process for the ongoing monitoring of investee companies and the Company's investment therein. Investment guidance has been issued to the Investment Adviser and the Committee ensures that this guidance is adhered to. New investments and divestments are approved by written resolution of the Committee following discussion between Committee members and are subsequently ratified by the Board. Investment matters are discussed extensively at Board meetings. During the year, the Committee formally approved all

investments, divestments and variation decisions and met informally on numerous occasions.

The Committee considers and agrees, on the advice of the Investment Adviser for recommendation to the Board, all unquoted investment valuations. Investments are valued in accordance with the International Private Equity and Venture Capital (IPEV) Valuation Guidelines under which investments are valued at fair value as defined in those guidelines. Any AIM or other quoted investment will be valued at the closing bid price of its shares as at the relevant reporting date, in accordance with generally accepted accounting practice.

Financial risk management

The main risks arising from the Company's financial instruments are due to investment risk, liquidity risk, credit risk, fluctuations in market prices (market price risk), cash flow interest rate risk and currency risk. The Board regularly reviews and agrees policies for managing these risks and full details can be found in Note 15 to the Accounts on pages 54 to 60 of this Annual Report.

Investment management and service providers

Mobeus acts as Investment Adviser and also provides administrative and company secretarial services to the Company.

The Directors carry out an Annual Review of the performance of and contractual arrangements with the Investment Adviser. As part of this review, the Board considers the quality and continuity of the investment management team, investment performance, quality of information provided to the Board, remuneration of the Investment Adviser, the investment process and the results achieved to date. A review of the performance of the Company is included in the Strategic Report on pages 4 to 20. The Board concluded that the Investment Adviser has performed consistently well over the medium term and has returned a solid performance in respect of the year under review. In particular, they noted the response of the Investment Adviser to the New VCT Rules, featured by the recruitment of senior specialist resource, development of a pipeline of growth capital opportunities and entering into six such transactions. The Company's investment portfolio performance has been stable, demonstrating principally

the success of the Company's previous Investment Policy and a successful transition to the new Policy.

The Board places significant emphasis on the Company's performance against its peers and further information on this has been included in the Strategic Report on page 6. The Board further considered the Investment Adviser's commitment to the promotion of the Company and was satisfied that this was highly prioritised by the Investment Adviser as evidenced by, inter alia, the Mobeus fundraisings from 2010 - 2015 and annual shareholder events which have taken place since 2012.

The Board considers that the Investment Adviser continues to exercise independent judgment while producing valuations which reflect fair value. Overall, the Board continues to believe that the Investment Adviser possesses the experience, knowledge and resources that are required to support the Board in achieving the Company's long term investment objectives. The Directors are also confident that the Investment Adviser will continue to adjust to the new VCT regulations, although this will again be carefully monitored by the Board in the coming year. The Directors therefore believe that the continued appointment of Mobeus as Investment Adviser to the Company on terms currently agreed is in the interests of shareholders and this was formally approved by the Board on 13 March 2017.

The principal terms of the Company's Investment Management Agreement dated 12 November 2010 and the previous contractual arrangements prior to this date are set out in Note 4 to the Accounts on page 46 of this Annual Report. The Board seeks to ensure that the terms of these Agreements represent an appropriate balance between cost and incentivisation of the Investment Adviser.

By order of the Board

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Mobeus Equity Partners LLP
Company Secretary

22 March 2017

Report of the Audit Committee

The Audit Committee is chaired by Andrew Robson and comprises all three Directors. A summary of the Audit Committee's principal activities for the year ended 31 December 2016 is provided below:

Audit Tender

In compliance with the new European Audit Regulation Directive, the committee undertook an audit tender process during the year. For further details please see page 32.

Financial statements

The Half-Year and Annual Reports to shareholders were thoroughly reviewed by the Committee prior to submission to the Board for approval.

Internal control

The Committee has monitored the system of internal controls throughout the year under review as described in more detail in this Report on page 29. It receives a report by exception on the Company's progress against internal controls at its annual and half-year results meetings and reviews a schedule of key risks at each meeting. A full review of the internal controls in operation by the Company was undertaken by the Committee in November 2016 and updated in March 2017.

Valuation of investments

The Investment Adviser prepared valuations of the investments in the portfolio at the end of each quarter and these were considered in detail and agreed by the Investment Committee for recommendation to the Board. The Audit Committee continues to monitor the adequacy of the controls over the preparation of these valuations. As part of this process, it focused on ensuring that both the bases of the valuations and any assumptions used were reasonable and in accordance with the IPEV Valuation Guidelines. The Committee received a report on the valuations from the external auditor as part of both the year-end audit process and the half-year review. These reports were discussed by the Committee with the Auditor and the Investment Adviser before a recommendation to approve the valuations was made to the Board.

The key accounting and reporting issues considered by the Committee in addition to those described above during the year included:

Going concern and long term viability

The Committee monitors the Company's resources at each quarterly board meeting and is satisfied that the Company has an adequate level of resources for the foreseeable future. It has assessed the viability of the Company for three years and beyond. Consideration is given to the cash balances and holdings in money market funds, together with the ability of the Company to realise its investments. See page 20 of the Strategic Report for further details.

Recognition of impairment and realised losses

If an investment has been impaired such that there is no realistic expectation that there will be a full return from the investment, the loss is treated as a permanent impairment and is recognised as a realised loss in the Financial Statements. The Committee reviews the appropriateness and completeness of such impairments.

Compliance with the VCT tests

The Company engages the services of a VCT Status Adviser (Philip Hare & Associates LLP) to advise on its ongoing compliance with the legislative requirements relating to VCTs. A report on the Company's compliance supported by the tests carried out is produced by the VCT Status Adviser on a bi-annual basis and reviewed by the Committee for recommendation to the Board. The Committee has continued to consider the risk and compliance aspects of changes to the VCT Rules introduced by the Finance Act (No.2) 2015 as the implications of the changes have become clearer. As an essential part of this work, the Committee has held ongoing discussions with the Company's VCT Status Adviser throughout the year.

Income from investee companies

The Committee notes that revenue from loan stock and dividends may be uncertain given the type of companies in which the VCT invests. Dividends in particular may be difficult to predict. The payments received however have a direct impact on the level of income dividends the Company is able to pay to shareholders. The Committee agrees policies for revenue recognition and reviews their application at each of its meetings. It considers schedules of income

received and receivable from each of the investee companies and assesses, in consultation with the Investment Adviser, the likelihood of receipt of each of the amounts.

Key risks faced by the Company

The Board has identified the key risks faced by the Company, as disclosed in the Strategic Report on page 19, and established appropriate controls. The Committee monitors these controls and reviews any incidences of non-compliance. Further details are set out in the section of this report that discusses the Company's system of internal controls (page 29).

Relationship with the external auditor

The Committee is responsible for overseeing the relationship with the external Auditor, assessing the effectiveness of the external audit process and making recommendations on the appointment and removal of the external Auditor. It makes recommendations to the Board on the level of audit fees and the terms of engagement for the Auditor. The external Auditor is invited to attend Audit Committee meetings, where appropriate, and also meets with the Committee and its Chairman without representatives of the Investment Adviser being present.

The Audit Committee undertakes a review of the external Auditor and the effectiveness of the audit process on an annual basis. When assessing the effectiveness of the process, the Committee considers whether the Auditor:

- demonstrated strong technical knowledge and a clear understanding of the business;
- indicated professional scepticism in key judgements and raised any significant issues in advance of the audit process commencing;
- provided an audit team that is appropriately resourced;
- demonstrated a proactive approach to the audit planning process and engaged with the Committee Chairman and other key individuals within the business;
- provided a clear explanation of the scope and strategy of the audit;
- demonstrated the ability to communicate clearly and promptly with the members of the Committee and the Investment Adviser and produce comprehensive reports on its findings;

Report of the Audit Committee

- demonstrated that it has appropriate procedures and safeguards in place to maintain its independence and objectivity; and
- Charged justifiable fees in respect of the scope of services provided.

Non-audit services

The Board regularly reviews and monitors the external Auditor's independence and objectivity. As part of this it reviews the nature and extent of services supplied by the Auditor to ensure that independence is maintained.

The Committee is also currently reviewing, with BDO, the implications of the Financial Reporting Council's ("FRC") Ethical Reporting Standard 2016 which includes a list of prohibited non-audit services that cannot be provided by the external Auditor and in particular, the ongoing appropriateness of the provision of tax services by the external auditor.

The Audit Committee has so far concluded that it is in the interests of the Company to purchase certain non-audit services from the external Auditor given its knowledge of the Company and considers these to be acceptable under the FCA's ethical standard. The Services contracted for during the year were tax compliance services, iXBRL tagging and a review of the half-year report.

Subsequent to its review, the Audit Committee was satisfied that the audit independence had been maintained as the fees involved were relatively small compared to those for the audit. Also, with the exception of the half-year review the work is undertaken by separate teams and none of the services involved undertaking any management role in preparing the information reported in the Financial Statements.

Re-appointment of the external auditor

During the year, Jason Homewood, who had been senior statutory auditor since 2012, rotated off the audit and was replaced by Peter Smith.

The Committee undertook an audit tender process during the year in compliance with new requirements on audit firm rotation, resulting from the new European Audit Regulation Directive. These made it mandatory for listed companies to undergo a tender process for the audit of their company at least every ten years.

As part of the tender process, having invited three firms with demonstrable experience in the VCT sector to tender, the Audit Committee considered proposals from BDO, as the incumbent Auditor, and one other firm of auditors. The Committee considered that BDO had made a strong presentation and had shown a clear understanding of the Company's requirements and its particular demands as a VCT as well as presenting a competitive estimate of fees.

As a result of the audit tender, the Committee concluded that the re-appointment of BDO as Auditor was in the best interests of the Company and of shareholders and its recommendation was endorsed by the Board.

Additional disclosures in the Directors' Report

Disclosures required by certain publicly-traded companies as set out in Part 6 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended 2013) are contained in the Directors' Report on page 23.

By order of the Board

Andrew Robson

Chairman of the Audit Committee

22 March 2017

Directors' Remuneration Report

Introduction

This Report has been prepared by the Directors in accordance with the requirements of Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Companies Act 2006 and the Listing Rules of the UK Listing Authority ("the Listing Rules").

The Company's independent Auditor is required to give its opinion on the information provided on Directors' emoluments and Directors' interests on page 35 of this Annual Report and this is explained further in the Auditor's report to shareholders on pages 37 to 39.

The resolution to approve the Directors' Remuneration Policy as set out in the Annual Report for the year ended 31 December 2013 was approved by shareholders at the Annual General Meeting of the Company held on 9 May 2014. It was agreed that this policy would be subject to shareholder approval every three years. Therefore a resolution to approve the Remuneration Policy will be put to shareholders at the forthcoming Annual General Meeting of the Company to be held on 8 May 2017.

The resolution to approve the Directors' Annual Remuneration Report as set out in the Annual Report for the year ended 31 December 2015 was approved by shareholders at the Annual General Meeting of the Company held on 13 May 2016. An ordinary resolution will be proposed at the forthcoming Annual General Meeting of the Company to be held on 8 May 2017 for the approval of the Annual Remuneration Report as set out below.

Remuneration statement by the Chairman of the Nomination and Remuneration Committee

This report sets out the Company's forward looking Directors' Remuneration Policy and the Annual Remuneration Report which describes how this policy has been applied during the year.

The Committee has reviewed the fees paid in the year ended 31 December 2016 and decided not to make any changes to the level of fees paid at the current time. As part of this review it considered information on the fees paid to directors of a peer group of VCTs of a similar size operating in its sector.

Andrew Robson

Chairman of the Nomination and Remuneration Committee
22 March 2017

Directors' Remuneration Policy

The remuneration policy is set by the Board on the recommendation of the Nomination and Remuneration Committee and is unchanged from last year. In determining the Company's remuneration policy, the Committee seeks to determine a level of fees appropriate to attract and retain individuals of sufficient calibre to lead the Company in achieving its strategy. When considering the level of Directors' fees, it takes account of the required workload and responsibilities of each role and the value and amount of time that a Director is required to commit to the Company. It further considers remuneration levels elsewhere in the Venture Capital Trust industry for companies of a similar size and structure, together with other relevant information.

The level of fees paid to each of the Directors is reviewed annually by the Nomination and Remuneration Committee which makes recommendations to the Board.

The Committee has access to independent advice where and when it considers appropriate. However, it was not considered necessary to take any such advice during the year under review.

In addition to the £20,000 paid to Directors (£25,000 paid to Christopher Moore as Chairman) supplements are paid to the Directors in respect of their membership of the Investment (£6,000) and Audit (£2,500) Committees. The Directors may at their discretion pay additional sums in respect of specific tasks carried out by individual Directors on behalf of the Company.

Since all the Directors are non-executive, the Company is not required to comply with the executive director's provisions of the Listing Rules, the UK Corporate Governance Code and the AIC Code of Corporate Governance in respect of Directors' remuneration, except in so far as they relate specifically to non-executive directors.

Performance related remuneration

Whilst it is a key element of this policy to recruit directors of the calibre required to lead the Company in achieving its short and long-term objectives no component of the fees paid is directly related to performance.

Pensions

All the Directors are non-executive and the Company does not provide pension benefits to any of the Directors.

Additional benefits

The Company does not have any schedules in place to pay bonuses or benefits to the Directors. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office. The Company has not granted any Director any options over the share capital of the Company.

Recruitment remuneration

Remuneration of any new Director, who may subsequently be appointed to the Board, will be in line with the Remuneration Policy set out in this Report and the levels of remuneration stated therein, as modified from time to time.

Shareholders' views on remuneration

The Board prioritises the views of shareholders and encourages an open discussion at general meetings of the Company. It takes shareholders' views into account, where appropriate, when formulating its remuneration policy.

This policy applied throughout the year ended 31 December 2016 and will continue to apply to the current year ending 31 December 2017.

Directors' terms of appointment

Christopher Moore and Helen Sinclair have agreed to offer themselves for re-election annually as both of these Directors have served on the Board for more than nine years and Helen Sinclair is considered to be a non-independent Director as explained on page 25. Andrew Robson has also agreed to offer himself for re-election annually.

All of the Directors are non-executive and none of the Directors has a service contract with the Company.

All Directors receive a formal letter of appointment setting out the terms of their appointment and their specific duties and responsibilities and the fees pertaining to their appointment. None of the Directors have a service contract with the Company. A Director's appointment may be terminated on three months' notice being given by the Company and in certain other circumstances.

New Directors are asked to undertake that they will have sufficient time to carry out their responsibilities to the Company and to disclose their other significant time commitments to the Board before appointment.

Directors' Remuneration Report

Future Policy

The table below illustrates how the Company's Objective is supported by its Remuneration Policy. It sets out details of each component of the pay package and the maximum amount receivable during the forthcoming year by each Director. The Nomination and Remuneration Committee and the Board review the fees paid to Directors annually in accordance with the Remuneration Policy set out on page 33 and may decide that an increase in fees is appropriate in respect of subsequent years.

Director Role	Components of Pay Package			Maximum payment for the forthcoming year	Performance conditions
	Director's fees	Supplements payable to:			
		Audit Committee Members	Investment Committee Members		
Christopher Moore Chairman	£25,000	£2,500	£6,000	£33,500	None
Andrew Robson Chairman, Audit, and Nomination & Remuneration Committees	£20,000	£2,500	£6,000	£28,500	None
Helen Sinclair Chairman, Investment Committee	£20,000	£2,500	£6,000	£28,500	None
Total fees payable	£65,000	£7,500	£18,000	£90,500	

Company Objective

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

Remuneration Policy

To ensure that the levels of remuneration paid are sufficient to attract, retain and motivate directors of the quality required to manage the Company in order to achieve the Company's Objective.

Annual Remuneration Report

The Directors' Remuneration Policy as set out above applied throughout the year ended 31 December 2016 and will continue to apply to the current year ending 31 December 2017.

Nomination and Remuneration Committee

The Committee comprises the full Board and is chaired by Andrew Robson. All members of the Committee are considered to be independent of the Investment

Adviser with the exception of Helen Sinclair under the AIC Code (see page 25 for further details). The Committee meets at least once a year and is responsible for making recommendations to the Board on remuneration policy and reviewing the policy's ongoing appropriateness and relevance. It carries out an annual review of the remuneration of the Directors and makes recommendations to the Board on the level of Directors' fees. The Committee, may at its discretion, recommend to the Board that individual Directors should be

awarded additional payments in respect of extra-curricular work carried out on behalf of the Company. It is responsible for the appointment of remuneration consultants, if this should be considered necessary, including establishing the selection criteria and terms of reference for such an appointment. However, it was not considered necessary to take any such advice during the year under review. The Committee met once during the year under review with full attendance from all its members.

Total individual emoluments paid to the Directors during the year (audited)

	Year ended	
	31 December 2016	31 December 2015
	£	£
Christopher Moore	33,500	33,500
Andrew Robson	28,500	28,500
Helen Sinclair	28,500	28,500
Total	90,500	90,500

£28,500 (2015: £28,500) of Christopher Moore's annual fee was paid to his consultancy business, The Moore Corporation.

Directors' interests in the Company's shares (audited)

The Company does not require the Directors to hold shares in the Company.

The Directors, however, believe that it is in the best interests of the Company and its shareholders for each Director to maintain an interest in the Company. The Directors who held office throughout the year under review and their interests as at 31 December 2016 were:

Director	31 December 2016		31 December 2015	
	Shares held	Percentage of issued share capital	Shares held	Percentage of issued share capital
Christopher Moore	41,359	0.08%	41,359	0.08%
Andrew Robson	14,820	0.03%	14,820	0.02%
Helen Sinclair	14,862	0.03%	14,862	0.03%

There have been no further changes to the Directors' share interests between the year-end and the date of this Annual Report.

Relative importance of spend on Directors' fees

	Year to 31 December 2016	Year to 31 December 2015	Percentage Increase/ (decrease)
	£	£	%
Total directors' fees	90,500	90,500	-
Dividends paid/payable in respect of the year	4,412,802	5,316,003	(17.0)
Share Buybacks	244,575	168,734	45.0

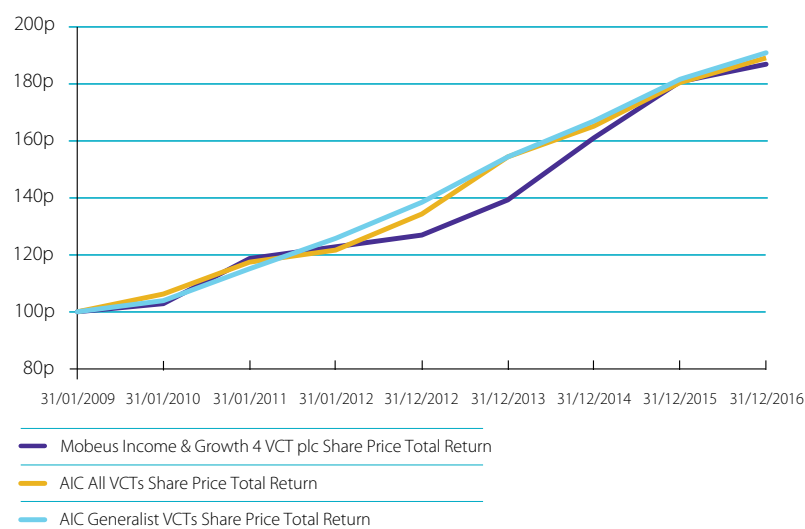
Directors' attendance at Board and Committee meetings in 2016

The table below sets out the Directors' attendance at quarterly Board meetings and Committee meetings held during the year to 31 December 2016. In addition to the quarterly Board meetings, the Board met on other occasions to consider specific issues as they arose.

Directors	Board Meetings (4)		Audit Committee Meetings (4)		Nomination & Remuneration Committee (1)	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Christopher Moore	4	4	4	4	1	1
Andrew Robson	4	4	4	4	1	1
Helen Sinclair	4	4	4	4	1	1

Company performance

The graph below charts the total shareholder return of the Company's shares on a share price basis (assuming all dividends are re-invested and excluding the tax relief available to shareholders) over the past eight years compared with that of an index of all VCTs and an index of generalist VCTs which are members of the AIC (based on figures provided by Morningstar). The Board considers these indices to be the most appropriate to use to measure the Company's relative performance over the medium to long term. The total shareholder returns have each been rebased to 100 pence at 31 January 2009.



An explanation of the performance of the Company is given in the Chairman's Statement on pages 2 and 3, the Performance section of the Strategic Report on pages 5 to 7 and in the Investment Review and Investment Portfolio Summary on pages 8 to 17.

By order of the Board

Mobeus Equity Partners LLP

Company Secretary

22 March 2017

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year and the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with United Kingdom accounting standards, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- prepare a Strategic Report, a Directors' Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Directors' responsibilities pursuant to Disclosure and Transparency Rule 4 of the UK Listing Authority

The Directors confirm to the best of their knowledge that:

- (a) The Financial Statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and the profit of the Company.

- (b) The Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Having taken advice from the Audit Committee, the Board considers the Annual Report and Financial Statements, taken as a whole, as fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A and schedule 10A of the Financial Services and Markets Act 2000.

The names and functions of the Directors are stated on page 21.

For and on behalf of the Board

Christopher Moore
Chairman

22 March 2017

Independent Auditor's Report to the Members of Mobeus Income & Growth 4 VCT plc

Our opinion on the financial statements

In our opinion Mobeus Income & Growth VCT 4 plc financial statements for the year ended 31 December 2016, which have been prepared by the directors in accordance with applicable law and and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.,

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report 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 audit work, for this report, or for the opinions we have formed.

What our opinion covers

Our audit opinion on the financial statements covers the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes.

Respective responsibilities of directors and auditor

As explained more fully in the report of the directors, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate

An overview of the scope of the audit including our assessment of the risk of material misstatement

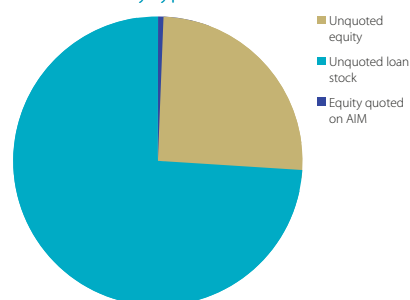
Our audit approach was developed by obtaining an understanding of the company's activities, the key functions undertaken on behalf of the Board by the Investment Adviser and Administrator and the overall control environment. Based on this understanding we assessed those aspects of the company's transactions and balances which were most likely to give rise to a material misstatement. Below are those risks which we considered to have the greatest effect on the overall audit strategy including the allocation of resources in the audit, and our audit response:

Valuation of investments

The valuation of investments is a key accounting estimate where there is an inherent risk of management override arising from the investment valuations being prepared by the Investment Adviser, who is remunerated based on the net asset value of the company. In addition, there is a high level of estimation uncertainty involved in determining the unquoted investment valuations.

We performed initial analytical procedures to determine the extent of our work considering, inter alia, the value of individual investments, the nature of the investment and the extent of the fair value movement. A breakdown of the investment portfolio by nature of instrument and valuation method is shown below.

Investments by type



In respect of unquoted investments our sample for testing was stratified according to risk, having regard to the subjectivity of the inputs to the valuations. 30% of the portfolio is based on price of recent investment or cost, including cash held within companies seeking to acquire a trade. For such investments, we verified the cost or price of recent investment to supporting documentation and reviewed the Investment Adviser's determination of

whether there were any reasons why the valuation did not remain appropriate, including obtaining evidence of the cash balance where appropriate.

69% of the unquoted investment portfolio is valued in accordance with more subjective techniques, mainly on an earnings multiple basis, as described in note 8. In respect of the sample selected for detailed testing (representing 99% by value of the investments valued using more subjective techniques) we:

- Recalculated the value attributable to the Company;
- Reviewed and challenged the inputs to the valuation and assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements;
- Reviewed the historical financial statements and recent management information available for unquoted investments used to support assumptions about maintainable earnings used in the valuations;
- Considered the earnings multiples applied by reference to observable listed company market data; and
- Challenged adjustments made to such market data in establishing the earnings multiple applied in arriving at the valuations adopted.

Where appropriate, we performed a sensitivity analysis by developing our own point estimate where we considered that alternative input assumptions could reasonably have been applied and we considered the overall impact of such sensitivities on the portfolio of investments in determining whether the valuations as a whole are reasonable and free from bias.

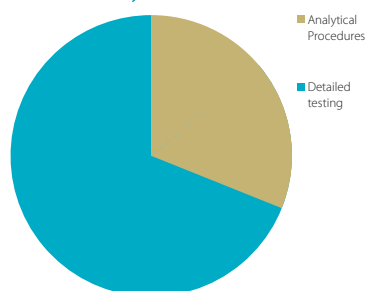
In respect of equity investments quoted on AIM (<1% of the total portfolio value), we obtained the year end price and confirmed that bid price had been used as the most appropriate indication of fair value.

For all investments tested, we developed our own point estimate where alternative assumptions could reasonably be applied and considered the overall impact of such sensitivities on the portfolio of investments in determining whether the valuations as a whole are reasonable and unbiased.

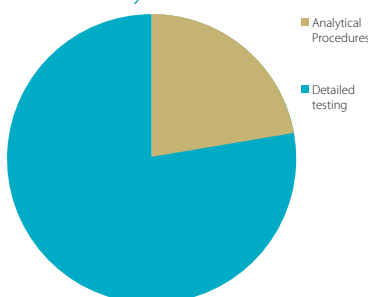
The remainder of the portfolio was subject to analytical procedures to confirm there were no unexpected movements in value warranting further investigation.

The extent of our testing is detailed below:

Investments by number



Investments by value



Revenue recognition

Revenue consists primarily of interest earned on loans to investee companies and cash balances, as well as dividends

receivable from investee companies. Revenue recognition is considered to be a significant audit risk as it is one of the key drivers of dividend returns to investors.

We developed expectations for interest income receivable based on loan instruments and investigated any variations in amounts recognised to ensure they were valid. We traced a sample of interest income receipts to bank statements.

We considered whether the accounting policy had been applied correctly by management in determining provisions against income where recovery is considered doubtful, considering management information relevant to the ability of the investee company to service the loan and the reasons for any arrears of loan interest. We considered the appropriateness of the accounting treatment of other fixed returns, including redemption premia.

We considered the completeness of dividend income receivable by reviewing independent data including published dividend histories for AIM quoted investments and statutory and management information for a sample of unquoted investments. We traced

dividend income received to bank and considered the appropriate classification of dividends between revenue and capital.

The audit committee's consideration of their key issues is set out on pages 31 and 32.

Materiality in context

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements. The application of these key considerations gives rise to two levels of materiality, the quantum and purpose of which are tabulated below.

Materiality measure	Purpose	Key considerations and benchmarks	Quantum (£)
Financial statement materiality (2% value of investments)-	Assessing whether the financial statements as a whole present a true and fair view	<p>The value of investments</p> <p>The level of judgement inherent in the valuation</p> <p>The range of reasonable alternative valuation</p>	770,000
Specific materiality – classes of transactions and balances which impact on revenue profits (10% revenue return before tax)	Assessing those classes of transactions, balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	The level of net income return	125,000

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £9,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion: based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Statement regarding the directors' assessment of principal risks, going concern and longer term viability of the company

We have nothing material to add or to draw attention to in relation to:

- the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity,
- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated,
- the directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements, and
- the directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Matters on which we are required to report by exception

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the Report and Accounts is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Report and Accounts is fair, balanced and understandable and whether the Report and Accounts appropriately discloses those matters that we communicated to the Audit committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Under the Listing Rules we are required to review the part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules of the Financial Conduct Authority for review by the auditor. The Listing Rules also require that we review the directors' statements set out on page 20 regarding going concern and longer term viability.

In the light of the knowledge and understanding of the company and its environment obtained in the course of

the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of these matters.

Peter Smith

(senior statutory auditor)

For and on behalf of BDO LLP,
statutory auditor
London
United Kingdom

Date 22 March 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Financial Statements

Income Statement for the year ended 31 December 2016

	Notes	Year ended 31 December 2016			Year ended 31 December 2015		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Unrealised (losses)/gains on investments	8	-	(377,677)	(377,677)	-	1,094,287	1,094,287
Realised gains on investments	8	-	381,087	381,087	-	3,302,320	3,302,320
Income	3	2,019,579	-	2,019,579	2,202,056	-	2,202,056
Investment Adviser's fees	4a	(304,628)	(913,884)	(1,218,512)	(303,725)	(911,176)	(1,214,901)
Other expenses	4d	(370,899)	-	(370,899)	(402,156)	-	(402,156)
Profit/(loss) on ordinary activities before taxation		1,344,052	(910,474)	433,578	1,496,175	3,485,431	4,981,606
Taxation on profit/(loss) on ordinary activities	5	(212,864)	182,776	(30,088)	(184,209)	184,209	-
Profit/(loss) for the year and total comprehensive income		1,131,188	(727,698)	403,490	1,311,966	3,669,640	4,981,606
Basic and diluted earnings per ordinary share	6	2.32p	(1.49)p	0.83p	2.74p	7.67p	10.41p

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

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

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

The notes on pages 45 to 61 form part of these Financial Statements.

Balance Sheet as at 31 December 2016

Company No. 03707697

	Notes	31 December 2016 £	31 December 2015 £
Fixed assets			
Investments at fair value	8	38,926,434	38,716,670
Current assets			
Debtors and prepayments	10	860,011	561,950
Current asset investments	11	9,511,810	14,619,207
Cash at bank	11	3,662,074	3,386,635
		14,033,895	18,567,792
Creditors: amounts falling due within one year	12	(205,173)	(276,680)
Net current assets		13,828,722	18,291,112
Net assets		52,755,156	57,007,782
Capital and reserves			
Called up share capital	13	490,430	483,562
Share premium reserve		13,540,891	12,629,944
Capital redemption reserve		9,342	6,827
Revaluation reserve		1,152,007	1,545,364
Special distributable reserve		31,646,338	32,622,021
Realised capital reserve		4,702,557	8,422,420
Revenue reserve		1,213,591	1,297,644
Equity shareholders' funds		52,755,156	57,007,782
Basic and diluted net asset value per ordinary share	14	107.57p	117.89p

The notes on pages 45 to 61 form part of these Financial Statements.

The Financial Statements were approved and authorised for issue by the Board of Directors on 22 March 2017 and were signed on its behalf by:

Christopher Moore
Chairman

Statement of Changes in Equity for the year ended 31 December 2016

	Notes	Non-distributable reserves				Distributable reserves			Total £
		Called up share capital £	Share premium reserve £	Capital redemption reserve £	Revaluation reserve £	Special distributable reserve (note a) £	Realised capital reserve (note b) £	Revenue reserve (note b) £	
At 1 January 2016		483,562	12,629,944	6,827	1,545,364	32,622,021	8,422,420	1,297,644	57,007,782
Comprehensive income for the year (Loss)/profit for the year		-	-	-	(377,677)	-	(350,021)	1,131,188	403,490
Total comprehensive income for the year		-	-	-	(377,677)	-	(350,021)	1,131,188	403,490
Contributions by and distributions to owners									
Dividends re-invested into new shares	13	9,383	910,947	-	-	-	-	-	920,330
Shares bought back	13	(2,515)	-	2,515	-	(244,575)	-	-	(244,575)
Dividends paid	7	-	-	-	-	-	(4,116,630)	(1,215,241)	(5,331,871)
Total contributions by and distributions to owners		6,868	910,947	2,515	-	(244,575)	(4,116,630)	(1,215,241)	(4,656,116)
Other movements									
Realised losses transferred to special reserve (note a below)		-	-	-	-	(731,108)	731,108	-	-
Realisation of previously unrealised appreciation		-	-	-	(15,680)	-	15,680	-	-
Total other movements		-	-	-	(15,680)	(731,108)	746,788	-	-
At 31 December 2016		490,430	13,540,891	9,342	1,152,007	31,646,338	4,702,557	1,213,591	52,755,156

Notes

- a) The Special distributable reserve also provides the Company with a reserve to absorb any existing and future realised losses and, when considered by the Board to be in the interests of shareholders, to fund share buybacks and for other corporate purposes. All of this reserve originates from funds raised prior to 6 April 2014. The transfer of £731,108 to the special reserve from the realised capital reserve above is the total of realised losses incurred by the Company in the year.
- b) The realised capital reserve and the revenue reserve together comprise the Profit and Loss Account of the Company.
- The Notes on pages 45 to 61 form part of these Financial Statements.

Statement of Changes in Equity for the year ended 31 December 2015

	Called up share capital £	Non-distributable reserves Share premium reserve £	Capital redemption reserve £	Revaluation reserve £	Distributable reserves Special distributable reserve £	Realised capital reserve £	Revenue reserve £	Total £
At 1 January 2015	425,434	5,985,042	5,143	1,214,933	33,748,039	7,968,451	943,995	50,291,037
Comprehensive income for the year								
Profit for the year	-	-	-	1,094,287	-	2,575,353	1,311,966	4,981,606
Total comprehensive income for the year	-	-	-	1,094,287	-	2,575,353	1,311,966	4,981,606
Contributions by and distributions to owners								
Shares issued via Offer for Subscription	51,679	5,841,843	-	-	(26,070)	-	-	5,867,452
Dividends re-invested into new shares	8,133	803,059	-	-	-	-	-	811,192
Shares bought back	(1,684)	-	1,684	-	(168,734)	-	-	(168,734)
Dividends paid	-	-	-	-	-	(3,816,454)	(958,317)	(4,774,771)
Total contributions by and distributions to owners	58,128	6,644,902	1,684	-	(194,804)	(3,816,454)	(958,317)	1,735,139
Other movements								
Realised losses transferred to special reserve	-	-	-	-	(931,214)	931,214	-	-
Realisation of previously unrealised appreciation	-	-	-	(763,856)	-	763,856	-	-
Total other movements	-	-	-	(763,856)	(931,214)	1,695,070	-	-
At 31 December 2015	483,562	12,629,944	6,827	1,545,364	32,622,021	8,422,420	1,297,644	57,007,782

The composition of each of these reserves is explained below:

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

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

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

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

In accordance with stating all investments at fair value through profit and loss (as recorded in note 8), all such movements through both revaluation and realised capital reserves are shown within the Income Statement for the year.

Special distributable reserve - The cost of share buybacks is charged to this reserve. In addition, any realised losses on the sale or impairment of investments, and 75% of the Investment Adviser's fee expense, and the related tax effect, are transferred from the Profit and Loss Account reserve to this reserve. Capital dividends may also be paid from this reserve.

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

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

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

The notes on pages 45 to 61 form part of these Financial Statements.

Statement of Cash Flows for the year ended 31 December 2016

	Notes	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Cash flows from operating activities			
Profit for the financial year		403,490	4,981,606
Adjustments for:			
Net unrealised losses/(gains) on investments		377,677	(1,094,287)
Net gains on realisations of investments		(381,087)	(3,302,320)
Tax charge for the current year		30,088	-
Increase in debtors		(22,813)	(68,758)
(Decrease)/increase in creditors		(102,175)	8,948
Net cash inflow from operating activities		305,180	525,189
Cash flows from investing activities			
Sale of investments	8	2,402,008	7,239,803
Purchase of investments	8	(2,883,610)	(16,809,665)
Decrease in bank deposits with a maturity over three months		85,130	453,120
Net cash outflow from investing activities		(396,472)	(9,116,742)
Cash flows from financing activities			
Share issued as part of Offer for Subscription		-	5,867,452
Equity dividends paid	7	(4,411,541)	(3,963,579)
Purchase of own shares		(243,995)	(168,734)
Net cash (outflow)/inflow from financing activities		(4,655,536)	1,735,139
Net decrease in cash and cash equivalents		(4,746,828)	(6,856,414)
Cash and cash equivalents at start of year		15,920,712	22,777,126
Cash and cash equivalents at end of year		11,173,884	15,920,712
Cash and cash equivalents comprise:			
Cash at bank and in hand	11	3,662,074	3,386,635
Cash equivalents	11	7,511,810	12,534,077

The notes on pages 45 to 61 form part of these Financial Statements.

Notes to the Accounts for the year ended 31 December 2016

1 Company Information

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

2 Basis of preparation

A summary of the principal accounting policies, all of which have been applied consistently throughout the year are set out next to the related disclosure throughout the Notes to the Financial Statements. All accounting policies are included within an outlined box at the top of each relevant note.

These Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ("FRS102"), with the Companies Act 2006 and the 2014 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP') issued by the Association of Investment Companies (updated in January 2017). The company has a number of financial instruments which are disclosed under FRS102 s11/12 as shown in note 15.

Comparatives

The comparatives to these Financial Statements are those disclosed in last year's Financial Statements other than in relation to Monies held pending investment, Current asset investments and Cash at bank. These comparative figures have been reallocated to reflect more accurately the nature of the underlying instruments. This is just a presentational change and has no effect on net assets.

3 Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received.

Interest income on loan stock is accrued on a daily basis. Provision is made against this income where recovery is doubtful or where it will not be received in the foreseeable future. Where the loan stocks only require interest or a redemption premium to be paid on redemption, the interest and redemption premium is recognised as income or capital as appropriate once redemption is reasonably certain.

When a redemption premium is designed to protect the value of the instrument holder's investment rather than reflect a commercial rate of revenue return, the redemption premium is recognised as capital. The treatment of redemption premiums is analysed to consider if they are revenue or capital in nature on a company by company basis. Accordingly, based on this assessment, the redemption premium recognised in the year ended 31 December 2016 has been classified as capital and has been included within gains on investments.

	2016 £	2015 £
Income from bank deposits	48,157	78,334
Income from investments		
– from equities	106,043	61,752
– from overseas based OEICs	47,986	30,470
– from loan stock	1,817,393	2,031,331
– from interest on preference share dividend arrears	-	169
	1,971,422	2,123,722
Total income	2,019,579	2,202,056
Total income comprises		
Dividends	154,029	92,222
Interest	1,865,550	2,109,834
	2,019,579	2,202,056

Total loan stock interest due but not recognised in the year was £446,862 (2015: £184,887).

Notes to the Accounts for the year ended 31 December 2016

4 Investment Adviser's fees and other expenses

All fees and expenses are accounted for on an accruals basis.

a) Investment Adviser's fees

25% of the Investment Adviser's fees are charged to the revenue column of the Income Statement, while 75% is charged against the capital column of the Income Statement. This is in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

100% of any performance incentive fee payable for the year is charged against the capital column of the Income Statement, as it is based upon the achievement of capital growth.

	Revenue 2016 £	Capital 2016 £	Total 2016 £	Revenue 2015 £	Capital 2015 £	Total 2015 £
Mobeus Equity Partners LLP	304,628	913,884	1,218,512	303,725	911,176	1,214,901

Under the terms of a revised investment management agreement dated 12 November 2010, Mobeus Equity Partners LLP ("Mobeus LLP") (formerly Matrix Private Equity Partners LLP ("MPEP")) provides investment advisory, administrative and company secretarial services to the Company, for a fee of 2% per annum of closing net assets, calculated on a quarterly basis by reference to the net assets at the end of the preceding quarter, plus a fixed fee of £115,440 per annum, the latter being subject to indexation, if applicable. In 2013, Mobeus agreed to waive such further increases due to indexation, until otherwise agreed with the Board.

The Investment Adviser fee includes provision for a cap on expenses excluding irrecoverable VAT and exceptional items set at 3.4% of closing net assets at the year-end. In accordance with the investment management agreement, any excess expenses are borne by the Investment Adviser. The excess expenses during the year amounted to £nil (2015: £nil).

The Company is responsible for external costs such as legal and accounting fees, incurred on transactions that do not proceed to completion ("abort expenses") subject to the cap on total annual expenses referred to above.

In line with common practice, Mobeus Equity Partners LLP retain the right to charge arrangement and syndication fees and Directors' or monitoring fees to companies in which the Company invests. The Investment Adviser received fees totalling £219,348 (2015: £365,994) during the year ended 31 December 2016, being £62,480 (2015: £210,253) for arrangement fees, and £156,868 (2015: £155,741) for acting as non-executive directors on a number of investee company boards. These fees attributable to MIG 4 VCT are based upon the investment allocation to MIG 4 VCT which applied at the time of each investment. These figures are not part of these Financial Statements.

b) Incentive fee agreement

Under the terms of a separate agreement dated 1 November 2006, from the end of the accounting period ending on 31 January 2009 and in each subsequent accounting period throughout the life of the company, the Investment Adviser will be entitled to receive a performance related incentive fee of 20% of the dividends paid in excess of a "Target Rate" comprising firstly, an annual dividend target of 6% of the net asset value per share at 5 April 2007 (indexed each year for RPI) and secondly a requirement that any cumulative shortfalls below the 6 per cent hurdle must be made up in later years, while any excess is not carried forward, whether a fee is payable for that year or not. Payment of a fee is also conditional upon the average Net Asset Value ("NAV") per share for each such year equalling or exceeding the average Base NAV per share for the same year. The performance fee will be payable annually. No incentive fee is payable to date.

c) Offer for Subscription fees

No funds were raised by an offer by the VCT in the year (2015: £6.00 million). Accordingly, no subscription fees were payable to Mobeus in the year (2015: £0.19 million) where all costs associated with the offer were met out of these fees by Mobeus, excluding any payments to financial advisers facilitated under the terms of the offer).

d) Other expenses

Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment, which are written off to the capital column of the Income Statement or deducted from the disposal proceeds as appropriate.

	2016 £	2015 £
Directors' remuneration (including NIC of £8,327 (2015: £9,327) (note i))	98,827	99,827
IFA trail commission	73,779	77,227
Broker's fees	12,000	12,000
Auditor's fees – Audit of Company (excluding VAT)	21,525	23,600
– audit related assurance services (excluding VAT) - note ii)	4,203	4,100
– tax compliance services (excluding VAT) note ii)	3,752	5,288
Registrar's fees	40,518	45,154
Printing	38,171	34,196
Legal & professional fees	10,686	6,117
VCT monitoring fees	9,600	9,000
Directors' insurance	8,350	9,248
Listing and regulatory fees	40,680	39,132
Sundry	8,808	8,511
Running costs	370,899	373,400
Provision against loan interest receivable (note iii)	-	28,756
Other expenses	370,899	402,156

Note i): See analysis in Directors' Remuneration table on page 35, which excludes the NIC above. The key management personnel are the three non-executive directors. The Company has no employees.

Note ii): The Directors consider the Auditor was best placed to provide the other services disclosed above. The Audit Committee reviews the nature and extent of these services to ensure that auditor independence is maintained.

Note iii) In the current year, there is no provision against loan interest recognised in previous years (2015: £28,756).

5 Taxation on profit/(loss) on ordinary activities

The tax expense for the year comprises current tax and is recognised in profit or loss. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Any tax relief obtained in respect of Investment Adviser fees allocated to capital is reflected in the capital reserve – realised and a corresponding amount is charged against revenue. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in the tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

A deferred tax asset would be recognised only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilised.

Notes to the Accounts for the year ended 31 December 2016

	2016 Revenue £	2016 Capital £	2016 Total £	2015 Revenue £	2015 Capital £	2015 Total £
a) Analysis of tax charge:						
UK Corporation tax on profits/(losses) for the year	212,864	(182,776)	30,088	184,209	(184,209)	-
Total current tax charge/(credit)	212,864	(182,776)	30,088	184,209	(184,209)	-
Corporation tax is based on a rate of 20% (2015: 20%)						
b) Profit/(loss) on ordinary activities before tax	1,344,052	(910,474)	433,578	1,496,175	3,485,431	4,981,606
Profit/(loss) on ordinary activities multiplied by company rate of corporation tax in the UK of 20% (2015: 20%)	268,810	(182,095)	86,715	299,235	697,086	996,321
Effect of:						
UK dividends not taxable	(21,209)	-	(21,209)	(12,350)	-	(12,350)
Unrealised losses/(gains) not taxable	-	75,535	75,535	-	(218,857)	(218,857)
Realised gains not taxable	-	(76,216)	(76,216)	-	(660,464)	(660,464)
Marginal relief	-	-	-	1,974	(1,974)	-
Losses brought forward	(34,737)	-	(34,737)	(104,650)	-	(104,650)
Actual tax charge	212,864	(182,776)	30,088	184,209	(184,209)	-

Tax relief relating to Investment Adviser fees is allocated between revenue and capital where such relief can be utilised.

No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments as the Company is exempt from corporation tax in relation to capital gains or losses as a result of qualifying as a Venture Capital Trust.

There is no potential liability to deferred tax (2015: £nil). There is no unrecognised deferred tax asset in 2016 (2015: £34,737).

6 Basic and diluted earnings per share

	2016 £	2015 £
Total earnings after taxation:	403,490	4,981,606
Basic and diluted earnings per share (note a)	0.83p	10.41p
Net revenue from ordinary activities after taxation	1,131,188	1,311,966
Basic and diluted revenue return per share (note b)	2.32p	2.74p
Net unrealised capital (losses)/gains	(377,677)	1,094,287
Net realised capital gains	381,087	3,302,320
Capital expenses (net of taxation)	(731,108)	(726,967)
Total capital return	(727,698)	3,669,640
Basic and diluted capital return per share (note c)	(1.49)p	7.67p
Weighted average number of shares in issue in the year	48,793,978	47,857,465

Notes:

- Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
- Revenue earnings per share is the revenue return after taxation divided by the weighted average number of shares in issue.
- Capital earnings per share is the total capital profit after taxation divided by the weighted average number of shares in issue.
- There are no instruments that will increase the number of shares in issue in future. Accordingly, the above figures currently represent both basic and diluted returns.

7 Dividends paid and payable

Dividends payable are recognised as distributions in the financial statements when the Company's liability to pay them has been established. This liability is established for interim dividends when they are paid, and for final dividends when they are approved by the shareholders, usually at the Company's annual general meeting.

A key judgement in applying the above accounting policy is in determining the amount of minimum income dividend to be paid in respect of a year. The Company's status as a VCT means it has to comply with Section 259 of the Income Tax Act 2007, which requires that no more than 15% of the income from shares and securities in a year can be retained from the revenue available for distribution for the year.

Amounts recognised as distributions to equity shareholders in the year:

Dividend	Type	For year ended 31 December	Pence per share	Date Paid	2016 £	2015 £
Second Interim	Income	2014	1.00p	6 May 2015	-	476,355
Second Interim	Capital	2014	7.00p	6 May 2015	-	3,334,494
Interim	Income	2015	1.00p	25 September 2015	-	481,961
Interim	Capital	2015	1.00p	25 September 2015	-	481,961
Final	Income	2015	1.50p	25 May 2016	725,346	-
Final	Capital	2015	7.50p	25 May 2016	3,626,735	-
Interim	Income	2016	1.00p	8 September 2016	489,895	-
Interim	Capital	2016	1.00p	8 September 2016	489,895	-
					5,331,871*	4,774,771

* - £5,331,871 (2015: £4,774,771) disclosed above differs to that shown in the Statement of Cash Flows of £4,411,541 (2015: £3,963,579) due to £920,330 (2015: £811,192) of new shares issued as part of the DIS scheme.

Distributions to equity holders after the year-end:

Dividend	Type	For year ended 31 December	Pence per share	Date Payable	2016 £	2015 £
Final	Income	2015	1.50	25 May 2016	-	725,343
Final	Capital	2015	7.50	25 May 2016	-	3,626,716
Second interim	Income	2016	1.00	17 March 2017	490,430	-
Second interim	Capital	2016	6.00	17 March 2017	2,942,582	-
					3,433,012	4,352,059

Any proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these Financial Statements.

Set out below are the total income dividends payable in respect of the financial year, which is the basis on which the requirements of section 274 of the Income Tax Act 2007 are considered.

Recognised income distributions in the financial statements for the year

Dividend	Type	For year ended 31 December	Pence per share	Date paid/payable	2016 £	2015 £
Revenue available for distribution by way of dividends for the year					1,131,188	1,311,966
Interim	Income	2015	1.00p	25 September 2015	-	481,961
Final	Income	2015	1.50p	25 May 2016	-	725,343
Interim	Income	2016	1.00p	8 September 2016	489,895	-
Second interim	Income	2016	1.00p	17 March 2017	490,430	-
Total income dividends for the year					980,325	1,207,304

Notes to the Accounts for the year ended 31 December 2016

8 Investments at fair value

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments at "fair value through profit and loss" ("FVTPL"). All investments held by the Company are classified as FVTPL and measured in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines, as updated in December 2015. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

Unquoted investments are stated at fair value by the Directors in accordance with the following rules, which are consistent with the IPEV guidelines:

All investments are held at the price of a recent investment for an appropriate period where there is considered to have been no change in fair value. Where such a basis is no longer considered appropriate, each investment is considered as a whole on a 'unit of account' basis, alongside consideration of:

- (i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used.
- (ii) In the absence of i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:-
 - a) an earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Adviser compared to the sector including, inter alia, a lack of marketability).

or:-

- b) where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate.
- (iii) Premiums, to the extent that they are considered capital in nature, and that will be received upon repayment of loan stock investments, are accrued at fair value when the Company receives the right to the premium and when considered recoverable.
- (iv) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

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

Movements in investments during the year are summarised as follows:

	Traded on AIM £	Unquoted equity shares £	Unquoted preference shares £	Loan stock £	Total £
Cost at 31 December 2015	200,028	11,827,294	15,144	26,249,570	38,292,036
Unrealised gains/(losses) at 31 December 2015	58,319	(13,042)	(444)	1,500,531	1,545,364
Permanent impairment in value of investments as at 31 December 2015	-	(551,595)	(1,649)	(567,486)	(1,120,730)
Valuation at 31 December 2015	258,347	11,262,657	13,051	27,182,615	38,716,670
Purchases at cost (note a)	-	2,190,947	-	112,194	2,303,141
Sale proceeds (note b)	-	(574,405)	-	(1,522,382)	(2,096,787)
Net realised gains in the year (note c)	-	199,647	-	181,440	381,087
Unrealised gains/(losses) in the year (note d)	33,335	(2,873,959)	(284)	2,463,231	(377,677)
Closing valuation at 31 December 2016	291,682	10,204,887	12,767	28,417,098	38,926,434
Cost at 31 December 2016	200,028	13,111,998	15,144	25,036,502	38,363,672
Unrealised gains/(losses) at 31 December 2016	91,654	(2,887,001)	(728)	3,948,082	1,152,007
Permanent impairment in value of investments at 31 December 2016 (note e)	-	(20,110)	(1,649)	(567,486)	(589,245)
Valuation at 31 December 2016	291,682	10,204,887	12,767	28,417,098	38,926,434

Reconciliation of investment transactions to Statement of Cash flows

Note a: Purchases above of £2,303,141 are less than that shown in the Statement of Cash flows of £2,883,610, by £580,469. This relates to the Tapas Revolution investment that completed on 4 January 2017, and these funds were shown as part of debtors at the year end.

Note b: The cash flow from investment proceeds shown above of £2,096,787 differs from the sale proceeds shown in the Statement of Cash flows of £2,402,008, by £305,221. This is due to £305,221 of deferred cash sale proceeds, which were received during the year relating to a prior year.

Note c: Disposals of investment portfolio companies during the year were:

Type		Investment cost	Disposal proceeds	Valuation at 31 December 2015	Realised gain in year
		£	£	£	£
Master Removers Group Limited	Loan repayment	836,825	836,825	836,825	-
Barham Consulting Limited	Loan repayment	272,160	453,600	453,600	-
Focus Pharma Holdings Limited	Deferred consideration	-	371,652	-	371,652
Pound FM Consultants Limited	Loan repayment and share buyback	295,623	295,623	295,623	-
Others	Loan payments/deferred consideration	113,972	139,087	129,652	9,435
		1,518,580	2,096,787	1,715,700	381,087

Note d: The major components of the decrease in unrealised valuations of £377,977 in the year were decreases of £1,083,908 in Entanet Holdings Limited, £433,708 in Jablite Holdings Limited, and £376,022 in Veritek Global Limited. This fall was partly offset by increases of £501,716 in Turner Topco Limited (trading as ATG Media), £303,969 in RDL Corporation Limited and £289,365 in Vian Marketing Limited (trading as Tushingham Sails). The increase in unrealised valuations of the loan stock investments above reflects the changes in the entitlement to loan premiums, and/or in the underlying enterprise value of the investee company. The increase does not arise from assessments of credit risk or market risk upon these instruments.

Note e: During the year, permanent impairments of the cost of investments have decreased from £1,120,730 to £589,245. The net reduction is due to an investee company being dissolved in the year, which removes the cost and related impairment of this investment from these accounts, and an impairment of the equity of another investee company.

Notes to the Accounts for the year ended 31 December 2016

9 Significant interests

At 31 December 2016 the Company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

	Equity investment (ordinary shares) £	Investment in loan stock and preference shares £	Total investment (at cost) £	Percentage of investee company's total equity	% of equity held by all funds managed by Mobeus ¹
Media Business Insight Holdings Limited ²	1,089,103	1,633,657	2,722,760	15.7%	67.5%
Tovey Management Limited (trading as Access IS) ³	891,576	1,577,437	2,469,013	10.1%	45.0%
Entanet Holdings Limited	410,715	1,756,947	2,167,662	13.1%*	57.5%
Manufacturing Services Investment Limited	456,400	1,560,500	2,016,900	11.4%	50.0%
ASL Technology Holdings Limited	343,992	1,589,599	1,933,591	9.5%*	47.5%
Virgin Wine Holding Company Limited	45,915	1,884,898	1,930,813	9.7%	42.0%
Veritek Global Limited	43,527	1,576,559	1,620,086	10.3%*	44.0%
Gro-Group Holdings Limited	148,765	1,429,212	1,577,977	10.7%*	48.0%
Turner Topco Limited (trading as ATG Media)	4,472	1,524,603	1,529,075	3.7%	16.4%
CGI Creative Graphics International Limited	476,612	973,134	1,449,746	6.3%*	28.1%
Backhouse Management Limited	453,600	680,400	1,134,000	11.3%	50.0%
Chatfield Services Limited	453,600	680,400	1,134,000	11.3%	50.0%
Creasy Marketing Services Limited	453,600	680,400	1,134,000	11.3%	50.0%
McGrigor Management Limited	453,600	680,400	1,134,000	11.3%	50.0%
Bourn Bioscience Limited	323,577	808,944	1,132,521	7.7%	23.8%
Fullfield Limited (trading as Motorclean)	462,184	669,260	1,131,444	9.8%	46.0%
Hollydale Management Limited	438,200	657,300	1,095,500	11.0%	50.0%
Tharstern Group Limited	338,861	753,025	1,091,886	12.2%*	52.5%
RDL Corporation Limited	173,932	826,068	1,000,000	9.1%*	45.2%
Vian Marketing Limited (trading as Tushingham Sails)	271,683	627,391	899,074	7.1%*	31.5%
Barham Consulting Limited	453,600	408,240	861,840	11.3%	50.0%
Redline Worldwide Limited					
(formerly Pound FM Consultants Limited)	269,190	569,187	838,377	6.7%	30.0%
Preservica Limited	679,617	-	679,617	4.6%	20.2%
Pattern Analytics Limited (trading as Biosite)	640,171	-	640,171	4.8%	20.4%
BookingTek Limited	512,137	-	512,137	3.4%	14.7%
Master Removers Group Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van)	511,620	235	511,855	4.3%*	18.5%
Racoon International Holdings Limited	419,959	64,388	484,347	10.5%*	47.5%
MPB Group Limited	359,022	112,194	471,216	5.3%	23.5%
The Plastic Surgeon Holdings Limited	45,982	412,953	458,935	11.4%	49.5%
Jablite Holdings Limited	339,974	36,109	376,083	9.1%	40.1%
Blaze Signs Holdings Limited	183,005	7,626	190,631	5.7%	52.5%
CB Imports Group Limited	175,000	-	175,000	5.8%*	23.2%
Lightworks Software Limited	9,329	-	9,329	4.2%	45.0%
Watchgate Limited	1,000	-	1,000	33.3%	100.0%

1 – Mobeus Equity Partners LLP also advises The Income and Growth VCT plc, Mobeus Income and Growth VCT plc and Mobeus Income & Growth 2 VCT plc.

2 – Includes a loan of £674,755 to Media Business Insight Limited

3 – Includes a loan of £239,513 to Access IS Limited

* The percentage of equity held for these companies may be subject to further dilution of an additional 1% or more if, for example, management of the investee company exercises share options.

It is considered that, under FRS102 s9.9, "Consolidated and Separate Financial Statements", the above investments are held as part of an investment portfolio and that accordingly, their value to the Company lies in their marketable value as part of that portfolio and as such are not required to be consolidated. Also, the above investments are considered to be associates that are held as part of an investment portfolio and are accounted for in accordance with FRS 14.4B.

All of the above companies are incorporated in the United Kingdom.

10 Debtors

	2016 £	2015 £
Amounts due within one year:		
Accrued income	264,015	241,576
Prepayments	15,527	15,153
Other debtors	-	305,221
Monies held in solicitor's client account (see note)	580,469	-
	860,011	561,950

Note: £580,469 was held in a solicitor's client account pending completion of an investment in January 2017.

11 Current asset Investments and cash at bank

Cash equivalents, for the purposes of the Statement of Cash flows, comprises bank deposits repayable on up to three months' notice and funds held in OEIC money-market funds. Current asset investments are the same but also include bank deposits that mature after three months. Current asset investments are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at their carrying values at immediate or up to three months' notice. Cash, for the purposes of the Statement of Cash Flows is cash held with banks in accounts subject to immediate access. Cash at bank in the Balance Sheet is the same.

	2016 £	2015 £
OEIC Money market funds	7,511,810	12,529,513
Bank deposits that mature within three months but are not immediately repayable	-	4,564
Cash equivalents per Statement of Cash Flows	7,511,810	12,534,077
Bank deposits that mature after three months	2,000,000	2,085,130
Current asset investments	9,511,810	14,619,207
Cash at bank	3,662,074	3,386,635

12 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	9,504	40,431
Other creditors	11,973	11,432
Corporation tax	30,088	-
Accruals	153,608	224,817
	205,173	276,680

13 Called up share capital

	2016 £	2015 £
Allotted, called-up and fully paid:		
Ordinary shares of 1p each: 49,043,033 (2015: 48,356,210)	490,430	483,562

During the year the Company purchased 251,468 (2015: 168,443) of its own shares for cash (representing 0.5% (2015: 0.4%) of the shares in issue at the start of the year) at the prevailing market price for a total cost of £244,575 (2015: £168,734). These shares were subsequently cancelled by the Company.

Under the terms of the Dividend Investment Scheme, 938,291 (2015: 813,364) shares were allotted during the year for a non-cash consideration of £920,330 (2015: £811,192).

Notes to the Accounts for the year ended 31 December 2016

14 Basic and diluted net asset value per share

Net asset value per Ordinary Share is based on net assets at the end of the year, and on 49,043,033 (2015: 48,356,210) Ordinary shares, being the number of Ordinary shares in issue on that date.

There are no instruments that will increase the number of shares in issue in future. Accordingly, the figures currently represent both basic and diluted net asset value per share.

15 Financial instruments

The Company's financial instruments predominantly comprise investments held at fair value through profit and loss, namely equity and preference shares and fixed and floating rate interest securities that are held in accordance with the Company's investment objective.

Other financial instruments are held at amortised cost comprising loans and receivables being Cash at bank, Current asset investments and short term debtors and financial liabilities being creditors, all that arise directly from the Company's operations.

The principal purpose of these financial instruments is to generate revenue and capital appreciation for the Company's operations, although cash and current asset investments are held to yield revenue return only. The Company has no gearing or other financial liabilities apart from short-term creditors. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The accounting policy for determining the fair value of investments is set out in Note 8 to the Financial Statements. The composition of investments held is shown below and in Note 8.

The fair value of Cash at bank and Current asset investments equates to their carrying value in the Balance Sheet. Loans and receivables and other financial liabilities are stated at amortised cost which the Directors consider is equivalent to fair value.

Classification of financial instruments

The Company held the following categories of financial instruments at 31 December 2016:

	2016 (Fair value) £	2015 (Fair value) £
Assets at fair value through profit and loss:		
Investment portfolio	38,926,434	38,716,670
Current asset investments	9,511,810	14,619,207
Cash at bank	3,662,074	3,386,635
Loans and receivables		
Accrued income	264,015	241,576
Other debtors	580,469	305,221
Liabilities at amortised cost or equivalent		
Other creditors	(175,085)	(276,680)
Total for financial instruments	52,769,717	56,992,629
Non-financial instruments	(14,561)	15,153
Total net assets	52,755,156	57,007,782

There are no differences between book value and fair value disclosed above.

The investment portfolio principally consists of unquoted investments 99.3% (2015: 99.3%). The investment portfolio has a 100% (2015: 100%) concentration of risk towards small UK based, sterling denominated companies, and represents 73.8% (2015: 67.9%) of net assets at the year-end.

Current asset investments are money market funds, and bank deposits which, along with cash are discussed under credit risk below, which represent 25.0% (2015: 31.6%) of net assets at the year-end.

The main risks arising from the Company's financial instruments are the investment risk and the liquidity risk of the unquoted portfolio. Other important risks are credit risk, fluctuations in market prices (market price risk) and cash flow interest rate risk, although currency risk is also discussed below. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These have been in place throughout the current and preceding years.

Investment risk

The Company's investment portfolio is made up of predominantly UK companies which are not quoted on any recognised stock exchange. The companies held in the portfolio are usually smaller than those companies which are quoted on a stock exchange. They are therefore usually regarded as carrying more risk compared to larger companies, as they are more sensitive to changes in key financial indicators, such as a reduction in its turnover or an increase in costs. The Board is of the view that the Investment Adviser mitigates this risk as the investment in an investee company is held as part of a portfolio of such companies so that the performance of one company does not significantly affect the value of the portfolio as a whole. The Investment Adviser also usually only recommends companies for investment that have a proven business model, a sound financial record and a strong management team. The Investment Adviser also usually takes a seat on the Board of each investee company such that it is able to monitor its progress on a regular basis and contribute to the strategic direction of the company.

Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and therefore they are not readily realisable. The ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers and, as the Company owns minority stakes, could require a number of months and the co-operation of other shareholders to achieve at a reasonable valuation. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs. The maturity profile of the Company's loan stock investments disclosed within the consideration of credit risk below indicates that these assets are also not readily realisable until dates up to five years from the year-end.

To counter these risks to the Company's liquidity, the Investment Adviser maintains sufficient cash and money market funds to meet running costs and other commitments. The Company invests its surplus funds in high quality money market funds and bank deposits of £9,511,810 (2015: £14,619,207), which are all accessible at varying points over the next 12 months. The Board also receives regular cash flow projections in order to manage this liquidity risk.

The table below shows a maturity analysis of financial liabilities:

Financial liabilities	<3 months £	3-6 months £	6-12 months £	over 12 months £	2016 Total £
Other creditors	93,815	81,270	-	-	175,085

Financial liabilities	<3 months £	3-6 months £	6-12 months £	over 12 months £	2015 Total £
Other creditors	182,234	-	94,446	-	276,680

The Company does not have any derivative financial liabilities.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company.

The Company's maximum exposure to credit risk is:

	2016 £	2015 £
Loan stock investments	28,417,098	27,182,615
Current asset investments	9,511,810	14,619,207
Accrued income	264,015	241,576
Other debtors	580,469	305,221
Cash at bank	3,662,074	3,386,635
	42,435,466	45,735,254

Notes to the Accounts for the year ended 31 December 2016

The Company has an exposure to credit risk in respect of the loan stock investments it has made into investee companies, most of which have no security attached to them, and where they do, such security ranks beneath any bank debt that an investee company may owe. The loan stock is held in companies with turnover under £50 million, which may be considered less stable than larger, longer established businesses. The Investment Adviser undertakes extensive financial and commercial due diligence before recommending an investment to the Board. The Investment Adviser usually takes a seat on the Board of each investee company and the Board of the VCT receives regular updates on each company at each quarter end.

The accrued income shown above of £264,015 (2015: £241,576) was all due within five months of the year-end, with £22,596 still receivable three months after the year end.

The following table shows the maturity of the loan stock investments referred to above. In some cases, the loan maturities are not the contractual ones, but are the best estimate using management's expectations of when it is likely that such loans may be repaid.

Repayable within	2016 £	2015 £
0 to 1 year	5,277,333	931,159
1 to 2 years	6,582,192	509,437
2 to 3 years	8,950,579	6,412,851
3 to 4 years	5,595,287	7,812,944
4 to 5 years	2,011,707	11,516,224
Total	28,417,098	27,182,615

Included within loan stock investments above is a loan at a carrying value of £495,270 (2015: £495,270), which is past its repayment date but has been renegotiated. Two loans with values of £1,857,184 (2015: (one loan) £622,056) are now past their repayment date but have not yet been renegotiated. The loan stock investments are made as part of the qualifying investments within the investment portfolio, and the risk management processes applied to the loan stock investments are set out under market price risk below.

An aged analysis of the value of loan stock investments included above, which are past due but not individually impaired, is set out below. For this purpose, these loans are considered to be past due when any payment due under the loan's contractual terms (such as payment of interest or redemption date) is received late or missed. We are required to report in this format and include the full value of the loan even though in some cases it is only in respect of interest that they are in default.

	0-6 months £	6-12 months £	over 12 months £	2016 Total £
Loans to investee companies past due	931,159	2,256,923	926,025	4,114,107

	0-6 months £	6-12 months £	over 12 months £	2015 Total £
Loans to investee companies past due	622,056	-	-	622,056

Credit risk also arises from cash and cash equivalents, deposits with banks and amounts held in liquidity funds. There is a risk of liquidity fund defaults such that there could be defaults within their underlying portfolios that could affect the values at which the Company could sell its holdings. However, as the five OEIC money market funds holding £7,511,810 are all triple A rated funds and, along with bank deposits and cash of £5,662,074 at seven well-known financial institutions, credit risk is considered to be relatively low in current circumstances. The Board manages credit risk in respect of these money market funds and cash by ensuring a spread of such investments such that none should exceed 15% of the Company's total investment assets. The Company's current account totalling £828,189 is held with NatWest Bank plc, so the risk of default is considered to be low.

There could also be a failure by counter-parties to deliver securities which the Company has paid for, or pay for securities which the Company has delivered. This risk is considered to be small as most of the Company's investment transactions are in unquoted investments, where investments are conducted through solicitors, to ensure that payment matches delivery. In respect of any quoted investment transactions that are undertaken, the Company uses brokers with a high credit quality, and these trades usually have a short settlement period. Accordingly, counterparty risk is considered to be relatively low.

Market price risk

Market price risk arises from uncertainty about the future valuations of the unquoted portfolio held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies (Investment risk), as well as market perceptions of the future performance of the UK economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its investment portfolio in the face of market movements, which was a maximum of £38,926,434 at the year-end, representing the fair value of the investment portfolio.

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and as such the prices are more uncertain than those of more widely traded securities. As, in a number of cases, the unquoted investments are valued by reference to price earnings ratios prevailing in quoted comparable sectors (discounted for points of difference from quoted comparators), their valuations are exposed to changes in the price earnings ratios that exist in the quoted markets.

The Board's strategy in managing the market price risk inherent in the Company's portfolio of equities and loan stock investments is determined by the requirement to meet the Company's Objective, as set out on page 4 in the Strategic Report. As part of the investment management process, the Board seeks to maintain an appropriate spread of market risk, and also has full and timely access to relevant information from the Investment Adviser. No single investment is permitted to exceed 15% of total investment assets at the point of investment. The Investment Committee meets regularly and reviews the investment performance and financial results, as well as compliance with the Company's objectives. The Company does not use derivative instruments to hedge against market risk.

Market price risk sensitivity

The Board believes that the Company's assets are exposed to market price risk, as the Company is required to hold most of its assets in the form of sterling denominated investments in small companies.

Although a small part of these assets are quoted on AIM, nearly all of these assets are unquoted. All of the investments made by the Investment Adviser in unquoted companies, irrespective of the instruments the Company actually holds, (whether shares, preference shares or loan stock) carry a full market risk, even though some of the loan stocks may be secured on assets, but behind any prior ranking bank debt in the investee company.

The Board considers that the value of investments in equity and loan stock instruments are ultimately sensitive to changes in their trading performance (discussed under investment risk above) and to changes in quoted share prices, insofar as such changes eventually affect the enterprise value of unquoted companies. The table below shows the impact on profit and net assets if there were to be a 20% (2015: 20%) movement in overall share prices, which might in part be caused by changes in interest rate levels. However, it is not considered possible to evaluate separately the impact of changes in interest rates upon the value of the Company's portfolios of investments in small, unquoted companies.

The sensitivity analysis below assumes that the value of each of these sub categories of investments (shares, preference shares and loan stocks) held by the Company produces a movement overall of 20% (2015: 20%), and that the actual portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. However, shareholders should note that this level of correlation is unlikely to be the case in reality, particularly in the case of the loan stock instruments. This is because loan stock instruments would not share in the impact of any increase in share prices to the same extent as the equity instruments, as the returns are set by reference to interest rates and premiums agreed at the time of initial investment. Similarly, where share prices are falling, the equity instrument could fall in value before the loan stock instrument. It is not considered practical to assess the sensitivity of the loan stock instruments to market price risk in isolation.

	2016 Profit and net assets £	2015 Profit and net assets £
If overall share prices rose/fell by 20% (2015: 20%), with all other variables held constant – increase/(decrease)	6,119,527 / (6,119,527)	5,760,054 / (5,760,054)
Increase/(decrease) in earnings, and net asset value, per ordinary share (in pence)	12.48p / (12.48)p	11.91p / (11.91)p

The impact of a change of 20% (2015: 20%) has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movement.

Notes to the Accounts for the year ended 31 December 2016

Cash flow interest rate risk

The Company's fixed and floating rate interest securities, its equity and preference equity investments and net revenue may be affected by interest rate movements. Investments are often in relatively small businesses, which are relatively high risk investments sensitive to interest rate fluctuations.

Due to the short time to maturity of some of the Company's floating rate investments, it may not be possible to re-invest in assets which provide the same rates as those currently held.

The Company's assets include fixed and floating rate interest instruments, as shown below. The rate of interest earned is regularly reviewed by the Board, as part of the risk management processes applied to these instruments, already disclosed under market price risk above.

The interest rate profile of the Company's financial net assets at 31 December 2016 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	10,496,569	-	-	10,496,569		
Preference shares	-	12,767	-	12,767	-	1.4
Loan stocks	-	23,069,458	5,347,640	28,417,098	5.8	2.2
Current asset investments	-	-	9,511,810	9,511,810	0.5	
Cash	-	-	3,662,074	3,662,074	0.3	
Debtors	844,484	-	-	844,484		
Creditors	(175,085)	-	-	(175,085)		
Total for financial instruments	11,165,968	23,082,225	18,521,524	52,769,717		
Non-financial instruments	(14,561)	-	-	(14,561)		
Total net assets	11,151,407	23,082,225	18,521,524	52,755,156		

The interest rate profile of the Company's financial net assets at 31 December 2015 was:

	Financial net assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	11,521,004	-	-	11,521,004		
Preference shares	-	13,051	-	13,051	-	3.1
Loan stocks	-	20,882,415	6,300,200	27,182,615	7.8	2.5
Current asset investments	-	-	14,619,207	14,619,207	0.6	
Cash	-	-	3,386,635	3,386,635	0.5	
Debtors	546,797	-	-	546,797		
Creditors	(276,680)	-	-	(276,680)		
Total for financial instruments	11,791,121	20,895,466	24,306,042	56,992,629		
Non-financial instruments	15,153	-	-	15,153		
Total net assets	11,806,274	20,895,466	24,306,042	57,007,782		

Note: Weighted average interest rates above are derived by calculating the expected annual income that would be earned on each asset (but only for those sums that are currently regarded as collectible and would therefore be recognised), divided by the values for each asset class at the balance sheet date.

Variable rate cash earns interest based on LIBOR rates.

The Company's investments in equity shares have been excluded from the interest rate risk profile as they do not yield interest and have no maturity date. Their inclusion would distort the weighted average period information above.

Cash flow interest rate sensitivity

Although the Company holds investments in loan stocks that pay interest, the Board does not consider it appropriate to assess the impact of interest rate changes in isolation upon the value of the unquoted investment portfolio, as interest rate changes are only one factor affecting the market price movements that are discussed above under market price risk. However, as the Company has a substantial proportion of its assets in cash, bank deposits and money market funds, the table below shows the sensitivity of income earned to changes in interest rates:

	2016 Profit and net assets £	2015 Profit and net assets £
If interest rates rose/fell by 1%, with all other variables held constant – increase/(decrease)	148,172 / (148,172)	194,448 /(194,448)
Increase/(decrease) in earnings, and net asset value, per Ordinary share (in pence)	0.30p / (0.30)p	0.40p / (0.40)p

Currency risk

All assets and liabilities are denominated in sterling and therefore there is no currency risk.

Fair value hierarchy

The table below sets out fair value measurements using FRS102 s11.27 fair value hierarchy. The Company has one class of financial assets, being at fair value through profit and loss.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Financial assets at fair value through profit and loss At 31 December 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	291,682	-	10,204,887	10,496,569
Preference shares	-	-	12,767	12,767
Loan stock investments	-	-	28,417,098	28,417,098
Current asset investments	9,511,810	-	-	9,511,810
Cash at bank	3,662,074	-	-	3,662,074
Total	13,465,566	-	38,634,752	52,100,318

Financial assets at fair value through profit and loss At 31 December 2015	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	258,347	-	11,262,657	11,521,004
Preference shares	-	-	13,051	13,051
Loan stock investments	-	-	27,182,615	27,182,615
Current asset investments	14,619,207	-	-	14,619,207
Cash at bank	3,386,635	-	-	3,386,635
Total	18,264,189	-	38,458,323	56,722,512

There are currently no financial liabilities at fair value through profit and loss.

Notes to the Accounts for the year ended 31 December 2016

The valuation techniques used by the company are explained in the accounting policies in notes 8, 10 and at the start of this note.

There have been no transfers during the year between Levels 1 and 2. A reconciliation of fair value measurements in Level 3 is set out below:

	Equity investments £	Preference shares £	Loan stock investments £	Total £
Opening balance at 1 January 2016	11,262,657	13,051	27,182,615	38,458,323
Purchases	2,190,947	-	112,194	2,303,141
Sales	(574,405)	-	(1,522,382)	(2,096,787)
Total (losses)/gains included in gains/(losses) on investments in the Income Statement:				-
- on assets sold or impaired	199,647	-	181,440	381,087
- on assets held at the year end	(2,873,959)	(284)	2,463,231	(411,012)
Closing balance at 31 December 2016	10,204,887	12,767	28,417,098	38,634,752

As detailed in the accounting policy for note 8, where investments are valued on an earnings-multiple basis, the main input used for this basis of valuation is a price-earnings ratio taken from a comparable sector on the quoted market which is then appropriately adjusted for points of difference. These ratios are correlated to the share prices and so any change in share prices will have a significant effect on the fair value measurements of the investments classified as Level 3 investments.

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

	31 December 2016 £	31 December 2015 £
Valuation methodology		
Estimated realisation proceeds	14,167	35,417
Cost (reviewed for impairment)	38,771	-
Recent investment price*	11,470,318	13,362,029
Earnings multiple	27,111,496	25,060,877
	38,634,752	38,458,323

* - These are all investments made during the year or previous year. None arise from a follow on investment at a price that differed from the original cost.

The unquoted equity and loan stock investments had the following movements between valuation methodologies between 31 December 2015 and 31 December 2016:

Change in valuation methodology	Carrying value as at 31 December 2016 £	Explanatory note
Recent investment price to earnings multiple	3,789,636	Sufficient time has elapsed since investment such that earnings multiple is a more appropriate basis for determining fair value
Recent investment price to cost (reviewed for impairment)	38,771	Further funding round

The valuation will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the December 2015 IPEV guidelines. The Directors believe that, within these parameters, there are no other possible methods of valuation which would be reasonable as at 31 December 2016.

16 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders. It aims to provide an adequate return to shareholders by allocating its capital to assets commensurate with the level of risk.

By its nature, the Company has an amount of capital, at least 70% (as measured under the tax legislation) of which is and must remain, invested in the relatively high risk asset class of small UK companies within three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

Although, as the Investment Policy implies, the Board would consider levels of gearing, there are no current plans to do so. It regards the net assets of the Company as the Company's capital, as the levels of liabilities are small and the management of them is not directly related to managing the return to shareholders. There has been no change in this approach from the previous year.

17 Segmental analysis

The operations of the Company are wholly in the United Kingdom, from one class of business.

18 Post balance sheet events

On 4 January 2017, the Company invested £0.58 million into Ibericos etc. Limited (trading as Tapas Revolution). This sum was held in a solicitor's client account at the year-end, and is part of the year end debtors figure analysed in Note 10.

In January and February 2017, the Company received £0.08 million of deferred consideration as a result of the realisation of Focus Pharma Holdings Limited in a previous year.

On 27 January 2017, the Company received loan repayment proceeds of £0.91 million from Backhouse Management Limited.

On 31 January 2017 and 28 February 2017, the Company received loan repayment proceeds totalling £0.91 million from McGrigor Management Limited.

On 17 March 2017, the Company allotted 706,138 ordinary shares at a price of 90.00 pence per share, under its Dividend Investment Scheme.

Shareholder Information

Communication with shareholders

We aim to communicate regularly with our shareholders. In addition to the Half-Year and Annual Reports, shareholders receive a twice-yearly VCT newsletter from the Investment Adviser, approved by the Board. The May annual general meeting provides a useful platform for the Board to meet shareholders and exchange views. Your Board welcomes your attendance at general meetings to give you the opportunity to meet your Directors and representatives of the Investment Adviser. The Company releases Interim Management Statements in respect of those quarters where it does not publish half or full year accounts. The Investment Adviser holds an annual shareholder event, the most recent of which was held on 24 January 2017.

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

Financial calendar

17 March 2017	Payment of second interim dividend for year ended 31 December 2016.
8 May 2017	Annual General Meeting.
August 2017	Half-Year Report for the six months ending 30 June 2017 to be announced and circulated to shareholders.
September 2017	Payment of an interim dividend, if payable.
31 December 2017	Year-end.
January 2018	Shareholder event.

Mobeus website

Shareholders can check the performance of the VCT by visiting the Investment Adviser's website at www.mobeusequity.co.uk. This is regularly updated with information on your investment including case studies of portfolio companies.

Annual General Meeting

The Company's next Annual General Meeting will be held **at 11.30 am on Monday 8 May 2017 at a new venue:**

The Clubhouse, 8 St James's Square, London SW1Y 4JU. A copy of the notice of the meeting can be found on pages 64 to 66. A proxy form for the meeting is included with shareholders' copies of this Annual Report.

Dividends

Shareholders who wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrars, Capita Asset Services at the address given on page 67.

Shareholders are encouraged to ensure that the Registrars maintain up-to-date details for yourselves and to check whether you have received all dividends payable to you. This is particularly important if you have recently moved house or changed your bank. We are aware that a number of dividends remain unclaimed by shareholders and whilst we will endeavour to contact shareholders if this is the case, we cannot guarantee that we will be able to do so if the Registrars do not have an up-to-date postal address or email address for you.

Dividend Investment Scheme

The Scheme is a convenient, easy and cost effective way to build up your shareholding in the Company. Instead of receiving cash dividends, you can elect to receive new shares in the Company. By opting to receive your dividend in this manner, there are three benefits to shareholders:

- The dividend is tax free to you;
- Shareholders are allotted new ordinary shares which will, subject to your particular circumstances, attract VCT tax relief applicable for the tax year in which the shares are allotted. The tax relief currently available to investors in new VCT shares is 30% for the 2016/17 tax year for investments up to £200,000 in any one tax year; and
- The Scheme also has one other, particular advantage. Under its terms, a member is able to re-invest at an advantageous price, being the average market price of the shares for the five business days prior to the dividend being paid. This price is likely to be at a discount of 10% to the underlying net asset value (provided that this is greater than 70% of the latest published net asset value per share).

Shareholders who wish to join the Scheme should contact the Scheme Administrator, Capita Asset Services at the address given on page 67 or download an application form from the company's website on the dividend page.

Selling your shares

The Company's shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. **However, to ensure that you obtain the best price, if you wish to sell your shares, you are strongly advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2727 before agreeing a price with your stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares.

Managing your shareholding online

For details on your individual shareholding and to manage your account, online shareholders may log into or register with the Capita Shareholder Portal at: www.capitashareportal.com.

You can use the Shareholder Portal to change your address details, check your holding balance and transactions, view the dividends you have received, add and amend your bank details and manage how you receive your dividends.

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

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

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders:

<https://www.gov.uk/government/publications/exchange-of-information-account-holders>.

Shareholder enquiries

For enquiries concerning the investment portfolio or the Company in general, please contact the Investment Adviser, Mobeus Equity Partners. To contact the Chairman or any member of the Board, please contact the Company Secretary, also Mobeus Equity Partners LLP, in the first instance at vcts@mobeusequity.co.uk.

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

Full contact details for each of Mobeus and Capita are included under Corporate Information on page 67 of this Annual Report.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Mobeus Income & Growth 4 VCT plc ("the Company") will be held at 11.30 am on Monday 8 May 2017 at The Clubhouse, 8 St James's Square, London SW1Y 4JU for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions numbered 1 to 9 will be proposed as ordinary resolutions and resolutions 10 and 11 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 December 2016 ("Annual Report"), together with the auditor's report thereon.
2. To approve the remuneration policy as set out in the Annual Report.
3. To approve the directors' annual remuneration report as set out in the Annual Report.
4. To re-appoint BDO LLP of 55 Baker Street, London W1U 7EU as auditor to the Company until the conclusion of the next annual general meeting of the Company.
5. To authorise the directors to determine the remuneration of BDO LLP as auditor of the Company.
6. To re-elect Christopher Moore as a director of the Company.
7. To re-elect Andrew Robson as a director of the Company.
8. To re-elect Helen Sinclair as a director of the Company.
9. That, in substitution for any existing authorities, the directors of the Company 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 penny each in the capital of the Company ("Shares") and to grant rights to subscribe for, or convert any security into, Shares ("Rights") up to an aggregate nominal value of £248,086 provided that the authority conferred by this resolution shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2018 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 and the directors of the Company shall be entitled to allot Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.
10. That, subject to the passing of resolution 9 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 9 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 be limited to the allotment of equity securities:-
 - (i) with an aggregate nominal value of up to, but not exceeding £150,000 in connection with offer(s) for subscription;
 - (ii) 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 at a subscription price per share which is less than the net asset value per share; and
 - (iii) 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 of the allotment may be used, in whole or part, to purchase the Company's Shares in the market and provided that this authority shall (unless renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2018, except that the Company may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.

11. 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 7,351,551 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99 per cent. of the Shares in issue at the date of passing this resolution;
 - (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 renewed, varied or revoked by the Company in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of the Company to be held in 2018; 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.

BY ORDER OF THE BOARD

Registered Office
30 Haymarket
London SW1Y 4EX

Mobius Equity Partners LLP
Company Secretary

Dated: 22 March 2017

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulation 2001, entitlement to attend and vote at the meeting (and the number of votes they may cast thereat) will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days before, not including non-business days, the day of the meeting or 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 Asset Services to request additional copies of the proxy form, on +44 (0) 371 664 0324. Telephone lines are open between 9.00 am and 5.30 pm Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons Capita Asset Services 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 2 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 adviser 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. 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 notarially certified or office copy thereof, at the offices of the Company's registrar, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received not later than 11.30 am on 4 May 2017 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.

Notice of the Annual General Meeting

8. If you prefer, you may return the proxy form to the Registrar in an envelope addressed to FREEPOST CAPITA, PXS, (This is all you need to write on the envelope, no other address details are required).
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 service 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 11.30 am on 4 May 2017. 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. You may submit your proxy electronically using the Shareportal Service at www.capitashareportal.com if not already registered for the share portal, you will need your investor code which can be found on your share certificate.
13. As at 22 March 2017 (being the last business day prior to the publication of this notice), the Company's issued share capital consisted of 49,749,171 ordinary shares of 1p, carrying one vote each, all of which carry one vote each. Therefore, the total voting rights in the Company as at 22 March 2017 were 49,749,171.
14. 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.
15. 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 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.
16. 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.
17. 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.
18. 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

Mobeus Equity Partners LLP
30 Haymarket
London
SW1Y 4EX

Company's Registered Office and Head Office

30 Haymarket
London
SW1Y 4EX

Company Registration Number

03707697

Investment Adviser, Promoter and Administrator

Mobeus Equity Partners LLP
30 Haymarket
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www.mobeusequity.co.uk

Website

www.mig4vct.co.uk

E-mail

vcts@mobeusequity.co.uk

Independent Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Receiving Agent

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

Sponsor

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

Solicitors

Shakespeare Martineau LLP
No 1 Colmore Square
Birmingham
B4 6AA

Registrars

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

Tel: +44 (0) 371 644 0324 Telephone
lines are open 9.00am-5.30pm Mon-Fri
excluding public holidays in England
and Wales.

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VCT Status Adviser

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