Mobeus Income & Growth 4 VCT plc

A Venture Capital Trust

Annual Report & Financial Statements
for year ended 31 December 2022

Since 1857
Gresham House
Specialist asset management

Mobeus Income & Growth 4 VCT plc (the “Company”) is a Venture Capital Trust (“VCT”) advised by Gresham House Asset Management Limited (“Gresham House” or “Investment Adviser”) 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.

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Financial Highlights

Results for the year ended 31 December 2022

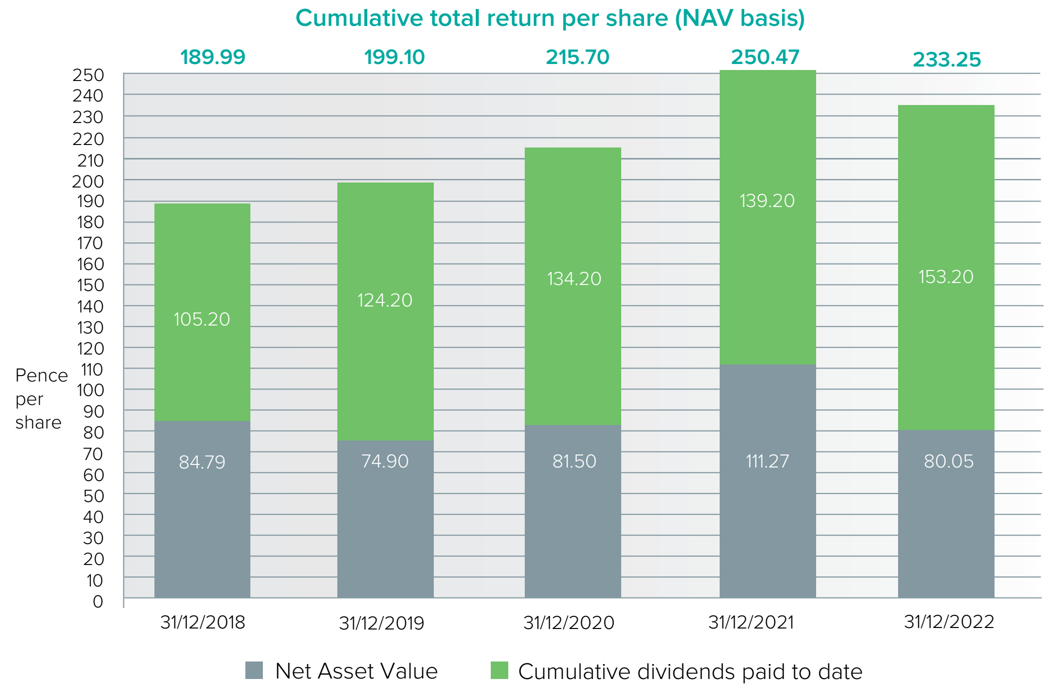
Net assets: **£83.54 million**

Net asset value (“NAV”) per share: **80.05 pence**

- Net asset value (“NAV”) total return[1] per share of (15.5)%.
- Share price total return[1] per share of (8.4)%.
- Dividends paid in respect of the year totalled 10.00 pence per share. Cumulative dividends paid[1] to date stand at 153.20 pence per share.
- £3.78 million was invested into four new growth capital investments and six existing portfolio companies during the year.
- Net unrealised losses of £(15.45) million in the year
- The Company realised investments totalling £8.70 million of cash proceeds and generated net realised gains in the year of £0.74 million.

Cumulative total return[1] per share (NAV basis)

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



[1] - Definitions of key terms and alternative performance measures shown above and throughout this report are shown in the Glossary of terms on page 82.

The chart above shows the recent past performance of the original funds raised in 1999. The original subscription price was 200 pence 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 1 July 2006, Mobeus Equity Partners LLP became sole Investment Adviser to the Company. The Investment Adviser novated to Gresham House on 1 October 2021. The cumulative total return per share (NAV basis) at this date was 122.51 pence.

Chair's Statement

I present the Annual Report of Mobeus Income & Growth 4 VCT plc for the year ended 31 December 2022.

Overview

The high point for many technology and growth markets was seen towards the end of 2021 - after which they were impacted by global events such as the Russian invasion of Ukraine, the highest rates of inflation for over a decade and accompanying interest rate increases, political turmoil in the UK and across Europe and the increasing cost of living. The recent UK Budget sought to stimulate the economy, but we can expect continuing challenges for portfolio companies particularly with respect to increased costs and subdued consumer demand.

The Mobeus VCTs' joint fundraise which was launched in January 2022 reached its application capacity in less than 24 hours. Given the level of investor demand, and a continuing pipeline of investment opportunities, your Board agreed later in that year, that a further fundraise would be appropriate. This was issued across all four Mobeus VCTs in October 2022 and also reached its capacity in a short timeframe, securing £16 million for the Company (including the £5 million over-allotment facility) early in November 2022. This outstanding level of support is a very encouraging demonstration of the confidence that investors have in the Company and your Board is delighted to welcome an equal mix of further investment from our valued existing Shareholders and also from new investors in the Company. These additional cash resources will enable the Company to take advantage of new and follow-on investment opportunities as previous experience has shown that investing through the cycle can create excellent returns over time.

It appears that higher inflation and the Russian war in Ukraine have now become daily news events. Post the year-end inflation remained stubbornly high although, against almost all predictions, the UK economy has so far avoided going into recession.

Challenges for portfolio companies are expected to continue during 2023, with a combination of inflationary pressures and lower customer demand. Your Company is well prepared for most scenarios with its strong liquidity available to support the portfolio and from the extensive planning and preparation with each of the portfolio company's management teams by Gresham House. The Company has continued to provide finance to new and existing investee companies with two notable exit events during the year under review in the form of Media Business insight (MBI) and Equip Outdoor Technologies (EOTH). The recent equity disposal of EOTH in November contributing to a 6.9x return to date was a particular high point as we anticipate a quieter exit environment in 2023 than in previous years.

The Board was pleased to hear of the UK Government's commitment to extend the VCT 'sunset clause' beyond the end date of 5 April 2025. Without an extension, investor income tax relief on new VCT share subscriptions will expire after that date. Shareholders should note however that, to date, the VCT industry has seen no further detail on this subject and any extension of the date will probably require parliamentary approval.

Performance

For the year ended 31 December 2022, the Company experienced a negative NAV total return per share of (15.5)% (2021: +42.7%) and a negative share price total return of (8.4)% (2021: +50.4%). The difference between the share price and NAV total returns arises principally due to the timing of NAV announcements which are usually made on a date later than the date to which they relate and is explained more fully under Performance in the Strategic Report on pages 8 to 11. The negative NAV total return for the year was principally a result of the unrealised loss in the value of investments still held, partially offset by realised gains achieved above previous carrying values.

The reduction in net asset value resulted from falls in the valuation of the portfolio over the financial year. This has primarily been driven by lower benchmark market comparables and, more recently, by softening investee company trading performance. As is usually the case, markets quickly factored in the expected impact of inflation and higher interest rates on consumer spending and business investment. The full extent of the impact of these on portfolio company trading will emerge over time.

At the end of the year under review the Company was ranked 4th over five years and 9th over ten years periods (out of 37 and 31 Generalist VCTs respectively) in the Association of Investment Companies' analysis of NAV Cumulative Total Return. Shareholders should note that the AIC's rankings are based on the latest available published NAVs and therefore do not fully reflect the NAV per share decrease reported by the Company up to 31 December 2022. Nevertheless, it is pleasing that your Company has shown resilience over the medium and longer terms when measured against other sector participants. For further details on the performance of the Company, please refer to the Strategic Report on pages 6 to 34.

Dividends

The Board continues to be committed to providing an attractive dividend stream to Shareholders and was pleased to announce an interim dividend of 4.00 pence per share which was paid on 8 July 2022 to Shareholders on the register on 6 June 2022. A second interim dividend of 6.00 pence per share, was paid on 7 November 2022 to Shareholders on the register on 23 September 2022 and together, this brings the total dividends paid in respect of the financial year ended 31 December 2022 to 10.00 pence per share. To date, cumulative dividends paid since inception total 153.20 pence per share. The Company has now met or exceeded the Board's dividend target of paying at least 4.00 pence per share in respect of each financial year over the last ten years.

As Shareholders have been advised previously, the reorientation of the portfolio under the VCT rules to younger growth capital investments as well as the realisations of older, more mature companies that have formerly provided a good income yield, are likely to make dividends harder to achieve from income alone in any given year. The Board aims to distribute realised profits (such as income and gains from realisations) achieved in a year as dividends but notes that a reduction in contracted loan interest income was seen during the year by the Company. The Board, therefore, continues to monitor the sustainability of the annual dividend target. Shareholders should also note that there may continue to be circumstances where the Company is required to pay dividends in order to maintain its regulatory status as a VCT, for example, to stay above the minimum percentage of assets required to be held in qualifying investments. Such dividends paid in excess of net income and capital gains achieved will cause the Company's NAV per share to reduce by a corresponding amount.

Dividend Investment Scheme

The Company's Dividend Investment Scheme ("DIS") provides Shareholders with the opportunity to reinvest their cash dividends into new shares in the Company at the latest published NAV per share. New VCT shares attract the same tax reliefs as shares purchased through an Offer for Subscription. As part of the 4.00 pence per share dividend paid on 8 July 2022, 586,156 Ordinary shares were allotted to participants of the DIS at a price of 98.96 pence per share. For the further 6.00 pence per share dividend paid on 7 November 2022, 1,129,699 Ordinary shares were allotted at a price of 80.50 pence per share to DIS members.

Shareholders wishing to take advantage of the scheme for any future dividends can join the DIS by completing a mandate form available on the Company's website, under the 'Dividends' heading, at: www.mig4vct.co.uk, or alternatively, existing DIS members can opt-out by contacting Link Group, using their details provided under Corporate Information on page 83.

Investment portfolio

The portfolio movements across the year were as follows:

	2022 £m	2021 £m
Opening portfolio value	65.58	41.68
New and further investments	3.78	6.23
Disposal proceeds	(8.70)	(12.23)
Net realised gains	*0.74*	*4.19*
Valuation movements	*(15.45)*	*25.71*
Net investment portfolio (losses)/gains	(14.71)	29.90
Portfolio value at 31 December	**45.95**	**65.58**

A number of investee companies have experienced a decline in consumer confidence with the resultant impact on trading during the recent challenging environment. There was a fall of £14.71 million in the overall value of the portfolio across the year to 31 December 2022 (2021: increase of £29.90 million), or a fall of 22.4% on a like-for-like basis compared to the value of the portfolio at the start of the year.

Notably, a significant amount of the fall of £14.71 million relates to Virgin Wines which declined by £6.89 million. Virgin Wines is an AIM-listed investment, which has suffered from the negative sentiment of its sector, despite positive news flows and the relative outperformance versus its peers by the company itself. It is worth noting that in addition to the unrealised equity holding, the Company has received over 1.7x its original investment in realised returns to date.

The negative NAV total return for the year principally comprised unrealised falls in the value of investments still held of £15.45 million, (primarily Virgin Wines, Buster and Punch and MyTutor) which were partially mitigated by an uplift in Tharstern together with the exit proceeds received from EOTH and MBI, which contributed to net realised gains of £0.74 million.

During the year, the Company invested a total of £3.78 million into four new and six existing portfolio companies (2021: £6.23 million; four new, nine existing). New investments totalling £2.03 million were made into:

Proximity Insight:	retail technology software;
Bidnamic:	a marketing technology business;
FocalPoint:	a GPS enhancement software supplier; and
Orri:	an intensive day care provider for adults with eating disorders

Additional portfolio funding totalling £1.75 million was provided to six existing portfolio companies:

Caledonian Leisure:	a provider of UK leisure and experience breaks;
Northern Bloc:	a dairy and allergen-free ice cream brand
RotaGeek:	a workforce management software system
Andersen EV:	a provider of premium EV chargers
Vivacity:	an AI and Urban Traffic Control business
Bleach London:	a hair colourants brand

The Company generated total proceeds of £8.70 million in the year to 31 December 2022 comprising £8.25 million from full or partial realisations as well as other capital receipts of £0.45 million. Further details are provided below:

In June 2022, the Company realised its investment in MBI generating proceeds of £3.98 million from the sale (including deferred proceeds and loan repayments made earlier in the year) resulting in a realised gain in the year of £0.42 million. This exit contributed to returns received over the life of the investment of £6.11 million, which is a 2.2x multiple of cost and an IRR of 13.8%.

In October 2022, Andersen EV, the electric vehicle charger provider, entered into administration as a result of a substantial deterioration in its trading conditions which resulted in a realised loss of £0.44 million being recognised during the year. This was particularly disappointing as the Company made a follow-on investment into the company in May 2022 alongside the other Mobeus VCTs. The company had secured some impressive clients and funding was provided to drive product development in a premium brand which operated in the emerging electric car charging market. Over the summer months however, a combination of global supply issues, inflationary cost increases and the removal of Government consumer support for the purchase of EV chargers swiftly impacted the company's ability to continue trading and so necessitated the appointment of administrators.

In a similarly disappointing development, in December 2022, following repeated and substantial falls in its share price, Parsley Box Group PLC delisted from the AIM market and the shares were cancelled. It has subsequently re-registered as a private company.

More positively, the end of the year brought an equity realisation of EOTH, trading as both RAB and Lowe Alpine, with amounts received on completion of £5.05 million (including preference share dividends) generating a realised gain in the year of £0.36 million. Total proceeds received over the life of this investment are £6.56 million to date, a 6.9x multiple of cost and an IRR of 23.2%. The Company has retained its interest yielding loan stock to continue to generate income in the future.

Also received in the year were deferred proceeds from Red Paddle and Vectair, both investments realised in a previous year generating further realised gains totalling £0.40 million.

During these challenging times, the management of the portfolio is undeniably critical, and the Investment Adviser has been, and is, focused on deploying its Talent Management team to support the investments. Follow-on investments are expected to remain a significant feature of growth capital investee companies as they seek to achieve scale and move to profitability. Follow-on investment requests are always subject to the same scrutiny as new deals and both rely on certain criteria being met, including the HMRC Financial Health Test.

In respect of the Financial Health Test, Shareholders should be advised that a tightening by HMRC of policy and practice in a technical aspect of the VCT financing rules is now resulting in the restriction of potential follow-on investments to support certain portfolio companies, where more than half their subscribed share capital has been lost. In respect of some portfolio companies, this may result in the Company not being able to make follow-on investments even where a compelling business case exists, which in turn could impact the prospects of these businesses. The Board continues to monitor developments in the interpretation of this area of legislation carefully.

Further details of the Company's investment activity and the performance of the portfolio are contained in the Investment Adviser's Review and the Investment Portfolio Summary on pages 12 to 27.

Since the year-end, the Company has invested a total of £0.75 million into two new investment companies, Connect Earth and Cognassist in March 2023. Also following the year-end, again in March 2023, the sale of the Company's investment in Tharstern Group Limited was completed achieving a 2.6x return against cost over the life of the investment.

Liquidity & Fundraising

Cash and cash equivalents held by the Company as at 31 December 2022 amounted to £37.71 million, or 45.1% of net assets. The Board continues to prioritise the security and protection of the Company's capital by monitoring credit risk in respect of its cash and near cash resources.

In January 2022, the Company completed a fundraise of £7.5 million for the 2021/2022 tax year which was fully subscribed in less than 24 hours. This level of demand was very pleasing although the Board became aware that a number of investors were not able to subscribe before the fundraise closed and were therefore disappointed. Later in the year, on considering the future cash requirements of the Company and the potential demand for the Company's shares, the Board approved a fundraise for the 2022/23 tax year. Having provided a period of time between the launch of the prospectus and acceptance of applications, the Board was pleased that the initial amount of £11 million (including an over-allotment facility of a further £5 million), launched on 5 October 2022, was fully subscribed by 8 November 2022. Shares were allotted on 16 November 2022 and on 6 February 2023 and your Company extends a warm welcome to both existing and new Shareholders.

The fundraising that was launched in October 2022 was to ensure that the Company retained adequate levels of liquidity to continue to take advantage of new investment opportunities, support the existing portfolio, and fund further expansion of the businesses in its investment portfolio where required. The funds will also assist the delivery of attractive returns for its Shareholders, including the payment of dividends over the medium term as well as to help facilitate share buybacks for those Shareholders who wished to sell shares.

Further details of the Company's investment activity and the performance of the portfolio are contained in the Investment Adviser's Review and the Investment Portfolio Summary on pages 12 to 27.

Share buy-backs

During the year, the Company bought back and cancelled 1,796,536 of its own shares (2021: 1,303,349), representing 2.2% of the shares in issue at the beginning of the year (2021: 1.6%), at a total cost of £1.46 million, inclusive of expenses (2021: £1.23 million). It is the Company's policy to cancel all shares bought back in this way. The Board reviews its buyback policy quarterly and currently seeks to maintain the discount at which the Company's shares trade at no more than 5% below the latest published NAV.

Shareholder Communications & Annual General Meeting

May I remind you that the Company has its own website which is available at: www.mig4vct.co.uk.

Following the well-received virtual Shareholder Event held on 25 February 2022, the Investment Adviser held another successful virtual Shareholder Event with a live Q&A session on 23 March 2023. Numbers either viewing or participating online were close to totals attending such events in person before the Covid pandemic, and a recording is available on the Company's website for those who were not able to see the event live.

Your Board is pleased to be able to hold the next Annual General Meeting ("AGM") of the Company at 2.30pm on Wednesday, 24 May 2023 at the offices of Shoosmiths LLP, 1 Bow Churchyard, London, EC4M 9DQ. The Board is aware that a number of Shareholders hold shares in the Company and another Mobeus VCT, Mobeus Income & Growth VCT plc (MIG VCT). To aid shareholder attendance at the AGMs of both companies, given the common financial year-ends, the Boards of the companies have decided to hold both AGMs on the same day with a presentation from the companies' Investment Adviser taking place in between the two meetings, during which a light lunch will be available. The MIG VCT AGM will take place earlier on 24 May 2023 commencing at 1.00 pm and will be followed by the joint Investment Adviser presentation at 1.30 pm. Shareholders are welcome to join us for the Investment Adviser presentation if not already attending the earlier MIG VCT AGM.

A webcast will also be available from 1.30 pm for those Shareholders who cannot attend in person. However, please note that you will not be able to vote at the AGM via this method and you are encouraged to return your proxy form before the deadline of 22 May 2023. Information setting out how to join the meeting by virtual means will be shown on the Company's website. For further details, please see the Notice of the Meeting which can be found at the end of this Annual Report & Financial Statements, on pages 79 to 81.

Votes Against Dis-application of Pre-emption Rights

At the General Meeting of the Company held on 12 October 2022, over 20% of the votes received were lodged against the composite resolution to approve the allotment of shares and disapply pre-emption rights to support the 2022/2023 fundraise. It appears that we did not make it sufficiently clear that the proposed dis-application of the pre-emption rights was in respect of the fundraise only. The resulting feedback received will be taken into consideration for future fundraises and communications.

The General Meeting resolution was in addition to the already approved dis-application of pre-emption rights given at the AGM held on 17 May 2022 because the funds being raised under the 2022/23 offer exceeded the previous authorities obtained and therefore additional Shareholder authority was required as well as providing authority to allot the greater number of shares.

As required under the AIC Code of Corporate Governance Code, those Shareholders that voted against the resolution were contacted to ascertain their reasons. I thank those Shareholders who responded to my request for their reasons for voting against the resolution. It became clear that the key factor was Shareholders' concern about new shareholders being added to the Register of Members thereby diluting their holding and potential dividend income. By the issuance of shares to new investors, this:

- maximises the pool of potential VCT investors thereby increasing the probability that the full offer amount is raised allowing the Company:
- to continue to take advantage of new investment opportunities and to support existing portfolio companies as deemed appropriate; and
- seeks the delivery of attractive returns for its Shareholders, including the payment of dividends over the medium-term.

The Board is of the opinion that the benefit to the Company's Shareholders in having sufficient liquidity to meet its investment objectives and the potential to generate enhanced returns in the future, as well as the ability to make dividend payments, greatly outweighs any potential short-term dilutive impact of individual shareholder returns.

The allotments in November 2022 and February 2023 saw a roughly equal balance of existing and new investors and all existing Shareholders were able to subscribe for shares as the Offer remained open for applications from 17 October to 8 November 2022 when it became fully subscribed. A small number of applicants who applied thereafter were unable to be accommodated in the final allotment on 6 February 2023.

We will once again, at the Annual General Meeting of the Company, propose a resolution to dis-apply pre-emption rights although this authority is not expected to be utilised except in respect of the Dividend Investment Scheme.

Fraud Warning

Shareholders continue to be contacted in connection with sophisticated but fraudulent financial scams which purport to come from or to be authorised by the Company. This is often by a phone call or an email usually originating from outside the UK, claiming or appearing to be from a corporate finance firm offering to buy your shares at an inflated price.

The Board strongly recommends Shareholders take time to read the Company's Fraud warning section, including details of who to contact, contained within the Information for Shareholders section on pages 77 to 78.

Board Composition

At the start of the year under review, the Board comprised four directors prior to Helen Sinclair's retirement after the AGM in February 2022. On 1 March 2022, Chris Burke was appointed as a member of both the Audit & Risk Committee and the Nomination & Remuneration Committees, he was also appointed as Chair of the Investment Committee. After considering and reviewing its composition at that time, the Board agreed that the recruitment of another Non-Executive Director was not necessary.

In the Half-Year Report dated 13 September 2022, I stated my intention to retire as a director and Chair of the Company following the conclusion of the Company's Annual General Meeting in May 2023. The Board intends to appoint Graham Paterson as Chair of the Company to succeed me. An in-depth third party led recruitment process commenced at the latter end of the year to secure a Non-Executive Director to succeed Graham as Chair of the Audit & Risk and Nomination and Remuneration Committees following the AGM. Having given careful consideration to the diversity of skills, experience, gender and background of the wider Board, we were delighted that Lindsay Dodsworth agreed to join as a director and she was appointed on 1 January 2023. Lindsay will stand for election at the forthcoming AGM.

The directors remain committed to increasing diversity of representation and will take this fully into account alongside the skills required to serve Shareholders well in the specialist VCT sector for any future appointments.

Environmental, Social and Governance ("ESG")

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

Gresham House has a team which is focused on sustainability and the Board views this as an opportunity to enhance the Company's existing protocols and procedures through the adoption of the highest industry standards.

The future FCA reporting requirements consistent with the Task Force on Climate-related Financial Disclosures, which commenced on 1 January 2021 currently do not apply to the Company but will be kept under review, the Board being mindful of any recommended changes.

Consumer Duty

The Directors are cognisant of the Investment Adviser's obligations to comply with the FCA's Consumer Duty rules and principles introduced in 2022 and coming into force in 2023.

Companies that are subject to Consumer Duty must ensure they are acting to deliver good outcomes and that this is reflected in their strategies, governance, leadership and policies. The Investment Adviser is currently undergoing a review of its existing practices in order to ensure these fulfil the Consumer Duty principles. The Company is not directly captured by Consumer Duty, however we are working together with the Investment Adviser to achieve the forthcoming obligations.

Outlook

Significant uncertainties lie ahead due to multiple geopolitical and economic factors, and this was exemplified by the recent rescue of Silicon Valley Bank (SVB") based in California which had a UK subsidiary. One of the VCT's portfolio companies had funds deposited with SVB in the UK but these were unaffected following SVB UK's acquisition by HSBC. The quantum of the investee's deposit was not material to the overall value of the portfolio. Nevertheless, across the whole VCT sector and beyond, the event has underpinned the importance of spreading liquidity risk. Notwithstanding the foregoing, challenging and uncertain times can give rise to opportunities for efficient investment into businesses with significant potential for the future. Further to the successful realisation of EOTH in November, and Tharstern in March of this year, the exit environment is likely to become more restrained. This is not seen as a significant issue given that the Company is not time-limited. The combined impact of high inflation, high interest rates and Government spending restrictions can be expected to impact both consumer and business confidence. We therefore anticipate that further stresses will become evident across UK-based businesses over the forthcoming year. Your Company is invested in a diverse portfolio of businesses managed by a resourceful and professional investment team. Notwithstanding the challenges already described, the Company is well positioned to take advantage of investment opportunities to deliver attractive returns over the medium and longer term.

I would like to once again thank all our Shareholders for their continued support.

Jonathan Cartwright
Chair

5 April 2023

Chair's Statement

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 Company'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 gains upon sale and to reduce the risk of high exposure to equities. To spread the risk 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 legislation. A summary of this is set out below.

The full text of the Company's Investment Policy is available on page 28 of this Strategic Report.

The Company and its Business Model

The Company is a Venture Capital Trust. Its Objective and its Investment Policy are designed to ensure that the Company 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 Legislation

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

- the Company must hold at least 80%, by VCT tax value[1], of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;
- all qualifying investments made by VCTs after 5 April 2018, together with qualifying investments made by funds raised after 5 April 2011 are, in aggregate, required to comprise at least 70% by VCT tax value in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules);
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company's shares must be listed on the London Stock Exchange or a regulated European stock market;
- non-qualifying investments cannot be made, except for certain exemptions in managing the Company's short-term liquidity;
- VCTs are required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of the accounting period; and
- the period for reinvestment of proceeds on disposal of qualifying investments is 12 months.

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

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and no more than £16 million immediately following investment from VCTs;
- whose maximum age is generally up to seven years (ten years for knowledge intensive businesses);
- that receive no more than an annual limit of £5 million and a lifetime limit of £12 million (for knowledge intensive companies the annual limit is £10 million and the lifetime limit is £20 million), from VCTs and similar sources of State Aid funding; and
- that use the funds received from VCTs for growth and development purposes.

In addition, VCTs may not:

- offer secured loans to investee companies, and any returns on loan capital above 10% must represent no more than a commercial return on the principal; and
- make investments that do not meet the 'risk to capital' condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is a genuine risk of loss of capital).

[1] VCT tax value means as valued in accordance with prevailing VCT legislation. The calculation of VCT tax value is arrived at using tax values, based on the cost of the most recent purchase of an investment instrument in a particular company, which may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 22 to 27.

The Company and its business model

The Company is a Venture Capital Trust and its Objective and Investment Policy are designed to ensure that it continues to qualify as a VCT, and continues to be approved as such by HM Revenue & Customs, whilst maximising returns to Shareholders from both income and capital. A summary of the most important rules that determine VCT approval is contained in the panel headed "Summary of VCT Regulation" on page 6.

As a fully listed company on the London Stock Exchange, the Company is required to comply with the listing rules governing such companies. The listing also fulfils a requirement for VCT approval and to maintain its VCT status.

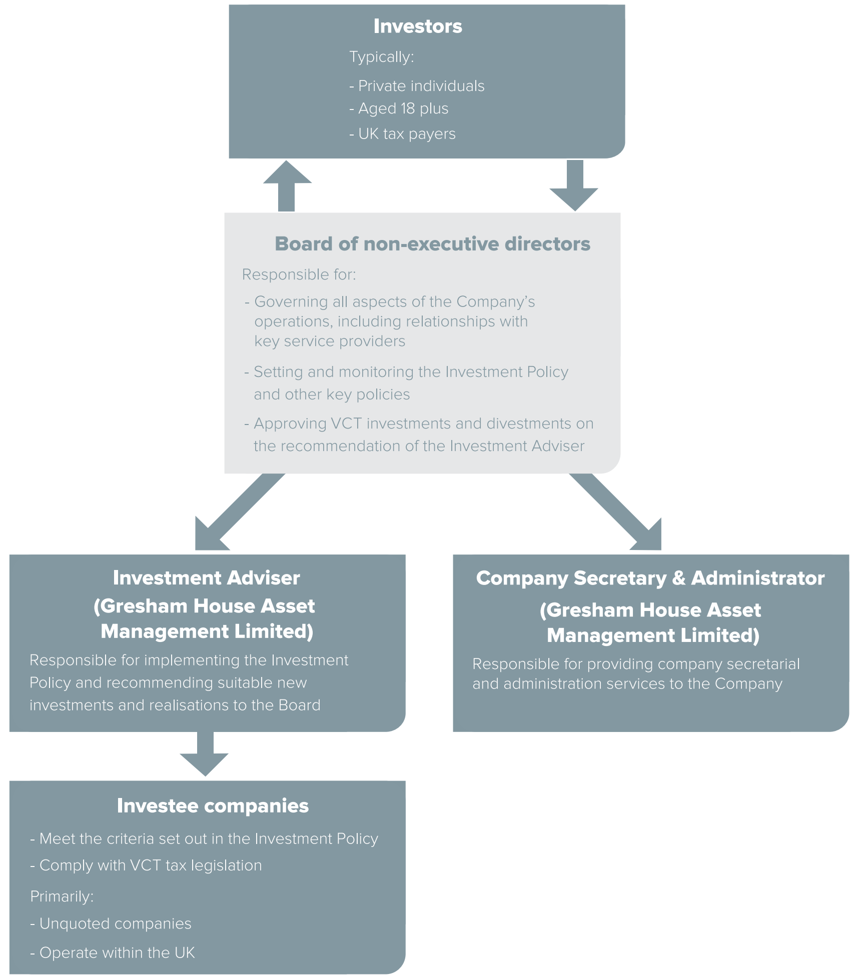
The Company is an externally advised VCT with a Board comprising Non-Executive Directors only. The Board has overall responsibility for the Company's affairs including the determination of its Investment Policy (material changes to which are subject to approval by Shareholders). Investment advice and operational support are outsourced to external service providers (including the Investment Adviser, Company Secretary and Administrator and Registrar), with the key strategic and operational framework and key policies set and monitored by the Board. Investment and divestment proposals are originated, negotiated and recommended by the Investment Adviser and are then subject to comment, approval or rejection by the Directors. Further details are contained in the Stakeholder Engagement and Directors' Duties section on pages 29 to 31.

The Company usually co-invests alongside the Baronsmead VCTs and the other Mobeus VCTs managed and advised by Gresham House in new unquoted VCT qualifying investments in proportion to the relative net assets of each VCT (excluding direct AIM investments).

The total percentage of equity held in each investment by all funds advised by the Investment Adviser is shown in Note 9 - Significant Interests on page 67.

Private individuals invest in the Company to benefit from both income and capital returns from the portfolio. By subscribing for shares in a VCT they also receive immediate income tax relief (currently 30% of the amount subscribed by an investor). Investors receive tax-free dividends from the Company and incur

The Company's business model is set out in the diagram below.



no capital gains tax upon the eventual sale of the shares. These tax benefits are subject to the Company maintaining its approved VCT status and the shares being held for a minimum of five years from the date of subscription.

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. Some of these are classified as alternative performance measures ("APMs") in line with Financial Reporting Council ("FRC") guidance. See Glossary of terms for details on page 82. APMs are measures of performance that are in addition to the data reported in the Financial Statements. 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 2022, 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's Objective is to generate long-term growth in capital and income. To assess this, the Board monitors the growth in total returns per share, both on a NAV basis and a share price basis, adjusted for dividends paid in the year. NAV basis reflects the net assets of the Company and share price basis reflects the price at which a Shareholder could expect to sell their shares. These are the most widely used measures of performance in the VCT sector.

Total returns per share for the year

The Net Asset Value and share price total returns per share for the year ended 31 December 2022 were (15.5)% (2021: 42.7%) and (8.4)% (2021: 50.4%) respectively, as shown below:

Total return (p)		NAV basis (p)		Share price basis (p)
	Closing NAV per share	80.05	Closing share price	76.50
	Plus: dividend paid in year (Note 1)	14.00	Plus: dividend paid in year (Note 1)	14.00
	NAV Total return for year	**94.05**	**Share price Total return for year**	**90.50**
	Less: opening NAV per share	(111.27)	Less: opening share price	(98.75)
	Decrease in NAV Total return for year per share (Note 2)	**(17.22)**	**Decrease in Share price Total return for year per share**	**(8.25)**
	% NAV Total return for year*	**(15.5)%**	% share price Total return for year*	**(8.4)%**

* The Share Price total return differs from the NAV Total return because the share price at the year end and previous year end is by reference to the latest announced NAV per share at the time. For example, the share price at 31 December 2022 is by reference to the latest announced NAV per share, being 80.50 pence as at 30 September 2022 adjusted for a 6.00 pence dividend paid on 7 November 2022.

Note 1: The dividends paid in the year were interim dividends in respect of the year ended 31 December 2021 of 4.00 pence per share paid on 7 January 2022, and in respect of the year ended 31 December 2022, 4.00 pence paid on 8 July 2022 and 6.00 pence per share paid on 7 November 2022.

Note 2: NAV Total return per share for the year is comprised of:

Year ended 31 December	2022 (p)	2021 (p)
Gross portfolio capital returns	(14.09)	35.86
Gross income returns	1.90	1.62
Costs (including tax charge)	(2.35)	(2.62)
Other movements	(2.68)	(0.09)
NAV Total return for the year as above (2022 only)	**(17.22)**	**34.77**

The contributions from portfolio returns and income are shown before deducting attributable costs. They are explained below under review of financial performance for the year. Costs are referred to in section 6 on page 11.

Review of financial performance for the year

For the year ended 31 December	2022 £m	2021 £m
Capital return	(16.12)	28.64
Revenue return	0.94	0.44
Total return	**(15.18)**	**29.08**

The capital loss for the year of £(16.12) million ((15.44) pence of NAV return for the year per share, plus costs charged to capital) is primarily due to a net decrease in the unrealised valuation of portfolio companies. There were realised gains from the sale of Media Business Insight Holdings Limited, and EOTH Limited as well as proceeds received from investments realised in a previous year. The fall in capital returns from £28.64 million to a loss of £16.12 million is principally due to unrealised losses of values of existing portfolio companies compared to 2021 (£41.16 million decrease) compounded by a lower level of realised gains (£3.46 million decrease). The revenue profit for the year of £0.94 million (0.90 pence of NAV return for the year per share, net of costs charged to revenue) is derived from income, primarily loan interest and preference share dividends, outweighing revenue expenses. The reason for the increase over the year is mainly due to a large preference share dividend received from EOTH as well as an increase in income received from liquidity fund balances. This higher income outweighed higher expenses charged to revenue (mainly due to higher Investment Adviser fees arising from higher net assets over the year) as well as higher subscriptions and registrar fees.

Cumulative total returns per share for the year

Cumulative total return (p)		NAV basis (p)		Share price basis (p)
	Closing NAV per share	80.05	Closing share price	76.50
	Plus: cumulative dividends paid to date	153.20	Plus: cumulative dividends paid to date	153.20
	Closing cumulative total return	**233.25**	**Closing cumulative total return**	**229.70**
	Less: opening cumulative total return	(250.47)	Less: opening cumulative total return	(237.95)
	Decrease in cumulative total return for year	**(17.22)**	**Decrease in cumulative total return for year**	**(8.25)**

Taking into account initial income tax relief, founder Shareholders who invested in 1999 have now seen, as at 31 December 2022, an overall gain on net investment cost of 45.8% (2021: 56.5%) since the launch of the Company. This is calculated as closing cumulative total return per share of 233.25 pence, as a percentage of 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 88.6%.

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.

Both NAV and share price returns for the year are considered to be disappointing, but are heavily influenced reflective of the external economic factors outlined in the Chairman's Statement. It is the Board's opinion that the nature of VCT investing reflects a medium to long-term horizon particularly by reference to the five year hold period for investors to be eligible for upfront income tax relief.

Strategic Report

Internal rate of return ("IRR")

	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	9.0%
1999 Shareholders	200.0	20%	160.0	1.9%
Without benefit of Income Tax Relief				
2006/7 Shareholders	120.9	n/a	n/a	5.4%
1999 Shareholders	200.0	n/a	n/a	0.8%

The table above shows the Internal rate of return of Shareholders' investment for those founder Shareholders who invested in 1999 beneath those Shareholders who invested in 2006/7, shortly after the date at which Mobeus (now Gresham House) took over as sole Investment Adviser.

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

The Board places emphasis on the Company's performance against a peer group of VCTs and has a target of being ranked in the top half of Generalist VCTs. Using the benchmark of NAV total return (assuming dividends are reinvested) on an investment of £100, the Company is ranked 5th out of 39 (2021: 3rd out of 40) over three years, and 2nd out of 37 (2021: 4th out of 38) over five years amongst generalist VCTs by the AIC (based on statistics prepared by Morningstar) at 31 December 2022. The Board is pleased with the relative performance of the Company.

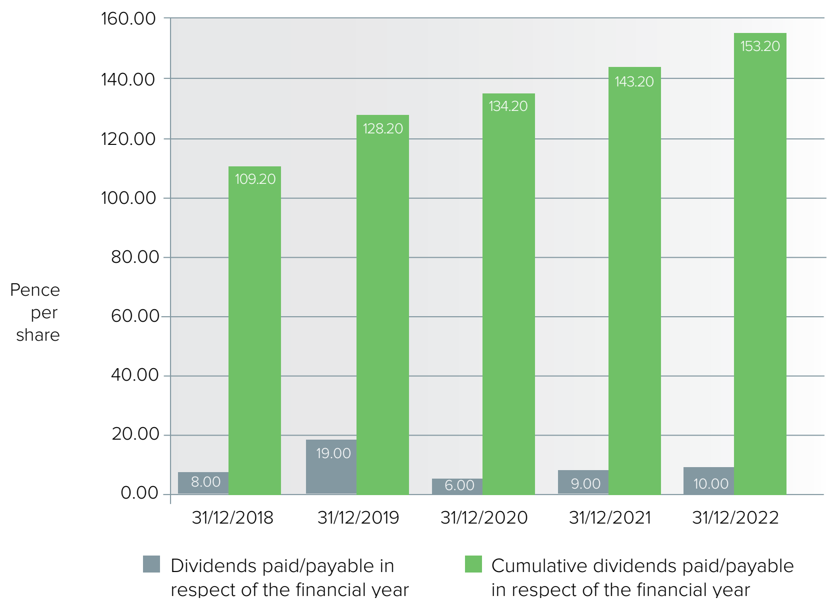
3. Dividends paid compared with the dividend target

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 thirteen financial years. **However, the Board continues to review the sustainability of this target. 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 dividend target, the gradual move of the portfolio to growth capital investments is likely to result in annual ordinary dividend payments being more volatile and, at least over the medium-term, may be lower than have been paid in the recent past.

During the year, the Company paid an interim dividend of 4.00 pence per share on 8 July 2022 and an interim dividend of 6.00 pence per share on 7 November 2022 in respect of the year ended 31 December 2022.

On 7 January 2022, the Company paid a second interim dividend of 4.00 pence in respect of the year ended 31 December 2021.

For details on the capital and revenue breakdown of these dividends for the year, please see Note 7 on page 64.



Dividends totalling 10.00 pence per share were paid in respect of the year ended 31 December 2022. Cumulative dividends paid to date since launch are 153.20 pence.

4. Compliance with VCT legislation

In making their investment in a VCT, Shareholders become eligible for several tax benefits under VCT tax legislation, as long as the Company also complies with VCT tax legislation. To achieve this, the Company must meet a number of tests set by the VCT tax legislation. The principal tests are summarised in the panel entitled 'Summary of VCT Legislation' on page 6. In respect of the year ended 31 December 2022, the Company continued to meet these tests.

5. Management of share price discount to NAV

The Board recognises that Shareholders may wish to sell their shares from time to time and that the secondary market for VCT shares can be limited. The impact of this secondary market is that the Company's share price will typically trade at a level which is less than the Company's latest published NAV per share. Subject to the Company having sufficient available funds and distributable reserves, it is the Board's intention to pursue a buyback policy with the objective of managing the discount to the latest published NAV per share.

This buyback policy provides a mechanism for the Company to 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 as market liquidity in VCTs is normally very restricted. Continuing Shareholders benefit from the difference between the NAV and the price at which the shares are bought back and cancelled.

Shareholders granted the Directors authority to buyback up to 12.6 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 17 May 2022. 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. A resolution to renew this authority will be proposed at the forthcoming AGM in May 2023. The resolution will grant authority for the Company to buyback up to 14.99% of the Company's own Ordinary shares in issue, and will normally expire at the AGM to be held in 2024.

During the year ended 31 December 2022, Shareholders holding 1,796,536 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 5% to the previously announced NAV per share. The Company subsequently purchased these shares at prices of between 76.48 and 97.56 pence per share and cancelled them.

The discount for the Company's shares at 31 December 2022 was 5.0% (2021: 4.7%) based on the share price shown in the table on page 8 and the NAV at 30 September 2022 of 80.50 pence adjusted for a 6.00 pence dividend paid on 7 November 2022.

In total, the Company bought back 2.2% 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 2022.

6. Costs

Shareholders will be aware there are a number of costs involved in operating a VCT. Although Shareholders do not bear costs in excess of the expense cap of 3.4%, the Board monitors its costs carefully and seeks to maintain an Ongoing Charges Ratio well below 3.4%.

The Board monitors costs using the Ongoing Charges Ratio[1], which is as follows:

	2022	2021
Ongoing charges	2.70%	2.39%
Performance fee	0.00%	0.00%
Ongoing charges plus accrued performance fee	2.70%	2.39%

[1] The Ongoing Charges Ratio has been calculated, using the AIC recommended methodology.

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 2022 (2021: £nil).

The Ongoing Charges Ratio for the year has increased from last year as a result of the combined impact of an increase in expenses (details below) and a decrease in average net assets over the year.

Investment Adviser fees and other expenses

Investment Adviser fees charged to both revenue and capital have increased by £0.17 million to £1.88 million. Other expenses (all charged to revenue) have increased by £0.14 million to £0.60 million. This increase was due to a rise in subscription, registrar fees and director recruitment fees as well as a provision against loan interest regarded as receivable in the previous year. These increases were partially offset by a fall in Directors fees compared to 2021 as one Director retired during the year. Further details of these expenses are contained in the Financial Statements on pages 55 to 76 of this Annual Report.

Strategic Report

Investment Adviser's Review

Portfolio Review

In the year to 31 December 2022 many quoted market values have declined significantly and the current economic conditions continue to create challenging circumstances. UK business has seen both demand and operating margins come under pressure in the face of widely reported increases in inflation, interest rates and the associated threat of recession. The impact of this is now being seen on consumer confidence and business investment.

In the early half of 2022 portfolio value change was therefore characterised by declining market multiples with relatively stable company level trading performance carried over in part by the momentum gained during 2021. However, in the latter part of 2022 and into 2023, the situation has reversed. Markets and multiples appear to be stabilising while value change has been driven by the challenging economic conditions which have started to feed through to portfolio company trading performance. The Company's investment values have been insulated partially from market movements by the defensive investment structures employed in many of the portfolio companies. These act to moderate valuation swings and the net result is a more modest decline in portfolio value.

Whilst inflation is moderating following the rises in base rates, it is still at a very high level and therefore a recession risk remains in the UK during 2023 – albeit recent comment suggests this may be shallower and shorter than originally feared. There are also early signs that supply chains are returning to normality, that the labour market is easing and that there are pockets of positive market sentiment. In February 2023, the FTSE 100 index reached an all-time high, although this should be viewed with caution as many large companies included in that index generate substantial earnings overseas. The outlook is therefore mixed, and the emphasis is therefore on robust funding structures and on being prepared for all foreseeable eventualities. The Gresham House non-executive directors who sit on each portfolio company board have responded by working with their boards to ensure that appropriate scenario planning has been done to achieve the best results during these uncertain times. There is also now a greater focus on cash management and capital efficiency. With ample liquidity following the recent fundraise, the Company is also well placed to support portfolio companies with follow-on funding where it is appropriate and can be done on attractive terms.

There are some specific highs in the portfolio such as Preservica which continues to see strong trading and is out-performing budget. The partial exit from EOTH was also an excellent result after a long running process which had to negotiate numerous economic and geo-political hurdles. By contrast, there were also some significant falls. The largest was at Virgin Wines, where market sentiment shifted heavily against the whole sector despite Virgin Wines itself outperforming its peers. MyTutor was also impacted by declining sector multiples combined with slower than anticipated growth over the year.

During the year, the Company made four new growth capital investments totalling £2.03 million and made follow-on investments into six portfolio companies totalling £1.75 million, a breakdown of these is included later in this Review. The £2.03 million of new investments represent the Company's allocated investment share across all six VCTs managed or advised by Gresham House, including the two Baronsmead VCTs.

Two strong exits were achieved during the year from MBI and EOTH. On MBI, the Company received a total of £3.98 million in proceeds during the year generating a realised gain of £0.42 million. For EOTH the Company received a total of £4.27 million in proceeds during the year producing a realised gain of £0.36 million and the interest yielding loan stock was also retained. These were both extremely successful investments which, over their lifetime, produced returns of 2.2x and 6.9x as a multiple of the original investment cost.

As well as these successes, it was disappointing that Andersen EV went into administration towards the end of the year despite securing some large clients such as Porsche and JLR. Andersen encountered very difficult trading conditions with substantially reduced demand, supply chain issues, cost pressures and the removal of government consumer support for the purchase of EV chargers. A realised loss of £0.44 million was recognised during the financial year as a result.

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

Investment Portfolio Capital Movement	2022 £m	2021 £m
Increase in the value of unrealised investments	1.08	27.19
Decrease in the value of unrealised investments	(16.53)	(1.48)
Net (decrease)/increase in the value of unrealised investments	**(15.45)**	**25.71**
Realised gains	1.18	4.26
Realised losses	(0.44)	(0.07)
Net realised gains in the year	**0.74**	**4.19**
Net investment portfolio movement in the year	**(14.71)**	**29.90**

The portfolio movements in the year are summarised as follows:

	2022 £m	2021 £m
Opening portfolio value	65.58	41.68
New and follow-on investments	3.78	6.23
Disposal proceeds	(8.70)	(12.23)
Net investment portfolio movement in the year	(14.71)	29.90
Portfolio value at 31 December	**45.95**	**65.58**

New Investments during the year

The Company made four new investments totalling £2.03 million during the year, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
proximityinsight	Proximity Insight	Retail software	February 2022	0.61

Proximity Insight (proximityinsight.com) is a retail technology business that offers a 'Super-App' that is used by the customer-facing teams of brands and retailers to engage, inspire and transact with customers. Headquartered in London with offices in New York and Sydney, Proximity Insight has a global client base that includes over 20 brands, boutiques and department stores in fashion, beauty, jewellery, electronics and homewares. These clients use Proximity Insight's platform to integrate the lines between physical and digital retail, enhancing the customer experience and improving the lifetime value of their customers by upwards of 35%. The business grew annual recurring revenue by 117% to £2.2 million in 2021, and the investment will support Proximity Insight's continued product development and international growth.

	Company	Business	Date of investment	Amount of new investment (£m)
Bidnamic	Bidnamic	Marketing technology	May 2022	0.48

Lads Store Limited, trading as "Bidnamic" (bidnamic.com) is a marketing technology business that offers a Software-as-a-Service ("SaaS") platform for online retailers to manage their search engine marketing spend. The technology was all developed internally and uses bespoke machine learning algorithms to automate the management and optimisation of online retail customers' Google shopping spend. The ARR of the business has grown substantially over the last two years and this is projected to continue. The investment round will be used to further enhance the product's capabilities and drive continued ARR growth through expanding the sales & marketing team and building a presence in North America.

	Company	Business	Date of investment	Amount of new investment (£m)
FocalPoint	FocalPoint	GPS enhancement software provider	September 2022	0.50

Focal Point Positioning Limited (focalpointpositioning.com) is a deep tech business with a growing IP and software portfolio. Its proprietary technology applies advanced physics and machine learning to dramatically improve the satellite-based location sensitivity, accuracy, and security of devices such as smartphones, wearables and vehicles and reduce costs.

	Company	Business	Date of investment	Amount of new investment (£m)
ORRI	Orri	Specialists in eating disorder support	September 2022	0.44

Orri Limited (orri-uk.com) is an intensive day care provider for adults with eating disorders. Orri provides an alternative to expensive residential in-patient treatment and lighter-touch outpatient services by providing highly structured day and half day sessions either online or in-person at its clinic on Hallam Street, London. Orri opened its current clinic on Hallam Street, London in February 2019 which provides a homely environment in a converted 4-storey house but which is operating at capacity. The plan sees a larger site being leased nearby with Hallam Street being used to provide a step-down outpatient service.

Further investments during the year

A total of £1.75 million was invested into six existing portfolio companies during the year, as detailed below:

	Company	Business	Date of investment	Amount of further investment (£m)
Caledonian Leisure Ltd	Caledonian Leisure	UK Leisure and experience breaks	January / February 2022	0.22

Caledonian Leisure works with accommodation providers, coach businesses and other experienced providers (such as entertainment destinations and theme parks) to deliver UK-based leisure and experience breaks to its customers. It comprises two brands, Caledonian Travel (caledoniantravel.com) and UK Breakaways (ukbreakaways.com). The domestic leisure and experience travel market was devastated by the COVID-19 pandemic, but the company was well-placed to expand as lockdown and travel restrictions eased. A series of planned investment tranches has helped the company prepare for and capitalise on the strong demand for UK staycation holidays.

Strategic Report

	Company	Business	Date of investment	Amount of further investment (£m)
NORTHERN BLOC	Northern Bloc	Dairy and allergen-Free ice cream producer	April 2022	0.12

Northern Bloc Ice Cream (northern-bloc.com) is an established food brand in the emerging and rapidly growing vegan market. By focusing on chef quality and natural ingredients, Northern Bloc has carved out an early mover position in the dairy and allergen-free ice cream sector. The company's focus on plant-based alternatives has strong environmental credentials as well as it being the first ice cream brand to move wholly into sustainable packaging. Following the initial investment in December 2020, Northern Bloc has grown and strengthened its prospects against a challenging market backdrop. This further investment provides additional working capital and funds a new production facility to increase its resilience, flexibility and margins in the future.

	Company	Business	Date of investment	Amount of further investment (£m)
ANDERSEN	Andersen EV	Premium EV chargers	May 2022	0.24

Muller EV Limited (trading as Andersen EV) (andersen-ev.com) was a design-led manufacturer of premium electric vehicle (EV) chargers. Incorporated in 2016, this business secured high profile partnerships with household brands, establishing an attractive niche position in charging points for the high-end EV market. This follow-on funding was to further support its premium brand and product positioning whilst ensuring all new and existing products met the most recent and highest safety and compliance standards. Unfortunately, external factors caused its market and trading prospects to worsen rapidly, including substantially reduced demand, global supply chain issues, inflation and the removal of government consumer support for the purchase of EV chargers. The company therefore entered administration before the year-end.

	Company	Business	Date of investment	Amount of further investment (£m)
rotageek	RotaGeek	Workforce management software	June 2022	0.22

RotaGeek (rotageek.com) is a provider of cloud-based enterprise software to help larger retail, leisure and healthcare organisations to schedule staff effectively. RotaGeek has proven its ability to solve the scheduling issue for large retail clients effectively competing due to the strength of its technologically advanced proposition. The company has made significant commercial progress since the VCTs first investment nearly doubling Annual Recurring Revenues (ARR). This investment aims to boost ARR and enable the company to take advantage of further large client opportunities.

	Company	Business	Date of investment	Amount of further investment (£m)
VIVA CITY	Vivacity	Provider of artificial intelligence & urban traffic control systems	July 2022	0.62

Vivacity (vivacitylabs.com) develops camera sensors with on-board video analytics software that enables real-time anonymised data gathering of road transport system usage. It offers city transport authorities the ability to manage their road infrastructure more effectively, enabling more efficient monitoring of congestion and pollution levels as well as planning for other issues, such as the changing nature of road usage (e.g. the increasing number of cyclists). The technology and software represent a significant leap forward for local planning authorities which have traditionally relied upon manual data collection methods. This further investment will help boost the company's revenues through development of new functionality to enhance its product suite which can also be installed into the existing asset base.

	Company	Business	Date of investment	Amount of further investment (£m)
BLEACH LONDON	Bleach	Hair Colourants brand	August 2022	0.33

Bleach London Holdings ("Bleach") (bleachlondon.com) is an established brand which develops and markets a range of innovative haircare and colouring products. Bleach is regarded as a leading authority in the hair colourant market having opened one of the world's first salons focused on colouring and subsequently launched its first range of products in 2013. This further investment was part of a wider £5.5 million investment round alongside existing shareholders and a strategic partner. The funds will be used to drive further expansion into the strategically important North American market and to consolidate the brand's position in the UK.

Portfolio valuation movements

Across the portfolio, comparable market multiples that are used as the basis of valuation have declined over the year, some by over 30%, but the levels at the year-end reflect a degree of stabilisation over the final quarter of 2022. Together with several downward revisions to trading forecasts in the latter half of the year, this has driven a general decline in investee company values. As noted, the defensive investment structures used in many of the portfolio companies serve to moderate the impact of such company value movements on VCT value. The need to protect and develop value going forwards in such an uncertain environment underlines the need for portfolio readiness and planning, robust funding and close monitoring by the Gresham House team.

The main reductions within total valuation decreases of £(16.53) million, were:

- Virgin Wines – £(6.89) million
- MyTutor – £(1.73) million
- Buster and Punch – £(1.30) million
- Wetsuit Outlet – £(1.15) million
- Active Navigation – £(1.01) million

Virgin Wines has suffered its sector's negative sentiment notwithstanding the outperformance of its peers. More recently, it also experienced some short term operational difficulties particularly in the last quarter of the 2022. MyTutor's growth has slowed post COVID coupled with a decline in market multiples. Buster and Punch and Wetsuit Outlet are both consumer facing businesses that have experienced challenging trading conditions which resulted in profit downgrades. ActiveNav has developed a new business line which has gained significant traction and offers potential but the core business has grown more slowly than planned which has led to an overall reduction in its valuation.

The uplifts within the total valuation increase of £1.08 million were:

- Tharstern – £0.44 million
- Bella & Duke – £0.30 million
- Orri – £0.22 million
- Preservica – £0.12 million

Tharstern has continued to deliver strong trading performance. Bella & Duke has seen improvements in revenues. Preservica continues to build its high retention, long contract term SaaS business, improving recurring revenues year on year. Orri is performing as planned and the valuation uplift simply reflects the first time recognition of the preferential investment structure.

Portfolio Realisations during the year

The Company realised two investments, one of which was a partial realisation, as detailed below:

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
MBI	MBI	Publishing and events business	January 2015 to June 2022	£6.11 million 2.2x cost

The Company realised its whole investment in MBI for £3.98 million (realised gain in the year: £0.42 million) including deferred proceeds received since completion. Total proceeds received over the life of the investment were £6.11 million compared to an original investment cost of £2.72 million, representing a multiple on cost of 2.2x and an IRR of 13.8%.

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
EQUIP OUTDOOR TECHNOLOGIES UK LTD	EOTH	Branded clothing (RAB and Lowe Alpine)	October 2011 to November 2022	£6.56 million 6.9x cost

The Company realised its equity investment in EOTH for £5.05 million (realised gain in the year: £0.36 million) including preference dividends. Total proceeds received to date over the life of the investment were £6.56 million compared to an original investment cost of £0.95 million, representing a multiple on cost of 6.9x and an IRR of 23.2%. The Company has retained its interest yielding loan stock investment. Once repaid, this should increase the multiple on cost to 7.9x.

Loan stock repayments and other gains/(losses) during the year

The Company also received loan repayments totalling £0.05 million from Jablite Holdings Limited.

In addition, deferred consideration totalling £0.40 million in realised gains was received in respect of investments realised in a previous year. Conversely, as discussed earlier, Muller EV (trading as Andersen EV) generated a realised loss in the year of £(0.44) million.

Portfolio income and yield

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

Investment Portfolio Yield	2022 £m	2021 £m
Interest received in the year	0.71	0.98
Dividends received in the year	0.93	0.35
Total portfolio income in the year[1]	**1.64**	**1.33**
Portfolio Value at 31 December	**45.95**	**65.58**
Portfolio Income Yield (Income as a % of Portfolio value at 31 December)	**3.6%**	**2.0%**

[1] Total portfolio income in the year is generated solely from investee companies within the portfolio.

Strategic Report

New investment made after the year-end

£0.75 million was invested into a new investment after the year-end, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Connect Earth	Environmental data provider	March 2023	0.25
	Cognassist	Education and neuro-inclusion software	March 2023	0.50

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

Cognassist (cognassist.com) is an education and neuro-inclusion solutions company that provides a Software-as-a-Service (SaaS) platform focused on identifying and supporting individuals with hidden learning needs. The business is underpinned by extensive scientific research and a vast cognitive dataset. Founded in 2019 by Chris Quickfall, Cognassist has scaled its underlying business within the education market, enabling apprentices to unlock government funding and helping diverse minds to thrive. This investment will empower Cognassist to continue its growth within the education market and penetrate the enterprise market, where demand for neuro-inclusive solutions to adequately support employees is rapidly emerging.

Realisations after the year end

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

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

Environmental, Social and Governance considerations

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

The Investment Adviser has a team which is focused on sustainability as well as the Investment Adviser's Sustainability Committee who provide oversight and accountability for the Investment Adviser's approach to sustainability across its operations and investment practices. This is viewed as an opportunity to enhance the Company's existing protocols and procedures through the adoption of the highest industry standards. Each investment executive is responsible for setting and achieving their own individual ESG objectives in support of the wider overarching ESG goals of the Investment Adviser. The Investment Adviser's Private Equity division has its own Sustainable Investment Policy, in which it commits to:

- Ensuring its team understands the imperative for effective ESG management and is equipped to carry this out through management support and training.
- Conduct regular monitoring of ESG risks, opportunities and performance in its investments.
- Incorporate ESG into its monitoring processes.

Outlook

With inflation, political uncertainty and the threat of recession impacting consumer confidence and business investment, the number of UK businesses experiencing financial stress is set to increase. This will impact all sectors and businesses to varying degrees and may present attractive opportunities for a selective investor with the advantage of being able to take a longer term view, such as your Company. However, the economic backdrop will also impact our existing portfolio companies and would present a challenge to less experienced management teams and their advisers.

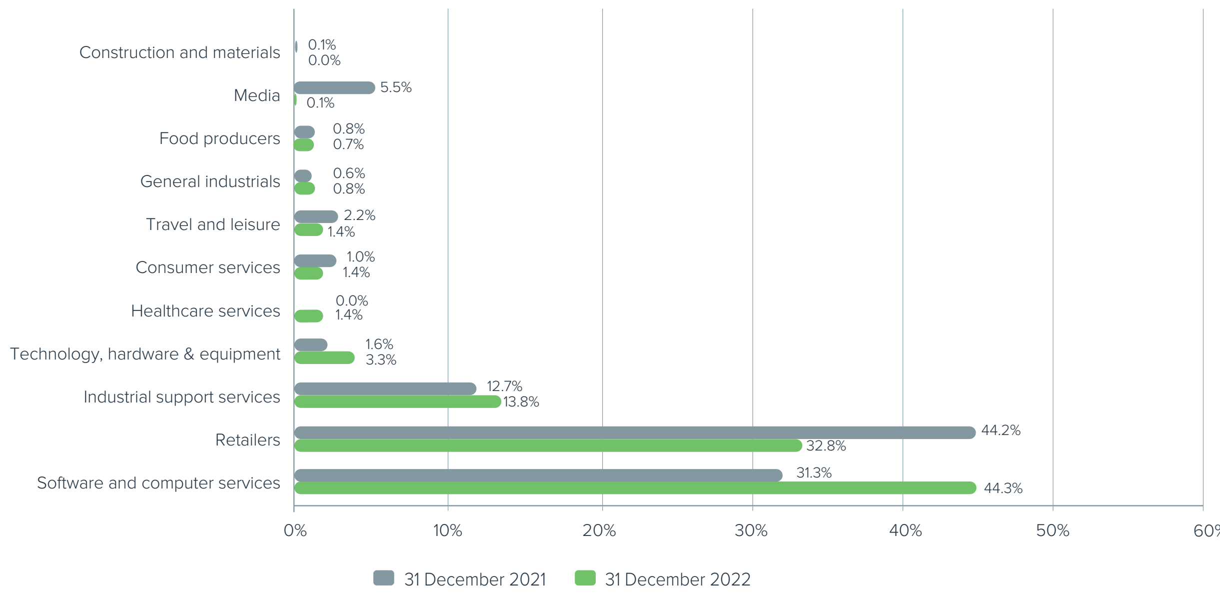
Markets are volatile and uncertain and business planning is acutely difficult. As such, the experience of seasoned investment managers will be increasingly important in the coming year as they seek to support their portfolio management teams in navigating through some particularly challenging short-term trading conditions. In this respect, Gresham House feels well placed in having one of the largest and most experienced portfolio teams in the industry with an average of over 18 years relevant industry experience. The Company has ample liquidity to provide further support to its portfolio businesses through this period and is keen to make such investments where there is a commercial case to do so over the medium to long-term.

Gresham House Asset Management Limited
Investment Adviser

5 April 2023

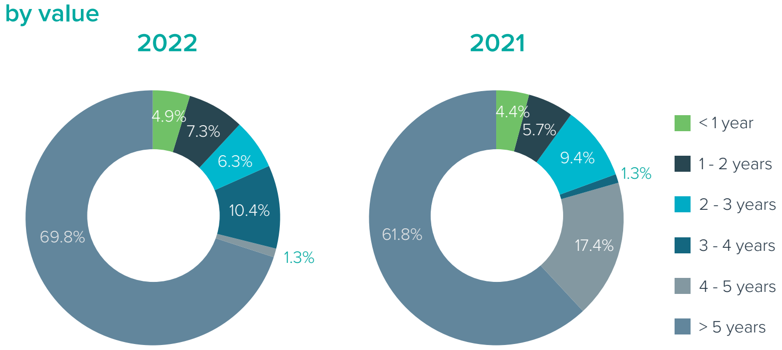
Investments by market sector

Investments by value remain spread across a number of sectors, primarily in software and computer services, retailers and industrial support services. Although the portfolio appears concentrated on three main sectors, the range of companies contained within these sectors is considered to be very diverse and the Investment Adviser continues to target further investments to complement these sectors.

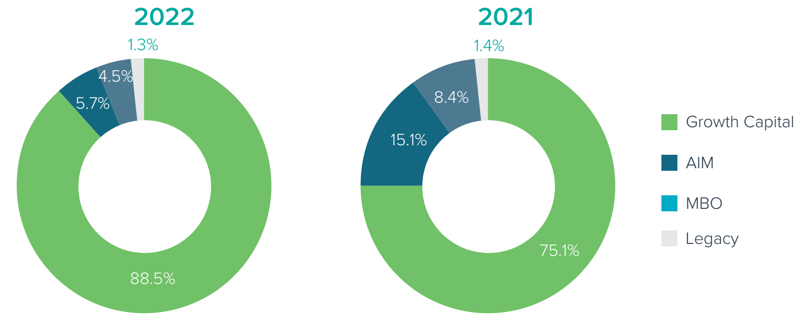


* All of the retail investments have branded online direct-to-consumer businesses with no physical high street retail presence, being Bella & Duke, Bleach London, Buster and Punch, EOTH (trading as RAB and Lowe Alpine), MPB Group, Parsley Box, Wetsuit Outlet, and Virgin Wines.

Age of the portfolio by value



Type of investment transaction by value



Growth Capital contains all investments made after the 2015 rule change which are young businesses using the Company's investment for growth and development purposes (as defined under VCT legislation). This category also contains a small number of growth capital style investments made before the 2015 VCT rule change under the Investment Adviser's MBO strategy.

MBO contains MBO type investments made under the Investment Adviser's previous MBO strategy. This typically includes companies which are more mature compared to those invested under the growth capital strategy.

Principal investments in the portfolio at 31 December 2022 by valuation

Preservica Limited

www.preservica.com

Cost	£3,398,000
Valuation	£11,182,000

Basis of valuation
Revenue multiple

Equity % held
13.1%

Income receivable in year
£62,477

Business
Seller of proprietary digital archiving software

Location
Abingdon, Oxfordshire

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2022
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net liabilities	£(1,001,000)
Year ended	31 March 2021
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net liabilities	£(3,057,000)

Additions/disposals during the year

None.

MPB Group Limited

www.mpb.com

Cost	£1,095,000
Valuation	£5,134,000

Basis of valuation
Revenue multiple

Equity % held
3.2%

Income receivable in year
Nil

Business
Online marketplace for photographic equipment

Location
Brighton

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2022
Turnover	£97,793,000
Operating loss	£(4,959,000)
Net assets	£25,624,000
Year ended	31 March 2021
Turnover	£64,888,000
Operating loss	£(911,000)
Net assets	£31,267,000

Additions/disposals during the year

None.

My Tutorweb Limited

www.mytutor.co.uk

Cost	£2,465,000
Valuation	£3,287,000

Basis of valuation
Revenue multiple

Equity % held
5.3%

Income receivable in year
Nil

Business
Digital marketplace connecting school pupils seeking one-to-one online tutoring with tutors

Location
London

Original transaction
Growth capital

Audited financial information

Year ended	31 December 2021
Turnover	£17,152,000
Operating profit/(loss)	£(7,482,000)
Net assets	£11,247,000
Year ended	31 December 2020[1]
Turnover	£7,246,000
Operating profit/(loss)	£(2,379,000)
Net assets	£3,242,000

[1] The financial information quoted for 2020 is restated.

Additions/disposals during the year

None.

Financial information above and opposite is derived from publicly available Report and accounts. The valuation of each investee company is derived in line with the valuation methodology detailed in Note 9 and is typically based upon each investee company's latest management accounts information not yet disclosed to public sources.

Further details of the investments in the portfolio may be found on the Gresham House ventures website: www.greshamhouseventures.com

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

Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van)

www.ward-thomas.co.uk

Cost	£349,000
Valuation	£2,986,000

Basis of valuation
Earnings multiple

Equity % held
6.6%

Income receivable in year
£152,110

Business
A specialist logistics, storage and removals business

Location
London

Original transaction
Growth capital

Audited financial information

Year ended	30 September 2021
Turnover	£38,530,000
Operating profit	£8,694,000
Net assets	£16,378,000
Year ended	30 September 2020
Turnover	£26,984,000
Operating profit	£4,143,000
Net assets	£14,286,000

Additions/disposals during the year

None.

Virgin Wines UK plc

www.virginwines.co.uk

Cost	£46,000
Valuation	£2,591,000

Basis of valuation
Bid price (AIM quoted)

Equity % held
8.3%

Income receivable in year
Nil

Business
Online wine retailer

Location
Norwich

Original transaction
Management buyout

Audited financial information

Period ended	1 July 2022
Turnover	£69,152,000
Operating profit	£6,164,000
Net assets	£22,073,000
Period ended	2 July 2021
Turnover	£73,634,000
Operating profit	£3,468,000
Net assets	£17,627,000

Additions/disposals during the year

None.

Bella & Duke Limited

www.bellaandduke.com

Cost	£877,000
Valuation	£2,353,000

Basis of valuation
Revenue multiple

Equity % held
4.4%

Income receivable in year
Nil

Business
A premium frozen raw dog food provider

Location
Edinburgh

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2022
Turnover	£19,271,000
Operating loss	£(2,024,000)
Net assets	£2,998,000
Year ended	31 March 2021
Turnover	£11,230,000
Operating loss	£(1,861,000)
Net assets	£1,024,000

Additions/disposals during the year

None.

Further details of the investments in the portfolio may be found on the Gresham House ventures website: www.greshamhouseventures.com

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

Principal investments in the portfolio at 31 December 2022 by valuation

End Ordinary Group Limited (trading as Buster and Punch)

www.busterandpunch.com

Cost	£1,497,000
Valuation	£2,003,000

Basis of valuation
Earnings multiple

Equity % held
7.8%

Income receivable in year
Nil

Business
Industrial inspired lighting and interiors retailer

Location
Stamford, Lincolnshire

Original transaction
Growth capital

Audited financial information

Year ended	31 March 2022
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net assets	£5,614,000
Year ended	31 March 2021
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net assets	£5,614,000

Additions/disposals during the year

None.

Arkk Consulting Limited

www.arkksolutions.com

Cost	£1,599,000
Valuation	£1,669,000

Basis of valuation
Revenue multiple

Equity % held
6.7%

Income receivable in year
£36,889

Business
Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements

Location
London

Original transaction
Growth capital

Audited financial information

Year ended	31 December 2021
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net liabilities	£(1,056,000)
Year ended	31 December 2020
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net liabilities	£(428,000)

Additions/disposals during the year

None.

Tharstern Group Limited

www.tharstern.com

Cost	£1,092,000
Valuation	£1,645,000

Basis of valuation
Earnings multiple

Equity % held
12.7%

Income receivable in year
£88,720

Business
MIS & Commercial print software solutions

Location
Lancashire

Original transaction
Management buyout

Audited financial information

Year ended	31 January 2022
Turnover	£4,519,000
Operating profit	£351,000
Net liabilities	£(1,679,000)
Year ended	31 January 2021
Turnover	£4,365,432
Operating profit	£585,000
Net liabilities	£(1,298,000)

Additions/disposals during the year

None.

Financial information above and opposite is derived from publicly available Report and accounts. The valuation of each investee company is derived in line with the valuation methodology detailed in Note 9 and is typically based upon each investee company's latest management accounts information not yet disclosed to public sources.

Further details of the investments in the portfolio may be found on the Gresham House ventures website: www.greshamhouseventures.com

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

Data Discovery Solutions Limited (trading as ActiveNav)

www.activenav.com

Cost	£1,409,000
Valuation	£1,610,000

Basis of valuation
Revenue multiple

Equity % held
7.1%

Income receivable in year
Nil

Business
Provider of a global market leading file analysis software for information governance, security and compliance

Location
Winchester

Original transaction
Growth capital

Audited financial information

Year ended	29 June 2022
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net assets	£4,305,000
Year ended	29 June 2021
Turnover	Not disclosed
Operating profit/(loss)	Not disclosed
Net assets	£3,940,000

Additions/disposals during the year

None.

Further details of the investments in the portfolio may be found on the Gresham House ventures website: www.greshamhouseventures.com

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

Investment Portfolio Summary

as at 31 December 2022

	Ordinary shares Cost at 31 December 2022 £	Ordinary shares Valuation at 31 December 2022 £	Other investments[1] (loan stock/preference shares) Cost at 31 December 2022 £	Other investments[1] (loan stock/preference shares) Valuation at 31 December 2022 £	Total cost at 31 December 2022 £	Total valuation at 31 December 2021 £	Total additional investments £	Total valuation at 31 December 2022 £	Unrealised gains/(losses) in year £	Net realised gains/(losses) in year £	Net proceeds in year £	% of equity held	% of portfolio by value
Preservica Limited Seller of proprietary digital archiving software	1,359,179	9,026,730	2,038,566	2,155,261	3,397,745	11,056,628	-	11,181,991	125,363	-	-	13.1%	24.3%
MPB Group Limited Online marketplace for used photographic equipment	1,095,252	5,133,801	-	-	1,095,252	5,764,694	-	5,133,801	(630,893)	-	-	3.2%	11.2%
My TutorWeb Limited (trading as MyTutor) Digital marketplace connecting school pupils seeking one-to-one online tutoring	2,464,757	3,287,020	-	-	2,464,757	5,015,751	-	3,287,020	(1,728,731)	-	-	5.3%	7.2%
Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van) A specialist logistics, storage and removals business	348,641	2,985,557	-	-	348,641	3,001,004	-	2,985,557	(15,447)	-	-	6.6%	6.5%
Virgin Wines UK plc[2] Online wine retailer	45,915	2,591,357	-	-	45,915	9,486,219	-	2,591,357	(6,894,862)	-	-	8.3%	5.6%
Bella & Duke Limited A premium frozen raw dog food provider	877,381	2,353,105	-	-	877,381	2,050,122	-	2,353,105	302,983	-	-	4.4%	5.1%
End Ordinary Group Limited (trading as Buster and Punch) Industrial inspired lighting and interiors retailer	1,496,785	2,002,576	-	-	1,496,785	3,305,392	-	2,002,576	(1,302,816)	-	-	7.8%	4.4%
Arkk Consulting Limited Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements	671,090	671,090	928,355	997,946	1,599,445	1,680,942	-	1,669,036	(11,906)	-	-	6.7%	3.6%
Tharstern Group Limited MIS & Commercial print software solutions	338,861	566,149	753,025	1,078,760	1,091,886	1,204,783	-	1,644,909	440,126	-	-	12.7%	3.6%
Data Discovery Solutions Limited (trading as Active Navigation) Provider of global market leading file analysis software for information governance, security and compliance	1,408,640	1,610,356	-	-	1,408,640	2,624,447	-	1,610,356	(1,014,091)	-	-	7.1%	3.5%
Vivacity Labs Limited Provider of artificial intelligence & urban traffic control systems	1,531,122	1,531,122	-	-	1,531,122	914,754	616,369	1,531,123	-	-	-	5.5%	3.3%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	1,166,551	12,272	1,166,551	1,166,551	2,333,102	2,331,133	-	1,178,823	(1,152,310)	-	-	6.4%	2.6%
EOTH Limited (trading as Equip Outdoor Technologies) Distributor of branded outdoor equipment and clothing including the RAB and Lowe Alpine brands	95,147	-	855,255	931,159	950,402	4,847,187	-	931,159	-	357,442	4,273,470	1.7%	2.0%
Bleach London Holdings Limited Hair colourants brand	960,057	834,129	-	-	960,057	791,477	330,285	834,129	(287,633)	-	-	4.1%	1.8%
Legatics Holdings Limited SaaS LegalTech software provider	663,011	663,011	-	-	663,011	663,011	-	663,011	-	-	-	6.0%	1.4%
Orri Limited An intensive day care provider for adults with eating disorders	438,200	653,845	-	-	438,200	-	438,200	653,845	215,645	-	-	3.6%	1.4%
Pets' Kitchen Limited (trading as Vet's Klinic) Veterinary clinics	360,640	360,640	270,480	270,480	631,120	631,120	-	631,120	-	-	-	4.5%	1.4%
IPV Limited Provider of media asset software	619,487	619,487	-	-	619,487	619,487	-	619,487	-	-	-	5.5%	1.3%
Rota Geek Limited Workforce management software	874,000	397,064	218,500	218,500	1,092,500	765,890	218,500	615,564	(368,826)	-	-	4.1%	1.3%

Notes

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

[2] Quoted on AIM.

Investment Portfolio Summary

as at 31 December 2022

	Ordinary shares Cost at 31 December 2022 £	Ordinary shares Valuation at 31 December 2022 £	Other investments[1] (loan stock/preference shares) Cost at 31 December 2022 £	Other investments[1] (loan stock/preference shares) Valuation at 31 December 2022 £	Total cost at 31 December 2022 £	Total valuation at 31 December 2021 £	Total additional investments £	Total valuation at 31 December 2022 £	Unrealised gains/(losses) in year £	Net realised gains/(losses) in year £	Net proceeds in year £	% of equity held	% of portfolio by value
Proximity Insight Holdings Limited Super-App used by customer-facing teams of brands and retailers to engage, inspire and transact with customers	608,000	608,000	-	-	608,000	-	608,000	608,000	-	-	-	2.5%	1.3%
Caledonian Leisure Limited Provider of UK leisure and experience breaks	328,502	336,953	219,000	172,528	547,502	695,000	219,000	509,481	(404,519)	-	-	6.6%	1.1%
Focal Point Positioning Limited A positioning technology company	500,612	500,612	-	-	500,612	-	500,612	500,612	-	-	-	0.6%	1.1%
Lads Store Limited (trading as Bidnamic) SaaS platform for optimisation of search engine marketing spend	480,538	477,345	-	-	480,538	-	480,538	477,345	(3,193)	-	-	1.1%	1.0%
CGI Creative Graphics International Limited Vinyl graphics to global automotive, recreation vehicle and aerospace markets	476,612	7,780	973,134	369,512	1,449,746	397,434	-	377,292	(20,142)	-	-	6.3%	0.8%
Northern Bloc Ice Cream Limited Dairy-free ice cream producer	425,670	319,253	-	-	425,670	498,768	121,620	319,253	(301,135)	-	-	6.3%	0.7%
Connect Childcare Group Limited Nursery management software provider	423,007	-	423,000	211,500	846,007	994,110	-	211,500	(782,610)	(1,269)	(1,269)	3.0%	0.5%
Spanish Restaurant Group Limited (trading as Tapas Revolution) Spanish restaurant chain	406,396	-	812,700	116,100	1,219,096	739,557	-	116,100	(623,457)	-	-	6.7%	0.3%
RDL Corporation Limited Recruitment consultants for the pharmaceutical, and IT industries	173,932	-	826,068	57,831	1,000,000	317,413	-	57,831	(259,582)	-	-	8.9%	0.1%
Parsley Box Group plc (formerly Parsley Box Limited)[2] Supplier of home delivered, ambient ready meals targeting the over 60s	631,003	39,144	-	-	631,003	417,536	-	39,144	(378,392)	-	-	1.8%	0.1%
Muller EV Limited (trading as Andersen EV) (in liquidation) Provider of premium electric vehicle (EV) chargers	585,598	-	-	-	585,598	195,200	243,998	-	-	(439,198)	-	8.8%	0.0%
Kudos Innovations Limited Online platform that provides and promotes academic research dissemination	328,950	-	-	-	328,950	81,979	-	-	(81,979)	-		2.4%	0.0%
Jablite Holdings Limited (in members' voluntary liquidation) Manufacturer of expanded polystyrene products	339,974	-	227	-	340,201	49,597	-	-	-	-	49,597	9.1%	0.0%
Veritek Global Holdings Limited Maintenance of imaging equipment	43,527	-	1,576,559	-	1,620,086	-	-	-	-	-	-	15.4%	0.0%
BookingTek Limited Software for hotel groups	582,300	-	-	-	582,300	-	-	-	-	-	-	3.5%	0.0%
Racoon International Group Limited Supplier of hair extensions, hair care products and training	419,959	-	64,388	-	484,347	-	-	-	-	-	-	8.0%	0.0%
Disposals in year													
Media Business Insight Holdings Limited A publishing and events business focused on the creative production industries	-	-	-	-	-	3,560,047	-	-	-	415,421	3,975,468	0.0%	0.0%
Oakheath Limited (in members' voluntary liquidation) Online platform that connects people seeking care home from experienced independent carers	-	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%

Notes

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

[2] Parsley Box Group plc was delisted from AIM in December 2022, the company changed its name on 11 January 2023 to Parsley Box Group Limited.

Strategic Report

Strategic Report

Investment Portfolio Summary

as at 31 December 2022

	Ordinary shares Cost at 31 December 2022 £	Ordinary shares Valuation at 31 December 2022 £	Other investments[1] (loan stock/preference shares) Cost at 31 December 2022 £	Other investments[1] (loan stock/preference shares) Valuation at 31 December 2022 £	Total cost at 31 December 2022 £	Total valuation at 31 December 2021 £	Total additional investments £	Total valuation at 31 December 2022 £	Unrealised gains/(losses) in year £	Net realised gains/(losses) in year £	Net proceeds in year £	% of equity held	% of portfolio by value
Proceeds from companies realised in previous years[2]	-	-	-	-	-	-	-	-	-	404,372	404,372	-	-
Total	**23,569,296**	**37,588,398**	**11,125,808**	**7,746,128**	**34,695,104**	**64,700,682**	**3,777,121**	**45,334,526**	**(15,178,407)**	**736,768**	**8,701,638**		**98.7%**
Former Elderstreet Private Equity Portfolio													
Cashfac Limited Provider of virtual banking application software solutions to corporate customers	260,101	582,292	-	-	260,101	851,035	-	582,292	(268,743)	-	-	2.9%	1.2%
Sift Group Limited Developer of business-to-business internet communities	135,391	34,862	-	-	135,391	32,750	-	34,862	2,112	-	-	1.3%	0.1%
Total	**395,492**	**617,154**	**-**	**-**	**395,492**	**883,785**	**-**	**617,154**	**(266,631)**	**-**	**-**		**1.3%**
Total Investment Portfolio	**23,964,788**	**38,205,552**	**11,125,808**	**7,746,128**	**35,090,596**	**65,584,467**	**3,777,121**	**45,951,680**	**(15,445,038)**	**736,768**	**8,701,638**		**100.0%**
Total Investment Portfolio split by type													
Growth focused portfolio[3]	22,126,008	35,040,266	6,932,407	6,240,025	29,058,415	50,568,974	3,777,121	41,280,291	(8,710,578)	(83,025)	4,676,573		89.8%
MBO focused portfolio[3]	1,838,780	3,165,286	4,193,401	1,506,103	6,032,181	15,015,493	-	4,671,389	(6,734,460)	819,793	4,025,065		10.2%
Investment Adviser's Total	**23,964,788**	**38,205,552**	**11,125,808**	**7,746,128**	**35,090,596**	**65,584,467**	**3,777,121**	**45,951,680**	**(15,445,038)**	**736,768**	**8,701,638**		**100.0%**

Notes

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

[2] £400,763 was received in respect of Vian Marketing Limited (trading as Red Paddle), and £3,609 was received in respect of Vectair Holdings Limited, both investments realised in a previous year.

[3] The growth focused portfolio contains all investments made after the change in the VCT regulations in 2015 plus some investments that are growth in nature made before this date. The MBO focused portfolio contains investments made prior to 2015 as part of the previous MBO strategy.

Strategic Report

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 its breadth of experience. The Board comprised of three men for the majority of the year following the retirement of Helen Sinclair in February 2022. Further to the appointment of Lindsay Dodsworth on 1 January 2023, the Board now comprises of 3 men and 1 woman. The Company does not have any senior managers or employees. The Board has made a commitment to always 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 are detailed earlier in this section, the Company has adopted a number of further policies relating to:

- Environmental and social responsibility;
- Human rights;
- Anti-bribery;
- Global greenhouse gas emissions;
- Whistleblowing;
- Financial risk management; and
- Anti-Tax Evasion;

further details of which are set out in the Directors' Report on pages 36 to 39.

Stakeholder Engagement and Directors' Duties

The Board has discussed the discharge of their Director's duties under Section 172 of the Companies Act 2006 having regard to the factors set out under Provision 5 of the Association of Investment Companies (AIC) Code and in line with the UK Corporate Governance Code. The views of and the impact of the Company's activities on the key stakeholders are an important consideration for the Board when making relevant decisions. The Board, in normal circumstances, engages directly with stakeholder groups through either regular or annual meetings and investor presentations to assist the Directors in understanding the issues to which they must have regard.

The table below sets out the interests of key stakeholders that have been considered throughout the year during the Board's discussions and in decision making.

Stakeholders	Engagement Type	Outcome
Shareholders	The key mechanisms of Shareholder engagement is: • Annual General Meeting • Annual, Half-year Reports and Interim Management Statements • Annual Investor Events • RNS Announcements • Website • Offer for subscription	• The AGM will be held on 24 May 2023. There will also be a live stream providing access to view the meeting remotely for those that cannot attend the meeting in person, although only Shareholders physically attending will be able to formally take part in the meeting and vote on resolutions on the day. Shareholders unable to attend have therefore been encouraged to submit their votes on resolutions via proxy forms ahead of the meeting. A recording of the AGM webcast will be available on the Company's website under Key Shareholder Information. • The Board made a decision to hold the AGM on the same day as the Mobeus Income & Growth VCT Plc AGM so that joint shareholders in both companies can attend on one day with a joint presentation by the Investment Adviser. This will reduce the amount of travel required by the Directors, Investment Adviser and Shareholders and save time for Shareholders by attending one rather than two meetings on different dates in the same month. • Shareholders are provided with Annual and Half-Year Reports in hard or soft copy according to their choice, which are also available on the Company's website. Voluntary Interim Management Statements are released in the quarters between reports to ensure Shareholders are kept up to date with the Company's events. The website is an important source of information for Shareholders and announcements are also regularly made through the London Stock Exchange. • The Share buyback programme has continued to be offered throughout the year. This provides Shareholders with liquidity if they wish to sell their shares, at a price close to the latest announced NAV per share. Further details are contained in the Chairman's Statement on page 4 and in the Director's Report on page 36. • Shareholders are welcome to contact the Chair or the Investment Adviser by email as advised on page 83 of this Report. • The Annual Shareholder Event was successfully held as a virtual event in February 2022, a further event took place on 23 March 2023 with a live Q&A session to encourage interaction between the Directors and the Board. If you were unable to attend, please register to view a recording of the event which is available at the following link: https://mvcts.connectid.cloud/.

Stakeholders	Engagement Type	Outcome
		● The Company seeks to create value for Shareholders by generating good returns which are eventually distributed to Shareholders as dividends. The importance of tax-free dividends to Shareholders is acknowledged by the Board and considered at each quarterly meeting. Decisions were made to declare two interim dividends totalling 10.00 pence per share for payment in respect of the year. The Company's dividend target of 4.00 pence has consistently been achieved or exceeded as outlined in the Chairman's Statement on page 2 and in the Strategic Report. ● The liquidity level of the Company has remained strong and is managed with the primary aim of preserving capital, as discussed at each Board meeting. Liquidity levels are managed after considering, inter alia, new and follow on investments, annual dividend commitments as well as the provision of the buyback facility. ● The Board, along with the three other Mobeus VCTs, opened Offers for Subscription on 20 January and on 5 October 2022 having considered: – the impact of dilution on existing shareholder holdings; – the ability to meet the dividend policy of the Company; – the ability of the Company given its liquidity levels to be able to meet HMRC's VCT investment rules and timeline; – the costs involved in issuing a prospectus payable by investors; – the fair treatment of investors across the four Mobeus VCTs and those investors that the Company will co-invest with.
Suppliers	Including: Registrar, Broker, Auditor, Lawyer, Sponsor, Banker and the VCT Status Adviser	● The Investment Adviser regularly communicates with each of the professional advisers and secures an annual confirmation of the policies they have in place. The Board review the performance of each provider on an annual basis.
Government & Regulators	The Board is committed to conducting business in line with the appropriate laws and regulation. Mobeus Income & Growth 4 VCT plc does not provide financial contributions to political parties or lobby groups.	● As a UK listed company the Board and Investment Adviser comply with the Companies Act, the UKLA, HMRC, UK Accounting Standards and FCA regulatory requirements in addition to the Alternative Investment Fund Managers Directive, to ensure the Company can continue to trade. Non-compliance with the VCT regulations in particular is viewed as a principal risk for the Company. The Company continued to comply with these regulations throughout the year and to the date of this Report.

Stakeholders	Engagement Type	Outcome
Investee Companies	The Investment Adviser, on behalf of the Company, provides support to the portfolio companies through continued communications, providing assistance such as the help of the Gresham House Talent Management Team.	● The Board has delegated authority for the day-to-day management of the Company to the Investment Adviser and engages with the Investment Adviser in setting, approving and overseeing the execution of the business strategy and related policies. ● The Board aims to have a diverse mix of companies across a range of different sectors and regularly reviews the composition of the portfolio. ● The Investment Adviser reports at the Company's quarterly Board meetings on each of the portfolio companies. Members of the Investment Adviser sit on the majority of the portfolio companies' boards. This is to provide input on key matters such as advancing the shareholder value agenda, ensuring class leading corporate governance and encouraging best practice in areas such as ESG. ● Considerable support continued to be provided to the investee companies during the year with regular communication undertaken outside of scheduled board meetings. The Investment Adviser organises Seminars and events that involve portfolio companies so that they can benefit from the Investment Adviser's network.
Investment Adviser	The Investment Adviser's performance is vital for the Company to deliver its investment strategy, meet its objectives and generate investment returns for Shareholders, and is a crucial relationship for the Board.	● The Investment Adviser meets with the Board at each quarterly meeting and is in frequent contact throughout the periods in between meetings e.g. to approve investment proposals. All key strategic and operational topics are discussed in detail and a close dialogue is maintained with the Board. The Board takes an active interest in the challenges faced by the portfolio companies. The Board considers each potential disposal based on the company's performance, market conditions and the offer(s) in its decision to sell the Company's holding. The Investment Adviser's performance is evaluated annually and its re-appointment is dependent on the outcome of that evaluation.

Strategic Report

Principal and Emerging 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 and emerging risks faced by the Company. This includes a key risk management review and robust assessment of the risks, 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 40 to 42. The principal risks and the emerging risk identified by the Board are set out below:

Risk	Possible consequence	How the Board manages risk
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 exempt 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, 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.	• The Company's VCT qualifying status is continually reviewed by the Investment Adviser and confirmed at each Board meeting. • Regular reports are received from the VCT Status Adviser retained by the Board in order to monitor the Company's ongoing compliance with the VCT Rules.
Economic and Political	Events such as the war in Ukraine, the COVID-19 pandemic, the impact of Brexit, an economic recession, supply shortages or a movement in sterling or in interest rates, could affect trading conditions for smaller companies and consequently the value of the Company's qualifying investments. Movements in UK Stock Market indices may affect the valuation of the Company's investments, as well as affecting the Company's own share price and its discount to net asset value.	• The Board monitors the portfolio as a whole to: (1) ensure that the Company invests as far as possible in a diversified portfolio of companies; (2) ensure that developments in the macro-economic environment such as movements in interest rates and availability of labour are monitored; and (3) ensure the portfolio companies have support in light of the current economic conditions through ongoing discussions. Cash comprises a significant proportion of the net assets of the Company, further to the successful realisations and the fund-raises during the year giving the Company a strong liquidity position.
Investment	Investment in VCT qualifying earlier stage 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, may not be profitable at the point of investment and may be dependent for their management on a smaller number of key individuals. This may lead to variable investment returns and the use of more subjective valuation methodologies.	• The Board regularly reviews the Company's investment strategy. • A member of the Investment Adviser normally sits on the boards of investee companies. Regular reports are produced by the Investment Adviser for the Board. • The Investment Adviser has provided a growing pipeline of compliant investment opportunities and continues to strengthen its investment team. • The valuation of the investment portfolio and valuation methodologies are reviewed by the Board each quarter.
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, a qualified audit report or the loss of the Company's status as a VCT. Furthermore, changes to the UK VCT legislation or the State-aid rules could have an adverse effect on the Company's ability to achieve satisfactory investment returns.	• Regulatory and legislative developments are kept under review by the Company's solicitors, its VCT Status Adviser and the Board.

Risk	Possible consequence	How the Board manages risk
Financial and operating	Failure of systems (including breaches of cyber security) 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. Outsourcing and the increase in remote working could give rise to cyber and data security risks, particularly relating to the threat of ransomware attacks, as well as internal control risk.	• The Board carries out a bi-annual review of the internal controls in place and reviews the risks facing the Company at Board meetings and receives control reports by exception. • It reviews the performance of the service providers annually and has obtained assurance that such providers have controls in place to reduce the risk of breaches of their cyber security.
Market liquidity	Movements in the valuations of the Company's investments will, inter alia, be connected to movements in UK Stock Market indices as well as affecting the Company's own share price and its discount to net asset value.	• The Board receives quarterly valuation reports from the Investment Adviser and, where necessary, challenges its valuation process and metrics. • The Investment Adviser alerts the Board about any adverse movements. • The Board has a share buyback policy which seeks to mitigate market liquidity risk. This policy is reviewed at each quarterly Board meeting.
Asset liquidity	The Company's investments may be difficult to realise.	• 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.
Emerging Risk **Environmental, Social and Governance**	Non-compliance with current and future reporting requirements could lead to a fall in demand from investors. That may affect the level of capital the Company has available to meet its investment objectives.	• ESG and climate change is taken into account when considering new investment proposals. The Investment Adviser monitors the potential impact on investee companies of any proposed new legislation regarding environmental, social and governance matters and advises and adapts accordingly. • The Board recognises that climate change is an important emerging risk that the Company is taking into account in their strategic planning although the Company itself has little direct impact on environmental issues. Measures have been introduced to reduce the cost and environmental impact of providing paper copies of Shareholder correspondence and to decrease the amount of travel undertaken.

The risk profile of the Company changed as a result of changes to VCT legislation in 2015. As the Company is required to focus its new investment activity on growth capital investments in younger companies it is anticipated that investment returns will be more volatile and have a higher risk profile. The Board also discusses emerging risks as and when they arise, such as the potential for recession and resultant impact on the portfolio companies, and puts in place mitigating actions to manage the risk.

Strategic Report

Going concern and viability of the Company

The Board is required to assess the Company's operation as a "going concern". The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the preceding pages of this Strategic Report. The majority of companies in the portfolio are well funded and the portfolio taken as a whole remains resilient and well-diversified, although the impact of the cost of living crisis and the challenging economic environment may impose further considerable demands upon the liquidity and trading prospects of some of these companies in the near-term. In keeping with the ongoing need to take advantage of opportunities for further investment within the portfolio, the Company announced its intention to raise further funds in the 2021/22 tax year and again for the 2022/23 tax year, with both offers reaching full subscription. The major cash outflows of the Company (namely investments, share buybacks and dividends) are within the Company's control. Accordingly, the Board believes that the Company's cash position, noting the successful fundraises, is adequate to enable the Company to continue as a going concern under any plausible stress scenario. Further details of this assessment are shown within Note 2 on page 60. The Board's assessment of liquidity risk, and details of the Company's policies for managing financial risk and its capital, are shown in Notes 15 and 16 on pages 69 to 76. Accordingly, the Directors believe that it is appropriate to continue to apply 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 from the date of approval of the financial statements that may impact on its ability to operate as a going concern. In particular, the Directors have continued to consider the impact of changes to VCT legislation. 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 Annual 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, as explained further below.

The Directors have carried out a robust assessment comprising the Principal and Emerging risks facing the Company, as shown on pages 32 and 33. 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. The Directors believe that a three-year period is appropriate given the frequency with which it is necessary to review and assess the impact of past, current and proposed regulatory changes. A period greater than three years is considered to be too uncertain for it to be meaningful. 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 and emerging risks and how these are managed, as described on pages 32 and 33. The Board is mindful of these risks 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 current VCT legislation.

The Board expects that positive returns should continue to be achievable from future investments and from the existing portfolio. The Company has made four more new investments in compliance with the VCT rules introduced in 2015 and its revised Investment Policy, and the Investment Adviser continues to see a healthy pipeline of such investment opportunities. The Board will continue to monitor this assumption on a regular basis.

The Board will continue to monitor returns from growth capital investments on a regular basis and the prospective returns thereon over the next three years. The Board considers that the Company has sufficient liquidity to maintain its present investment rate in the short to medium-term.

Shareholders should be aware that, under the Company's Articles of Association, 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 February 2023 (under the 2022/23 Offer for Subscription), 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 to 5 and the Investment Adviser's Review on page 12.

Jonathan Cartwright
Chair

5 April 2023

Board of Directors

Jonathan Cartwright
Independent, Non-Executive Chair

Date of appointment: 7 September 2020

Experience: Jonathan is a qualified Chartered Accountant with significant experience of the VCT and investment trust sectors. He joined Caledonia Investments plc in 1989, serving as finance director from 1991 to 2009. Currently he is a Non-Executive Director and Chair of the Audit Committee of British Smaller Companies VCT plc and Chair of CT UK Capital and Income Investment Trust PLC.

Jonathan is a former Chair of BlackRock Income and Growth Investment Trust plc and Aberforth Split Level Income Trust plc. He has also served as a Non-Executive Director of The Income & Growth VCT plc between 2010 and 2020, where he was Chair of the Audit Committee followed by an interim appointment as Chair of the Board.

Graham Paterson
Independent, Non-Executive Director

Date of appointment: 10 May 2019

Experience: Graham is an investment and financial services professional with over 20 years' experience in the private equity industry. A chartered accountant, Graham was one of the founding partners of SL Capital Partners LLP, (formerly Standard Life Investments (Private Equity) Ltd) where he was a Partner and Board Member until 2010. During his 13 years at SL Capital, he was one of the managers of Standard Life Private Equity Trust plc and was a member of the advisory boards to a number of leading private equity fund managers. In 2013, Graham co-founded TopQ Software Ltd, a technology company which develops software for the private equity industry. TopQ Software was acquired by eVestment Inc (now part of NASDAQ Inc) in 2015, where until early 2018, Graham was a Director of their private markets data and analytics business. Graham was Chair of Octopus VCT 4 plc until 2018 and is currently a Non-Executive Director of Baillie Gifford US Growth Trust plc, Invesco Perpetual UK Smaller Companies Investment Trust plc and Chair of Datactics Ltd.

Christopher Burke
Independent, Non-Executive Director

Date of appointment: 26 November 2019

Experience: Chris has spent over 35 years in the Telecommunications, IT and Technology industries in a very International career. Chris has held both Senior Technical and General Management responsibilities in a Telecoms Equipment Manufacture (Nortel), Fixed Line Carrier (Energis), Wireless Service Provider company (Vodafone), and a User Equipment Manufacturer (RIM). After graduating from university in 1982 with a Bachelor of Computer Science, Chris spent 15 years with Bell Northern Research (R&D for Northern Telecom) and Nortel holding a variety of roles in software development, operations and ultimately Sales, working across North America, Europe and Asia. From 1997 to 2000 Chris was CTO at Energis Communications, forming part of the executive team that led Energis through IPO and into the FTSE 40. From 2001 to 2005, Chris worked at Vodafone, where he was Vodafone's first Chief Technology Officer (CTO) responsible for Vodafone UK's technology, product architecture, design, procurement, development, support and operations. Chris's last position in a public company was as Managing Director for Research in Motion (RIM) in Europe, Middle East and Africa (EMEA), departing in 2009. Since 2009, Chris has spent most of his time co-founding Companies and developing his own Investment Fund/Advisory Business.

Lindsay Dodsworth
Independent, Non-Executive Director

Date of appointment: 1 January 2023

Experience: Lindsay is an experienced Non-Executive Director, Audit Chair, Trustee and Committee Chair having set up and grown a Family Office over the last twenty years where she established and oversaw a diverse investment portfolio. She is currently a Non-Executive Director and Chair of Audit at the Martin Currie Global Portfolio Trust plc, sits on the Investment Oversight Committee for a Family Office, is the Chair of Governors at St John's College School, Cambridge and a Trustee and Member of the Finance and Investment Committee at Goodenough College.

Lindsay was previously an International Corporate Tax Partner at Ernst & Young for several years and prior to that she qualified as a Chartered Accountant and Chartered Tax Adviser at Price Waterhouse. She is well qualified to assume the role as Chair of the Audit & Risk and Nomination and Remuneration Committees following the Annual General Meeting of the Company on 24 May 2023.

For details of the share interest and remuneration of the Directors please see page 47 of the Directors' Remuneration Report. Details of the attendance record of the Directors is also reported in the Directors' Remuneration Report on page 48.

Directors' Report

The Directors present the Annual Report and Audited Financial Statements of the Company for the year ended 31 December 2022.

The Corporate Governance Statement on pages 40 to 42, and the Report of the Audit & Risk Committee on pages 43 and 44, form part of this Directors' Report.

The Board believes that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, position, 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 ("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 in 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 ("shares") are listed on the London Stock Exchange.

Issued Share Capital

The issued share capital of the Company as at 31 December 2022 was £1,043,565 (2021: £833,897) and the number of shares in issue at this date was 104,356,447 (2021: 83,389,721).

Buyback of shares

The following disclosure is 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 in 2013).

The reason the Company makes market purchases of its own shares is to enhance the liquidity of the Company's shares and to seek to manage the level and volatility of the discount to Net Asset Value at which the Company's shares may trade.

At the Annual General Meeting of the Company held on 17 May 2022, Shareholders granted the Company authority, pursuant to section 701 of the Companies Act 2006, to make market purchases of up to 14.99% of the issued share capital of the Company at that date. Such authority has been in place throughout the year under review.

During the year under review, the Company bought back 1,796,536 (2021: 1,309,349) of its own shares at a total cost of £1,460,054 (2021: £1,230,702) including expenses. These shares represented 2.2% of the issued share capital at the beginning of the year (2021: 1.6%). All shares bought back by the Company were subsequently cancelled.

Substantial interests

As at the date of the Report, the Company had not been notified of any beneficial interest exceeding 3% of the issued share capital.

Dividends

Shareholders received interim dividends in respect of the year ended 31 December 2022 of 4.00 and 6.00 pence per share on 8 July 2022 and 7 November 2022 respectively.

Directors

The names, dates of appointment and brief biographical details of each of the Directors are given on the previous page of this Annual Report.

Disclosure of Information to the Auditor

So far as each of the Directors in office at 31 December 2022 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 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 them 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 from the Company Secretary.

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 policies

The Board recognises its obligations under Company law 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 has recognised Climate Change as an emerging risk, as referenced on page 33, and takes full consideration of relevant factors within the overall assessment of potential investee companies. It is considered alongside investment assessments of potential investee companies.

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 Company invests. The Board seeks to avoid investing in certain areas which it considers to be unethical. This includes giving particular consideration to the inherent reputation of the sector (including past history, scandal or adverse media coverage), rapidly changing public perception of industry sectors or potential ethical concerns for wider stakeholders. It also 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. The Investment Adviser has aligned its current ESG procedures and protocols to the highest standards as set out and informed by Gresham House plc. The Investment Adviser believes that this approach will contribute towards the enhancement of Shareholder value going forward.

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.

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). The Company does not fall within the scope of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 effective as of 1 April 2019 which implements the Government's policy on Streamlined Energy and Carbon Reporting. The 2018 Regulations require companies that have consumed over 40,000 kilowatt-hours of energy to include energy and carbon information in their Directors' Report. This does not apply to the Company as it qualifies as a low energy user.

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 Company has adopted a zero-tolerance approach to bribery and has established an anti-bribery policy and procedures, copies of which are available in the Corporate Governance section of the Company's website: www.mig4vct.co.uk.

Whistleblowing policy

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 whistle-blowing policy in place.

Anti-Tax Evasion

The Company has also adopted a zero-tolerance approach to tax evasion in compliance with the Criminal Finance Act 2017 and the corporate criminal offence of failing to take reasonable steps to prevent the facilitation of tax evasion. The Company has applied due diligence procedures, taking an appropriate risk-based approach, in respect of persons who perform or will perform services on behalf of the Company, in order to mitigate risks.

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 69 to 76 of this Annual Report.

Post balance sheet events

For a full list of the post balance sheet events that have occurred since 31 December 2022, please see Note 18 to the Accounts on page 76.

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. It is not the Company's intention to change its Articles at the forthcoming AGM.

Annual General Meeting

The Notice of the Annual General Meeting, which will be held at 2:30 pm on Wednesday, 24 May 2023 at the offices of Shoosmiths LLP, 1 Bow Churchyard, London, EC4M 9DQ is set out on pages 79 to 81 of this Annual Report. A joint Investment Adviser presentation with the Mobeus Income & Growth VCT plc shareholders will commence at 1.30pm.

A webcast of the Annual General Meeting will also be available and details of how to join the webcast will be shown on the Company's website. If possible, Shareholders intending to join the Meeting by means of the webcast (which would be as an attendee only) are requested to join at least ten minutes prior to the commencement of the Investment Adviser presentation at 1.30 pm followed by the Annual General Meeting at 2.30 pm on Wednesday, 24 May 2023. Members attending the Annual General Meeting by means of the webcast, shall be permitted to ask questions at the Annual General Meeting but shall not be entitled to vote on resolutions at the Annual General Meeting (and are, therefore, encouraged to lodge their proxy vote and appoint the Chair of the Annual General Meeting as their proxy).

A proxy form for the meeting is enclosed separately with Shareholders' copies of this Annual Report. Proxy votes may be submitted electronically via the Link Group Signal Shares Portal at www.signalshares.com. Shareholders may also request a hard copy proxy form by contacting the Company's Registrar, Link Group, using their details as stated on page 83. Shareholders are encouraged to lodge their proxy vote and appoint the Chair of the Meeting as their proxy, as soon as possible.

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

The following is an explanation of the business to be proposed:

Resolution 1 – To receive the Annual Report and Financial Statements

The Directors are required to present the Financial Statements, Directors' report and Auditor's report for the financial year ended 31 December 2022 to the meeting.

Resolution 2 – To approve the Directors' Remuneration Report

Under section 420 of the Companies Act 2006 (the "Act"), the Directors must prepare an annual report detailing the remuneration of the Directors and a statement by the Chair of the Nomination and Remuneration Committee (together the "Directors' Remuneration Report"). The Act also requires that a resolution be put to Shareholders each year for their approval of that report. The Directors' Remuneration Report can be found on pages 45 to 48 of this Annual Report and Financial Statements. Resolution 2 is an advisory vote only.

Full details of Directors' remuneration can be found within the Directors' Remuneration Report on pages 45 to 48 of this Annual Report.

Directors' Report

Resolution 3 – To approve the Company's Remuneration Policy

The Company is required to put its Remuneration Policy to Shareholders every three years under section 439A of the Companies Act and is subject to a binding Shareholder vote. A resolution on the Remuneration Policy was last voted on at the Annual General Meeting held on 12 May 2020 and therefore a similar resolution will be proposed at the forthcoming meeting. The Remuneration Policy is set out below and full details of Directors' remuneration can be found in the Directors' Remuneration Report on pages 45 to 48 of this Annual Report.

Remuneration Policy

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

Resolutions 4 to 6 – To elect and re-elect the Directors

The Company's Articles of Association require that each Director appointed to the Board shall retire and seek election at their first AGM following appointment and every three years thereafter. In terms of overall length of tenure, the AIC Code does not explicitly make recommendations on tenure for directors. The Board does not believe that a Director should be appointed for a specified term.

The Board has previously agreed that each Director will retire and offer themselves for re-election annually after serving on the Board for more than nine years. However, following the publication of the revised UK Corporate Governance Code in July 2018, which applied to the Company from 1 January 2019 onwards, the Board agreed to follow the recommendation of provision 18, namely that all directors be subject to annual re-election. Jonathan Cartwright has confirmed his intention to retire from the Board at the conclusion of the Annual General Meeting and therefore will not be offering himself for re-election at the meeting.

Graham Paterson

Independent non-executive director

Graham was appointed to the Board in May 2019, and under the Articles is seeking re-election at this Annual General Meeting. The remaining Directors believe that Graham is well positioned to make a substantial contribution to the Company's long-term sustainable success in his capacity as Chair of the Board and have no hesitation in recommending his re-election to Shareholders.

Chris Burke

Independent non-executive director

Following a review of Chris's performance, the Directors agree that he continues to carry out his duties effectively and makes a substantial contribution to the Company's long-term sustainable success. Chris was appointed as Chair of the Investment Committee with effect from 1 March 2022, succeeding Helen Sinclair in the role following her retirement from the Company.

He was also appointed a member of the Audit & Risk and Nomination and Remuneration Committees on the same date.

The Directors are confident that he is a strong and effective director and have no hesitation in recommending his re-election to Shareholders.

Lindsay Dodsworth

Independent non-executive director

Lindsay was appointed to the Board in January 2023, and under the Articles is seeking election at this, the first Annual General Meeting since her appointment to the Board. The remaining Directors believe that Lindsay has extensive experience and are confident that she will make a very substantial contribution to the Company's long-term sustainable success in her capacity as Chair of the Audit & Risk and Nomination and Remuneration Committees and have no hesitation in recommending her election to Shareholders.

Resolution 7 – To reappoint BDO LLP as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to determine the remuneration of the auditor.

At each meeting at which the Company's accounts are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. The Board, on the recommendation of the Audit & Risk Committee, recommends the re-appointment of BDO LLP. This resolution also gives authority to the Directors to determine the remuneration of the auditor. For further information, please see the report of the Audit & Risk Committee on pages 43 and 44.

Resolution 8 – Authority to allot shares in the Company and Resolution 9 – Disapplication of pre-emption rights of members

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

Resolution 8 will enable the Directors to allot new shares up to an aggregate nominal value of £364,206, representing one-third of the existing issued share capital of the Company as at the publication date of the Notice convening the Annual General Meeting.

Under section 561(1) of the 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 (pre-emption rights). It is proposed by Resolution 9 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, but not exceeding, £110,366 (representing approximately 10% of the existing issued share capital at the time of the circulation of the notice of the AGM) in connection with offer(s) for subscription;

(ii) with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital from time to time pursuant to any dividend investment scheme operated by the Company, at a subscription price per Share which may be less than the net asset value per Share, as may be prescribed by the scheme terms;

(iii) otherwise than pursuant to (i) or (ii) above, with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital from time to time, in each case where the proceeds may be used in whole or part to purchase the Company's shares in the market.

The Company normally allots shares at prices based on prevailing net asset value per share of the existing shares on the date of allotment (plus costs, save in relation to the dividend investment scheme).

The Company will only allot shares at or above NAV per share, which includes in relation to the Company's Dividend Investment Scheme. The Directors thus seek to manage any potential dilution of existing shareholdings as a result of the disapplication of Shareholders' pre-emption rights proposed in Resolution 9.

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 2024. 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 17 May 2022 and are intended to be used for the purposes of an offer(s) for subscription and the Dividend Investment Scheme.

Resolution 10 – Authority to purchase the Company's own shares

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 16,543,794 shares representing approximately 14.99% 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% 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 5% above the average of the middle market quotations of the shares as derived from the Daily Official List of the London Stock Exchange for the five business days preceding the date such shares are contracted to be purchased; and

(ii) the price stipulated by Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such Regulation forms part of UK law and as amended). The minimum price that may be paid for a share is 1 penny, being the nominal 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 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 2024 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 of the Company, as the Directors intend to do in respect of their own beneficial holdings of 228,901 shares (representing 0.21% of the issued share capital as at the date of publication).

Voting rights of Shareholders

At general meetings of the Company, Shareholders have 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 their shares have been paid up in full. Any instrument of proxy must be deposited at the place specified by the 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

Gresham House Asset Management Limited
Company Secretary

5 April 2023

Corporate Governance Statement

This Corporate Governance Statement forms part of the Directors' Report.

The Directors have adopted the Association of Investment Companies (AIC) Code of Corporate Governance 2019 ("the AIC Code") for the financial year ended 31 December 2022. 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 2018 ("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 in February 2019. In adopting the AIC Code, the Company will therefore meet its obligations in relation to the reporting requirements of the Financial Conduct Authority's Listing and Disclosure and Transparency Rules on Corporate Governance.

The AIC Code can be viewed on the AIC's website at www.theaic.co.uk/aic-code-of-corporate-governance

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 recommendations of the AIC Code and relevant provisions of the UK Code throughout the year under review, except as explained in the following paragraphs. A table providing further explanations of how the Company has complied with the AIC Code during the year is available in the Corporate Governance section of the Company's website: www.mig4vct.co.uk.

As an externally advised VCT most of the Company's operations are delegated to third parties and the Company has no executive directors, employees or internal operations. 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 rate 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.

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 regular reviews of signing authorities, quarterly management accounts and the processes by which investments in the portfolio are valued. The Board also provides 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 & Risk Committee in respect of the Annual and Half-Year Reports and other published financial information.

The Board has contractually delegated to the Investment Adviser the management of the investment portfolio, the day-to-day accounting, company secretarial and administration requirements, and, to Link Group, 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 & Risk 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 & Risk Committee prior to consideration by the Board.
- 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. The Audit & Risk Committee and the Board carried out an assessment of the effectiveness of internal controls in managing risk which was conducted on the basis of reports from the relevant service providers. The last review took place on 29 March 2023. The Board has identified no significant problems with the Company's internal control mechanisms.

Section 172 Director Duties

The Directors continue to have regard to the interests of the Company's Shareholders and other stakeholders, including the impact of its activities on the community, environment and the Company's reputation, when making decisions. The Directors, acting fairly and in good faith, consider what is most likely to promote the success of the Company for its members and stakeholders in the long-term. For further Information on how the Directors have fulfilled their duties under Section 172 of the Companies Act 2006, please see pages 29 to 31.

Fees paid to the Investment Adviser

The fees paid to the Investment Adviser are set out in Note 4 to the Financial Statements on 61 and 62.

In addition, the Investment Adviser received fees totalling £307,585 (2021: £349,777) during the year ended 31 December 2022, being £78,870 (2021: £132,666) for advisory and arrangement fees, and £228,715 (2021: £217,111) for acting as non-executive directors on a number of investee company boards. These amounts are the share of such fees attributable to investments made by the Company.

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. Gresham House continues to provide investment advisory and administrative services to the Company.

The Board and its Committees

The powers of the Directors have been granted by company law, the Company's Articles of Association 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 24 May 2023.

The Board 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.

In regard to the Chair of the Board's tenure, the length of service of all directors is considered on an ongoing basis, with the Nomination and Remuneration Committee giving consideration to succession and composition at its year-end meeting, in compliance with the AIC Code of Corporate Governance guidance. The Board also annually reviews the constitution and strategy of the Company.

Graham Paterson was appointed by the Board on 10 May 2019, Chris Burke was appointed by the Board on 26 November 2019 and Lindsay Dodsworth was appointed by the Board on 1 January 2023. They will each be seeking re-election/election at the upcoming Annual General Meeting on 24 May 2023.

The Board is of the view that a term of service in excess of nine years is not in itself prejudicial to a director's ability to carry out their duties effectively and from an independent perspective; the nature of the Company's business is such that an individual director's experience and continuity of non-executive board membership can significantly enhance the effectiveness of the Board as a whole.

Following the performance evaluation of the Directors during the year, the Board confirms that both Graham Paterson and Chris Burke 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' letters of appointment are available for inspection at the place of the Annual General Meeting for at least 15 minutes before and during the Meeting.

Board Committees

The Board has established three Committees: the Nomination and Remuneration Committee, the Investment Committee and the Audit & Risk 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 by making a written request to the Company Secretary or by downloading the 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.

Audit & Risk Committee

The Audit & Risk Committee will be chaired by Graham Paterson until the conclusion of the Annual General Meeting when Lindsay Dodsworth will assume the Chair. The Committee comprises Graham Paterson, Jonathan Cartwright, Chris Burke and Lindsay Dodsworth. A full description of the work of the Audit & Risk Committee is set out in the Report of the Audit & Risk Committee on pages 43 and 44 of this Annual Report. Jonathan Cartwright remains a Committee member until his retirement from the Board, effective from the conclusion of the Annual General Meeting.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by Graham Paterson. Lindsay Dodsworth will assume the Chair from the conclusion of the Annual General Meeting. The Committee comprises Graham Paterson, Chris Burke and Lindsay Dodsworth. Jonathan Cartwright is also a member until his retirement from the Board, effective from the conclusion of the Annual General Meeting.

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 Chair. 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.

A full description of the work of the Committee with regard to remuneration is included within the Directors' Remuneration Report on pages 45 to 48.

Investment Committee

The Investment Committee is chaired by Chris Burke and comprises all four Directors until Jonathan Cartwright's retirement.

The Committee meets as necessary to consider the investment proposals put forward by the Investment Adviser. The

Corporate Governance Statement

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 the Committee following discussions between Committee members and are subsequently ratified by the Board. Investment matters are discussed at each Board meeting. During the year, the Committee formally approved all investments, divestments and variation decisions, meeting 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 69 to 76 of this Annual Report.

Future developments

The outlook for the Company is set out in the Chairman's Statement on page 5.

Investment management and service providers

The Directors carry out an annual review of the performance of, and contractual arrangements with, the Investment Adviser. The annual review of the Investment Adviser forms part of the Board's overall internal control procedures discussed previously. 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 8 to 11. The Board concluded that the Investment Adviser had performed consistently well over the medium-term and has delivered above target dividend returns to shareholders in the year under review. The Company's investment portfolio has performed well in the circumstances and the Investment Adviser has been proactive in ensuring the Company remains informed and well-positioned to maintain compliance with VCT tax legislation.

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 10. 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 VCT fundraisings which have taken place between 2010 and 2022 and annual Shareholder events.

The Board considers that the Investment Adviser continued to exercise independent judgement 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 therefore believe that the continued appointment of the Investment Adviser to the Company on the terms currently agreed is in the interests of Shareholders, and this was formally approved by the Board on 14 November 2022.

The principal terms of the Company's Investment Advisory Agreement, and its Performance Incentive Fee Agreement, are set out in Note 4 to the Financial Statements on pages 61 and 62 of this Annual Report. The Board seeks to ensure that the terms of these agreements represent an appropriate balance between cost and the incentivisation of the Investment Adviser.

By order of the Board

Gresham House Asset Management Limited
Company Secretary

5 April 2023

Report of the Audit & Risk Committee

This Report of the Audit & Risk Committee forms part of the Directors' Report.

The Audit & Risk Committee ("Committee") is chaired by Graham Paterson and currently comprises himself, Jonathan Cartwright, Lindsay Dodsworth and Chris Burke. There are four directors appointed to the Company, and it was deemed appropriate that the Chair, who was considered to be independent upon his appointment, should be a member of the Audit & Risk Committee. Lindsay will take over the role of Chair of the Committee following the AGM on 24 May 2023 however Graham will remain a member of the Committee. Jonathan Cartwright remains a member until the conclusion of the AGM.

The duties of the Committee are set out in the Terms of Reference which can be found on the website in the Corporate Governance section at: www.mig4vct.co.uk.

A summary of the Audit & Risk Committee's principal activities for the year to 31 December 2022 is provided below:

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 of controls throughout the year under review as described in more detail in this Report on page 40. It receives a report by exception on the Company's progress against its internal controls at its Annual and Half-Year results meetings and reviews the schedule of internal controls and risks at each meeting. A full review of the internal controls in operation by the Company was undertaken by the Committee on 29 March 2023.

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 & Risk Committee continued 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 Guidelines. The Committee received a review within a report from the external auditor as part of the year-end audit process. These reports were discussed in full by the Committee, the Investment Adviser and the Auditor as necessary.

Key issues considered by the Committee

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 has satisfied itself 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 34 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 and the Finance Act (No 2) 2018.

As an essential part of this work, the Committee has held ongoing discussions with the Company's VCT Status Adviser throughout the year.

Tax Compliance Services

Philip Hare & Associates LLP were appointed during the year ended 31 December 2018 and continued to provide such services during the year under review.

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 Company 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 and established appropriate controls (as disclosed in the Strategic Report on pages 32 and 33). 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 40).

Cyber Security

The Board sought and obtained assurances during the year from the Investment Adviser, the Registrar and the other service providers concerning their cyber security procedures and policies.

Anti-tax evasion policy

In compliance with the Criminal Finance Act 2017 the Company adopted a zero tolerance towards the criminal facilitation of tax evasion. A summary of the policy is available on page 37 of the Annual Report.

Safekeeping of the Company's documents of title to its investments

The Committee has established procedures for the safekeeping of the Company's documents of title under a Safekeeping Agreement dated 17 February 2022 with Apex Fund and Corporate Services (Guernsey) Limited, for accessing and dealing with these documents.

Relationship with the external auditor and re-appointment

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 & Risk Committee meetings, where appropriate, and also has the opportunity to meet with the Committee and its Chair without representatives of the Investment Adviser being present.

The Committee undertook an audit tender process in 2016 in compliance with the requirements on audit firm rotation under the European Audit Regulation Directive. As a consequence of that process, BDO LLP were reappointed. BDO LLP has been the independent auditor to the Company since 2004, when the Company became subject to PIE rules in 2006 while BDO were still the auditors.

The Audit & Risk Committee also undertakes an annual 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 Chair 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;
- demonstrated that it has appropriate procedures and safeguards in place to maintain its independence and objectivity;
- charged justifiable fees in respect of the scope of services provided; and
- handled key audit issues effectively and responded robustly to the Committee's questions.

This review constituted the Audit & Risk Committee's annual assessment of the effectiveness of the external audit process. The Audit & Risk Committee concluded that the re-appointment of BDO LLP is in the best interests of the Company and Shareholders and the Board recommends their re-appointment by Shareholders at the forthcoming Annual General Meeting.

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 has reviewed the implications of the Financial Reporting Council's ("FRC") Revised Ethical Reporting Standard 2019 effective from 5 March 2020. The Committee, based upon the review of this 2019 Ethical Standard, has decided to purchase certain non-audit services, such as tax compliance services and iXBRL tagging, from separate firms. The auditor is permitted to provide audit-related services in respect of the Half-Year Report (if requested by the Board), whereas PHA provides tax compliance services, and Arkk Consulting Limited, one of the Company's investee companies, provides the iXBRL tagging service.

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 36.

By order of the Board

Graham Paterson
Chair of the Audit & Risk Committee

5 April 2023

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 Director's interests on page 47 of this Annual Report and this is explained further in the Auditor's Report to Shareholders on pages 50 to 54.

The resolution to approve the Directors' Remuneration Policy as set out in the Annual Report for the year ended 31 December 2019 was approved by Shareholders at the Annual General Meeting of the Company held on 2 June 2020. Full details of the Remuneration Policy can be found within this report in the adjacent column and on page 47.

The resolution to approve the Directors' Annual Remuneration Report, as set out in the Annual Report for the year ended 31 December 2021, was approved by Shareholders at the Annual General Meeting of the Company held on 17 May 2022. An ordinary resolution will be proposed at the forthcoming Annual General Meeting of the Company to be held on 24 May 2023 for the approval of the Annual Remuneration Report as set out below.

Remuneration statement by the Chair 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 reviewed the fees paid in the year ended 31 December 2022 which have remained at the current level since 2018. 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.

In recognition of the increased level of regulation and size of the Company, the Committee have recommended, with effect from 1 January 2023, an increase in Director's fees from £27,000 to £30,000 for the Chair, and from £21,000 to £23,000 for Directors. Board members will continue to receive an unchanged supplement of £6,000 for membership of the Investment Committee and an unchanged supplement of £5,000 for membership of the Audit & Risk Committee.

Graham Paterson
Chair of the Nomination and Remuneration Committee

5 April 2023

Directors' Remuneration Policy

The remuneration policy is set by the Board on the recommendation of the Nomination and Remuneration Committee. 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.

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 schemes 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. None of the Directors receive pension benefits from the Company and 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. Shareholders can contact the Chair or the Company Secretary, Gresham House, at any time by email using the address: mobeusvcts@greshamhouse.com.

Directors' Remuneration Report

Directors' terms of appointment

In accordance with the 2019 AIC Code, Graham Paterson and Chris Burke have agreed to offer themselves for re-election annually and will next seek re-election by Shareholders at the Company's Annual General Meeting on 24 May 2023. Lindsay Dodsworth was appointed to the Board in January 2023, and under the Articles is seeking election at this, the first Annual General Meeting since her appointment to the Board. Jonathan Cartwright has confirmed his intention to retire from the Board at the conclusion of the Annual General Meeting and therefore will not be offering himself for re-election at the meeting.

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. A Director's appointment may be terminated on three months' notice being given by the Company and in certain other circumstances. Copies of the Directors' appointment letters will be available for inspection at the place of the Annual General Meeting on 24 May 2023 from 2.00 pm. New Directors are asked to undertake that they have sufficient time to carry out their responsibilities to the Company and to disclose their other significant time commitments to the Board before appointment.

Shareholder approval of the Company's Remuneration Policy

This policy applied throughout the financial year ended 31 December 2022.

A resolution to approve the Directors' Remuneration Policy, as set out in the Annual Report for the year ended 31 December 2019, was approved by Shareholders at the Annual General Meeting held on 2 June 2020. The Company received proxy votes in favour of the resolution representing 83.12% (including those who appointed the Chair to vote at his discretion) of the votes received (against 16.88%).

The Board is required to ask Shareholders to approve the Remuneration Policy every three years. The Directors will therefore recommend that Shareholders approve the Policy again at the Annual General Meeting of the Company to be held on 24 May 2023.

Future Remuneration 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 per annum 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 opposite and may decide that an increase in fees is appropriate in respect of subsequent years.

Director Role	Components of Pay Package				Performance conditions
	Director's fees (p.a.)	Annual supplements payable to:		Maximum payment for the forthcoming year	
		Audit & Risk Committee Members	Investment Committee Members		
Jonathan Cartwright[1] Chair	£30,000	£5,000	£6,000	£41,000	None
Chris Burke, Chair, Investment Committee	£23,000	£5,000	£6,000	£34,000	None
Graham Paterson Chair, Audit & Risk and Nomination and Remuneration Committees	£23,000	£5,000	£6,000	£34,000	None
Lindsay Dodsworth[2]	£23,000	£5,000	£6,000	£34,000	None
Total fees	**£99,000**	**£20,000**	**£24,000**	**£143,000**	

[1] Jonathan Cartwright will retire as a Director and Chair following the AGM on 24 May 2023 and his role as Chair will be succeeded by Graham Paterson.

[2] Lindsay Dodsworth will take over as Chair of the Audit & Risk and of the Nomination and Remuneration Committees from Graham Paterson following the 24 May 2023 AGM.

Company Objective

To provide investors with an attractive return, by maximising the stream of dividend distributions from the income and capital gains generated by a diverse and carefully selected portfolio of investments, 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.

Nomination and Remuneration Committee

The Committee is chaired by Graham Paterson with Jonathan Cartwright, Lindsay Dodsworth and Chris Burke as its other members. Jonathan Cartwright will resign as a member of the Committee on 24 May 2023. Lindsay Dodsworth will assume the Chair following the AGM of the Company. All members of the Committee were considered to be independent of the Investment Adviser during the year under review. 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 further payments in respect of additional work undertaken 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. The Committee met twice during the year under review with full attendance from all its members. The Committee's duties in respect of Nominations to the Board are outlined on page 41 of the Annual Report.

One new appointment was made to the Board on 1 January 2023, post the year end, when Lindsay Dodsworth was appointed as a Non-Executive Director. Helen Sinclair retired as a Director of the Company on 28 February 2022.

Annual percentage change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' remuneration for the year to 31 December 2022:

	% change for the year to 31 December 2022	% change for the year to 31 December 2021[3]	% change for the year to 31 December 2020
Jonathan Cartwright	(7.3)	7.9	n/a
Chris Burke[1]	11.3	3.7	n/a
Graham Paterson	(3.0)	3.1	n/a
Helen Sinclair[2]	n/a	3.1	-
Christopher Moore	n/a	n/a	-

[1] Chris Burke was appointed to the Audit & Risk and Nomination and Remuneration committees during the year.

[2] Helen Sinclair retired as a director on 28 February 2022 and her fee was pro-rated to that date.

[3] In 2021, discretionary payments of £3,000 and £1,000 were paid to the Chair and Directors, respectively.

No sums were paid to third parties in respect of any of the Director's services during the year under review.

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 2022 were:

Director	31 December 2022		31 December 2021	
	Shares held	Percentage of issued share capital	Shares held	Percentage of issued share capital
Jonathan Cartwright	61,278	0.06	31,977	0.04
Chris Burke	152,623	0.15	36,331	0.04
Graham Paterson[1]	15,000	0.01	15,000	0.02
Helen Sinclair[2]	14,862	0.01	14,862	0.02

[1] Graham Paterson holds his shares in a nominee account.

[2] Helen Sinclair resigned as a Director on 28 February 2022.

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

The remuneration of the Directors contains no performance related variable element. As the Company has no employees, the directors do not consider it relevant to compare director fees against employee pay.

Directors' remuneration: 5-year comparison

Director	2022 £	2017 £	Change
Chair (includes Audit and Investment Committee Supplements[1])[2]	38,000	33,500	22.4%
Director Fee (includes Audit and Investment Committee Supplements[1])[2]	32,000	28,500	15.8%

[1] Audit & Risk Committee (2022: £5,000; 2017: £2,500) and Investment Committee (2022: £6,000, 2017: £6,000) fee supplements are paid to all members.

[2] In 2021, not included in the table above, discretionary payments of £3,000 and £1,000 were paid to the Chair and remaining directors, respectively.

Directors' Remuneration Report

Relative importance of spend on Directors' fees

	Year to 31 December 2022 £	Year to 31 December 2021 £	Percentage Increase/(decrease) %
Total directors' fees	106,500	135,000	(21.1)%
Dividends paid/payable in respect of the year	9,134,214	7,520,561	21.5%
Share Buybacks	1,460,054	1,230,702	18.6%

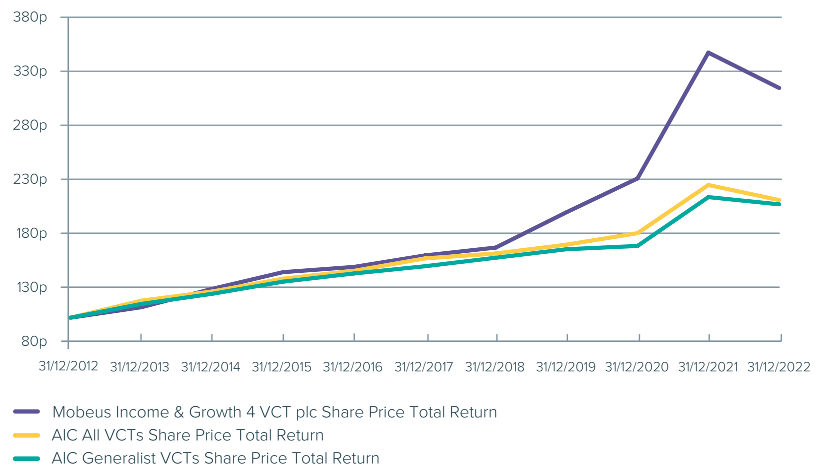
Directors' attendance at Board and Committee meetings in 2022

The table below sets out the Directors' attendance at quarterly Board meetings and Committee meetings held during the year to 31 December 2022. 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 & Risk Committee Meetings (2)		Nomination and Remuneration Committee Meetings (3)	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Jonathan Cartwright	4	4	2	2	3	3
Chris Burke	4	4	2	2	3	3
Graham Paterson	4	4	2	2	3	3

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 ten 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 December 2012.



The share price total return comprises the share price plus cumulative dividends paid per share assuming the dividends paid were re-invested on the date on which the shares were quoted ex-dividend in respect of each dividend.

An explanation of the performance of the Company is given in the Chairman's Statement on page 2, the Performance section of the Strategic Report on pages 8 to 11 and in the Investment Adviser's Review and Investment Portfolio Summary on pages 12 to 27.

By order of the Board

Gresham House Asset Management Limited
Company Secretary

5 April 2023

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. Under that law the directors are required to prepare the financial statements and have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') 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; and
- 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 Financial Statements are published on the Company's website at www.mig4vct.co.uk, which is maintained by the Investment Adviser. The maintenance and integrity of the website maintained by the Investment Adviser is, so far as it relates to the Company, the responsibility of the Investment Adviser. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented to the website. The accounts are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

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 and loss 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 & Risk 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 position, 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 35.

For and on behalf of the Board

J.H. Cartwright

Jonathan Cartwright
Chair

5 April 2023

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Mobeus Income & Growth VCT 4 Plc ("the Company") for the year ended 31 December 2022 which comprise the Income statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors in 2004 to audit the financial statements for the year ended 30 September 2004 and subsequent financial periods. The period of total uninterrupted engagement, including retenders and reappointments is 18 years, covering the years ended 30 September 2004 to 31 December 2022. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports during the year and as at year end and reviewing the calculations therein to check that the Company was meeting its requirements to retain VCT status;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts, and assessing them for reasonableness. In particular, we considered the available cash resources relative to the forecast expenditure which was assessed against the prior year for reasonableness;
- Evaluating the Directors' method of assessing the going concern in light of market volatility and the present uncertainties in economic recovery created by the ongoing matters including the current situation in Ukraine/Russia, high cost of living crisis, increase in inflation; and
- Calculating financial ratios to ascertain the financial health of the Company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2022	2021
Key audit matters	Valuation of investments	✓	✓
Materiality	£919,000 (2021:£1,310,000) based on 2% (2021: 2%) of Total investments		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the company and its environment including the company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

<table>
<tr><th colspan="2">Key audit matter</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td>Valuation of investments

Note 8</td><td>We consider the valuation of unquoted investments to be the most significant audit area as there is a high level of estimation uncertainty involved in determining the unquoted investment valuations.

There is also an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Adviser, who is remunerated based on the net asset value of the Company.

For these reasons we considered the valuation of unquoted investments to be a key audit matter.</td><td>Our sample for the testing of the unquoted investments was stratified according to risk considering, inter alia, the value of the individual investments, the nature of the investments, the extent of the fair value movement and the subjectivity of the valuation technique.

For investments in our sample we:

Challenged whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") guidelines and applicable accounting standards;

Recalculated the value attributable to the company, having regard to the application of enterprise value across the capital structures of the investee companies.

For a sample of investments valued using less subjective valuation techniques (price of recent investment reviewed for changes in fair value) we:

• Agreed the cost or price of the recent investment to supporting documentation;
• Considered whether the investment was an arms length transaction through reviewing the parties involved in the transaction and checking whether or not they were already investors of the investee company;
• Considered whether there were any indications that the cost or price of the recent investment was no longer representative of fair value considering, inter alia the current performance of the investee company and the milestones and assumptions set out in the investment proposal; and
• Considered whether the price of the recent investment is supported by alternative valuation techniques.

For a sample of investments that were valued using more subjective techniques (earnings and revenue multiples) we:

• Challenged and corroborated inputs to the valuation with reference to management information of investee companies and market data, including considering the impact of the current situation in Ukraine/Russia, high cost of living crisis, increase in inflation on the valuation. We assessed the impact of estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements;
• Reviewed the historical financial statements and any recent management information available to support assumptions about maintainable revenues and earnings used in the valuation;
• Considered the revenue or earnings multiples applied by reference to observable listed company market data; and
• Challenged the consistency and appropriateness of adjustments made to such market data in establishing the earnings or revenue multiple applied in arriving at the valuations adopted by agreeing the adjusted multiples to independent sources, the peer group, the market and sector in which the investee company operates and obtaining independent third party multiples.

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.

Key observations:

Based on the procedures performed we consider the investment valuations to be appropriate considering the level of estimation uncertainty.</td></tr>
</table>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. 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.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels 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 as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company financial statements	2022 £m	2021 £m
Materiality	0.919	1.310
Basis for determining materiality	2% of Total investments	2% of Total investments
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of total investments, as asset values are the primary focus of the users of these financial statements	
Performance materiality	0.686	0.980
Basis for determining performance materiality	75% of materiality	

Company financial statements	2022 £m	2021 £m
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Lower testing threshold

We determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined a lower testing threshold for those items impacting revenue return of £47,000 based on 5% of Income before tax (2021: £96,000 based on 5% of Income before tax).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £46,000 (2021: £65,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.

Other Code provisions

- Directors' statement on fair, balanced and understandable;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the Audit Committee.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

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

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

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 Directors' report.

Directors' remuneration

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be the Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") and updated in 2022 with consequential amendments and the applicable financial reporting framework. We also considered the Company's qualification as a VCT under UK tax legislation.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Obtaining the VCT compliance reports prepared by management's expert during the year and as at year end and reviewing their calculations for the year end report to check that the Company was meeting its requirements to retain VCT status; and
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of Board and other Committee meetings throughout the period for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the valuation of unquoted investments and management override of controls.

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above;
- Obtaining independent evidence to support the ownership of a sample of investments;
- Recalculating investment management fees and incentive fees in total;

- Obtaining independent confirmation of bank balances; and
- Testing of journals, based on risk assessment criteria as well as an unpredictable sample, to supporting documentation and evaluating whether there was evidence of bias by the Investment Adviser and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

Vanessa Jayne Bradley
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor
London, United Kingdom
5 April 2023

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 2022

	Notes	Year ended 31 December 2022 Revenue £	Capital £	Total £	Year ended 31 December 2021 Revenue £	Capital £	Total £
Net investment portfolio (losses)/gains	8	-	(14,708,270)	(14,708,270)	-	29,904,336	29,904,336
Income	3	2,016,974	-	2,016,974	1,354,209	-	1,354,209
Investment Adviser's fees	4a	(470,253)	(1,410,756)	(1,881,009)	(428,601)	(1,285,804)	(1,714,405)
Other expenses	4d	(602,167)	-	(602,167)	(460,888)	-	(460,888)
(Loss)/profit on ordinary activities before taxation		944,554	(16,119,026)	(15,174,472)	464,720	28,618,532	29,083,252
Taxation on (loss)/profit on ordinary activities	5	(3,528)	3,528	-	(22,097)	22,097	-
(Loss)/profit for the year and total comprehensive income		**941,026**	**(16,115,498)**	**(15,174,472)**	**442,623**	**28,640,629**	**29,083,252**
Basic and diluted earnings per ordinary share	6	**1.03p**	**(17.61)p**	**(16.58)p**	**0.53p**	**34.16p**	**34.69p**

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

The total column is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). In order to better reflect the activities of a VCT and in accordance with the 2014 Statement of Recommended Practice ("SORP") (updated in July 2022) 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 60 to 76 form part of these Financial Statements.

Balance Sheet as at 31 December 2022

Company No. 03707697

	Notes	31 December 2022 £	31 December 2021 £
Fixed assets			
Investments at fair value	8	45,951,680	65,584,467
Current assets			
Debtors and prepayments	10	175,536	2,895,532
Current investments	11	36,143,097	20,475,179
Cash at bank	11	1,573,079	4,059,487
		37,891,712	27,430,198
Creditors: amounts falling due within one year	12	(303,550)	(227,411)
Net current assets		37,588,162	27,202,787
Net assets		**83,539,842**	**92,787,254**
Capital and reserves			
Called up share capital	13	1,043,565	833,897
Share premium reserve		32,933,951	13,129,427
Capital redemption reserve		51,572	33,606
Revaluation reserve		13,645,665	32,819,832
Special distributable reserve		6,114,513	20,109,912
Realised capital reserve		28,102,955	24,028,652
Revenue reserve		1,647,621	1,831,928
Equity shareholders' funds		**83,539,842**	**92,787,254**
Basic and diluted net asset value per ordinary share	14	**80.05p**	**111.27p**

The Notes on pages 60 to 76 form part of these Financial Statements.

The Financial Statements were approved and authorised for issue by the Board of Directors on 5 April 2023 and were signed on its behalf by:

Jonathan Cartwright
Chair

Statement of Changes in Equity for the year ended 31 December 2022

	Notes	Non-distributable reserves: Called up share capital £	Share premium reserve £	Capital redemption reserve £	Revaluation reserve £	Distributable reserves: Special distributable reserve (Note a) £	Realised capital reserve (Note b) £	Revenue reserve (Note b) £	Total £
At 1 January 2022		**833,897**	**13,129,427**	**33,606**	**32,819,832**	**20,109,912**	**24,028,652**	**1,831,928**	**92,787,254**
Comprehensive income for the year									
Loss for the year		-	-	-	(15,445,038)	-	(670,460)	941,026	(15,174,472)
Total comprehensive income for the year		**-**	**-**	**-**	**(15,445,038)**	**-**	**(670,460)**	**941,026**	**(15,174,472)**
Contributions by and distributions to owners									
Shares issued via Offer for Subscription (Note c)	13	205,388	18,296,398	-	-	-	-	-	18,501,786
Issue costs and facilitation fees on Offer for Subscription	13	-	(464,058)	-	-	(157,906)	-	-	(621,964)
Dividends re-invested into new shares	13	22,246	1,972,184	-	-	-	-	-	1,994,430
Shares bought back (Note d)	13	(17,966)	-	17,966	-	(1,460,054)	-	-	(1,460,054)
Dividends paid	7	-	-	-	-	(9,072,366)	(2,289,439)	(1,125,333)	(12,487,138)
Total contributions by and distributions to owners		**209,668**	**19,804,524**	**17,966**	**-**	**(10,690,326)**	**(2,289,439)**	**(1,125,333)**	**5,927,060**
Other movements									
Realised losses transferred to special reserve (Note a)		-	-	-	-	(3,305,073)	3,305,073	-	-
Realisation of previously unrealised appreciation		-	-	-	(3,729,129)	-	3,729,129	-	-
Total other movements		-	-	-	(3,729,129)	(3,305,073)	7,014,959	-	-
At 31 December 2022		**1,043,565**	**32,933,951**	**51,572**	**13,645,665**	**6,114,513**	**28,102,955**	**1,647,621**	**83,539,842**

Note a: The Special distributable reserve also provides the Company with a reserve to absorb any existing and future realised losses and, when considered by the Board to be in the interests of Shareholders, to fund share buybacks and for other corporate purposes. The transfer of £3,305,073 to the special reserve from the realised capital reserve above is the total of realised losses incurred by the Company in the year. As at 31 December 2022, the Company has a special reserve of £6,114,513, all of which arises from shares issued more than three years ago. Reserves originating from share issues are not distributable under VCT rules if they arise from share issues that are within three years of the end of an accounting period in which shares were issued.

Note b: The realised capital reserve and the revenue reserve together comprise the Profit and Loss Account of the Company shown on the Balance Sheet.

Note c: Under the Company's Offer for Subscription launched on 20 January 2022, 7,361,191 ordinary shares were allotted on 9 March 2022 raising net funds of £7,271,180 for the Company. Under the Company's Offer for Subscription launched on 5 October 2022, 13,177,484 ordinary shares were allotted on 16 November 2022 raising net funds of £10,608,642 for the Company. These figures are net of issue costs of £464,058 and facilitation fees of £157,906.

Note d: During the year, the Company purchased 1,796,536 of its own shares at the prevailing market price for a total cost of £1,460,054, which were subsequently cancelled.

Financial Statements

Statement of Changes in Equity for the year ended 31 December 2021

	Non-distributable reserves				Distributable reserves			
	Called up share capital £	Share premium reserve £	Capital redemption reserve £	Revaluation reserve £	Special distributable reserve £	Realised capital reserve £	Revenue reserve £	Total £
At 1 January 2021	**840,040**	**12,495,262**	**20,512**	**10,205,933**	**26,563,547**	**16,738,215**	**1,597,686**	**68,461,195**
Comprehensive income for the year								
Profit for the year	-	-	-	25,711,355	-	2,929,274	442,623	29,083,252
Total comprehensive income for the year	**-**	**-**	**-**	**25,711,355**	**-**	**2,929,274**	**442,623**	**29,083,252**
Contributions by and distributions to owners								
Dividends re-invested into new shares	6,951	634,165	-	-	-	-	-	641,116
Shares bought back	(13,094)	-	13,094	-	(1,230,702)	-	-	(1,230,702)
Dividends paid	-	-	-	-	(3,959,226)	-	(208,381)	(4,167,607)
Total contributions by and distributions to owners	**(6,143)**	**634,165**	**13,094**	**-**	**(5,189,928)**	**-**	**(208,381)**	**(4,757,193)**
Other movements								
Realised losses transferred to special reserve	-	-	-	-	(1,263,707)	1,263,707	-	-
Realisation of previously unrealised appreciation	-	-	-	(3,097,456)	-	3,097,456	-	-
Total other movements	-	-	-	(3,097,456)	(1,263,707)	4,361,163	-	-
At 31 December 2021	**833,897**	**13,129,427**	**33,606**	**32,819,832**	**20,109,912**	**24,028,652**	**1,831,928**	**92,787,254**

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 - This reserve is created from cancellations of the balances upon the Share premium reserve, which are transferred to this reserve from time to time. The cost of share buybacks is charged to this reserve. In addition, any realised losses on the sale or impairment of investments (excluding transaction costs), 75% of the Investment Adviser fee expense and 100% of the Investment Adviser performance fee expense, and the related tax effect, are transferred from the realised capital reserve to this reserve. This reserve will also be charged any IFA facilitation payments to advisers, which arose as part of the Offer for Subscription.

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

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

Revenue reserve - Income and expenses that are revenue in nature are accounted for in this reserve, as well as 25% of the Investment Adviser fee together with the related tax effect, as well as income dividends paid that are classified as revenue in nature.

The Notes on pages 60 to 76 form part of these Financial Statements.

Statement of Cash Flows for the year ended 31 December 2022

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cash flows from operating activities			
(Losses)/profit for the financial year		(15,174,472)	29,083,252
Adjustments for:			
Net investment portfolio losses/(gains)		14,708,270	(29,904,336)
Decrease in debtors		140,220	87,812
Increase in creditors		76,139	23,302
Net cash outflow from operations		**(249,843)**	**(709,970)**
Corporation tax paid		-	(103,452)
Net cash outflow from operating activities		**(249,843)**	**(813,422)**
Cash flows from investing activities			
Sale of investments	8	8,701,638	12,231,857
Purchase of investments	8	(3,777,121)	(6,235,292)
Net cash inflow from investing activities		**4,924,517**	**5,996,565**
Cash flows from financing activities			
Share issued as part of Offer for Subscription	13	18,501,786	-
Issue costs and facilitation fees as part of Offer for subscription	13	(621,964)	-
Equity dividends paid	7	(7,912,932)	(6,106,267)
Purchase of own shares		(1,460,054)	(1,230,702)
Net cash inflow/(outflow) from financing activities		**8,506,836**	**(7,336,969)**
Net increase/(decrease) in cash and cash equivalents		**13,181,510**	**(2,153,826)**
Cash and cash equivalents at start of year		22,534,666	24,688,492
Cash and cash equivalents at end of year		**35,716,176**	**22,534,666**
Cash and cash equivalents comprise:			
Cash at bank and in hand	11	1,573,079	4,059,487
Cash equivalents	11	34,143,097	18,475,179

The Notes on pages 60 to 76 form part of these Financial Statements.

Notes to the Financial Statements for the year ended 31 December 2022

1 Company Information

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

2 Basis of preparation

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') (updated in July 2022) issued by the Association of Investment Companies. The Financial Statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments which are disclosed under FRS102 s11/12 as shown in Note 15.

After performing the necessary enquiries, the Directors have undertaken an assessment of the Company's ability to meet its liabilities as they fall due. The Company has significant cash and liquid resources and no external debt or capital commitments. The Company's cash flow forecasts, which consider levels of anticipated new and follow-on investment, the net funds raised as part of the Company's Offer for Subscriptions, as well as investment income and annual running cost projections, are discussed at each quarterly Board meeting. Following this assessment, the Directors have a reasonable expectation that the Company will have adequate resources to continue to meet its liabilities for at least 12 months from the date of these Financial Statements. The Directors therefore consider the preparation of these Financial Statements on a going concern basis to be appropriate.

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, the redemption premium recognised in the year ended 31 December 2022 has been classified as capital and has been included within gains on investments.

	2022 £	2021 £
Income from bank deposits	55,899	18,559
Income from investments		
– from equities	925,987	348,420
– from overseas based OEICs	326,187	2,258
– from loan stock	708,901	984,972
	1,961,075	1,335,650
Other income	-	-
Total income	**2,016,974**	**1,354,209**
Total income comprises		
Dividends	1,252,174	350,678
Interest	764,800	1,003,531
	2,016,974	**1,354,209**

Total loan stock interest due but not recognised in the year was £399,827 (2021: £458,279) due to the uncertainty over its recoverability.

4 Investment Adviser's fees and other expenses

All 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 2022 £	Capital 2022 £	Total 2022 £	Revenue 2021 £	Capital 2021 £	Total 2021 £
Gresham House Asset Management Limited	470,253	1,410,756	1,881,009	428,601	1,285,804	1,714,405

Under the terms of a revised investment management agreement dated 12 November 2010 (such agreement having been novated to Gresham House), Gresham House Asset Management Limited ("Gresham House") 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, it was 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.

In line with common practice, Gresham House retains 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 £307,585 (2021: £349,777) during the year ended 31 December 2022, being £78,870 (2021: £132,666) for advisory and arrangement fees, and £228,715 (2021: £217,111) for acting as non-executive directors on a number of investee company boards. These fees attributable to the Company are based upon the investment allocation to the Company 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

	2022 £m	2021 £m
Funds raised by the Company	18.50	-
Offer costs payable to Mobeus at 3.00% of funds raised by the Company	**0.55**	**-**

Under the terms of an Offer for Subscription, with the other Mobeus advised VCTs, launched on 20 January 2022 and 5 October 2022, Gresham House was entitled to fees of 3.00% of the investment amount received from investors. This amount totalled £3.33 million across all four VCTs, out of which all the costs associated with the allotments were met.

Notes to the Financial Statements for the year ended 31 December 2022

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.

	2022 £	2021 £
Directors' remuneration (including NIC of £6,289 (2021: £9,750) (Note i)	112,789	144,750
IFA trail commission	86,564	88,938
Broker's fees	12,000	12,000
Auditor's fees – Audit of Company (excluding VAT)	45,150	33,191
– audit related assurance services (excluding VAT) - (Note ii)	8,400	6,212
Registrar's fees	77,467	42,343
Printing	58,973	46,227
Legal & professional fees	22,876	14,274
VCT monitoring fees	12,600	9,600
Directors' insurance	11,430	8,975
Listing and regulatory fees	82,857	44,787
Sundry	39,152	9,591
Running Costs	**570,258**	**460,888**
Provision against loan interest receivable (see note iii)	31,909	-
Other expenses	**602,167**	**460,888**

Note i): Directors' remuneration is a related party transaction, see analysis in Directors' Remuneration table on page 47, which excludes the NIC above. The key management personnel are the four non-executive directors. The Company has no employees.

Note ii): The audit-related assurance services are in relation to a limited scope engagement in respect of the Financial Statements within the Company's Interim Report. The Audit & Risk Committee reviews the nature and extent of these services to ensure that auditor independence is maintained.

Note: iii): Provision against loan interest receivable above relates to an amount of £31,909 (2021: nil), being a provision made against loan stock regarded as collectable in previous years.

5 Taxation on profit 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 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.

	2022 Revenue £	2022 Capital £	2022 Total £	2021 Revenue £	2021 Capital £	2021 Total £
a) Analysis of tax charge:						
UK Corporation tax on (loss)/profit for the year	3,528	(3,528)	-	22,097	(22,097)	-
Total current tax charge	**3,528**	**(3,528)**	**-**	**22,097**	**(22,097)**	**-**
Corporation tax is based on a rate of 19% (2021: 19%)						
b) (Loss)/profit on ordinary activities before tax	944,554	(16,119,026)	(15,174,472)	464,720	28,618,532	29,083,252
(Loss)/profit on ordinary activities multiplied by company rate of corporation tax in the UK of 19% (2021: 19%)	179,465	(3,062,615)	(2,883,150)	88,297	5,437,521	5,525,818
Effect of:						
UK dividends not taxable	(175,937)	-	(175,937)	(66,200)	-	(66,200)
Net investment portfolio losses/(gains) not allowable/(taxable)	-	2,794,571	2,794,571	-	(5,681,824)	(5,681,824)
Losses not utilised	-	264,516	264,516	-	222,206	222,206
Actual tax charge	**3,528**	**(3,528)**	**-**	**22,097**	**(22,097)**	**-**

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 (2021: £nil). There is an unrecognised deferred tax asset of £640,423 (2021: £nil).

6 Basic and diluted earnings per share

	2022 £	2021 £
Total earnings after taxation:	(15,174,472)	29,083,252
Basic and diluted earnings per share (Note a)	**(16.58)p**	**34.69p**
Net revenue from ordinary activities after taxation	941,026	442,623
Basic and diluted revenue return per share (Note b)	**1.03p**	**0.53p**
Net investment portfolio (losses)/gains	(14,708,270)	29,904,336
Capital expenses (net of taxation)	(1,407,228)	(1,263,707)
Total capital return	(16,115,498)	28,640,629
Basic and diluted capital return per share (Note c)	**(17.61)p**	**34.16p**
Weighted average number of shares in issue in the year	91,535,106	83,840,235

Notes:

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

Notes to the Financial Statements for the year ended 31 December 2022

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	2022 £	2021 £
Interim	Income	2021	0.25p	06/08/2021	-	208,381
Interim	Capital*	2021	4.75p	06/08/2021	-	3,959,226
Interim	Income	2021	0.25p	07/01/2022	209,558	-
Interim	Capital*	2021	3.75p	07/01/2022	3,143,366	-
Interim	Capital*	2022	4.00p	08/07/2022	3,639,561	-
Interim	Income	2022	1.00p	07/11/2022	915,775	-
Interim	Capital*	2022	2.50p	07/11/2022	2,289,439	
Interim	Capital	2022	2.50p	07/11/2022	2,289,439	-
					12,487,138	**4,167,607**

* - Paid out of the Company's special distributable reserve.

** - For the year ended 31 December 2022, £12,487,138 disclosed above differs to that shown in the Statement of Cash Flows of £7,912,932 due to a dividend payment of £2,579,776 made to the Registrar before the previous year-end in respect of the dividend paid to Shareholders on 7 January 2022. In addition, £1,994,430 of new shares was issued as part of the Company's Dividend Investment Scheme.

Distributions to equity holders after the year-end:

	Type	For year ended 31 December	Pence per share	Date paid/payable	2022 £	2021 £
Interim	Income	2021	0.25p	07/01/2022	-	209,560
Interim	Capital	2021	3.75p	07/01/2022	-	3,143,394
					-	**3,352,954**

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 payable	2022 £	2021 £
Revenue available for distribution by way of dividends for the year					**941,026**	**442,623**
Interim	Income	2021	0.25p	06/08/2021	-	208,381
Interim	Income	2021	0.25p	07/01/2022	-	209,558
Interim	Income	2022	1.00p	07/11/2022	915,775	
Total income dividends for the year					**915,775**	**417,939**

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 2022. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional. For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Where the terms of a disposal state that consideration may be received at some future date and, subject to the conditionality and materiality of the amount of deferred consideration, an estimate of the fair value discounted for the time value of money may be recognised through the Income Statement. In other cases, the proceeds will only be recognised once the right to receive payment is established and there is no reasonable doubt that payment will be received.

Unquoted investments are stated at fair value by the Directors at each measurement date in accordance with appropriate valuation techniques, which are consistent with the IPEV guidelines:-

(i) Each investment is considered as a whole on a 'unit of account' basis, i.e. that the value of each portfolio company is considered as a whole, alongside consideration of:-

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

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

or:-

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

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

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

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

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

A key judgement made in applying the above accounting policy relates to investments that are permanently impaired. Where the value of an investment has fallen permanently below 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.

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

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

Notes to the Financial Statements for the year ended 31 December 2022

Movements in investments during the year are summarised as follows:

	Traded on AIM Level 1 £	Unquoted equity shares Level 3 £	Unquoted preference shares Level 3 £	Unquoted Loan stock Level 3 £	Total £
Cost at 31 December 2021	676,918	21,412,982	1,471,414	10,499,884	34,061,198
Unrealised gains/(losses) at 31 December 2021	9,226,837	25,791,648	137,151	(2,335,804)	32,819,832
Permanent impairment in value of investments as at 31 December 2021	-	(1,231,948)	(227)	(64,388)	(1,296,563)
Valuation at 31 December 2021	**9,903,755**	**45,972,682**	**1,608,338**	**8,099,692**	**65,584,467**
Purchases at cost	-	3,339,621	-	437,500	3,777,121
Sale proceeds (Note a)	-	(3,242,632)	(4,273,470)	(1,185,536)	(8,701,638)
Reclassification at value (Note b)	(417,536)	527,636		(110,100)	-
Net realised gains in the year	-	(3,535,633)	4,272,401	-	736,768
Net unrealised (losses)/gains in the year (Note c)	(6,894,862)	(7,447,479)	112,934	(1,215,631)	(15,445,038)
Valuation at 31 December 2022	**2,591,357**	**35,614,195**	**1,720,203**	**6,025,925**	**45,951,680**
Cost at 31 December 2022	45,915	23,918,873	1,470,345	9,655,463	35,090,596
Unrealised gains/(losses) at 31 December 2022	2,545,442	13,704,584	251,255	(2,855,616)	13,645,665
Permanent impairment in value of investments at 31 December 2022 (Note d)	-	(2,009,262)	(1,397)	(773,922)	(2,784,581)
Valuation at 31 December 2022	**2,591,357**	**35,614,195**	**1,720,203**	**6,025,925**	**45,951,680**

Details of investment transactions such as disposal proceeds, valuation movements, cost and carrying value at the end of previous year are contained in the Investment Portfolio Summary on pages 22 to 27.

Net realised gains in the year of £736,768 and unrealised losses in the year of £15,445,038 equal net investment portfolio gains of £14,708,270 as shown on the Income Statement.

Note a) Disposals of investment portfolio companies during the year were:

Company	Type	Investment cost £	Disposal proceeds £	Valuation at 31 December 2021 £	Realised gain/(loss) in year £
Media Business Insight Holdings Limited	Realisation	2,225,042	3,975,468	3,560,047	415,421
Other Capital proceeds*	Additional proceeds	-	403,103	-	403,103
EOTH Limited	Part realisation	1,069	4,273,470	3,916,028	357,442
Muller EV Limited (trading as Andersen EV) (in members' voluntary liquidation)	Permanent impairment	-	-	439,198[1]	(439,198)
Oakhealth Limited	Liquidation	485,730	-	-	-
Jablite Holdings Limited (in members' voluntary liquidation)	Loan repayment	35,882	49,597	49,597	-
		2,747,723	**8,701,638**	**7,964,870**	**736,768**

[1] - Includes new investment of £243,998 in the year

* Other capital proceeds contains additional proceeds received from Vian Marketing Limited (trading as Red Paddle) of £400,763 and Vectair Holdings Limited of £3,609. Transaction costs of £1,269 have also been incurred.

Note b) The Company's equity investments in Parsley Box were delisted from AIM during the year. The amount transferred from Level 3 to Level 1 of £417,536 reflects the equity value held at the start of the year. The amount of £110,100 transferred from unquoted loan stock to unquoted equity shares represents the conversion of a loan held into equity shares during the year.

Note c) The major components of the net decrease in unrealised valuations of £15,445,038 in the year were decreases of £6,894,862 in Virgin Wines UK plc, £1,728,731 in My Tutorweb Limited, £1,302,816 in End Ordinary Group Limited (trading as Buster and Punch), £1,152,310 in Manufacturing Services Investment Limited (trading as Wetsuit Outlet), and £1,014,091 in Data Discovery Solutions Limited (trading as Active Navigation). These were partly offset by increases of £440,126 in Tharstern Group Limited, £302,983 in Bella & Duke Limited, and £215,645 in Orri Limited.

Note d) During the year, permanent impairments of the cost of investments have increased from £1,296,563 to £2,784,581 due to the permanent impairments of three investee companies partially offset by the disposal of one investee company which was liquidated during the year.

9 Significant interests

At 31 December 2022 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 advised and managed by Gresham House[1]
Veritek Global Holdings Limited	43,527	1,576,559	1,620,086	15.4%	65.6%
Preservica Limited	1,359,179	2,038,566	3,397,745	13.1%	57.8%
Tharstern Group Limited	338,861	753,025	1,091,886	12.7%	55.0%
Jablite Holdings Limited (in members' voluntary liquidation)	339,974	227	340,201	9.1%	40.1%
RDL Corporation Limited	173,932	826,068	1,000,000	8.9%	44.5%
Muller EV Limited (trading as Andersen EV) (in members' voluntary liquidation)	585,598	-	585,598	8.8%	37.0%
Virgin Wines UK Plc	45,915	-	45,915	8.3%	36.1%
Racoon International Holdings Limited	419,959	64,388	484,347	8.0%	41.5%
End Ordinary Group Limited (trading as Buster and Punch)	1,496,785	-	1,496,785	7.8%	34.6%
Data Discovery Solutions Limited (trading as Active Navigation)	1,408,640	-	1,408,640	7.1%	35.1%
Arkk Consulting Limited	671,090	928,355	1,599,445	6.7%	30.1%
Spanish Restaurant Group Limited (trading as Tapas Revolution)	406,396	812,700	1,219,096	6.7%	29.0%
Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van)	348,641	-	348,641	6.6%	28.1%
Caledonian Leisure Limited	328,502	219,000	547,502	6.6%	30.0%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet)	1,166,551	1,166,551	2,333,102	6.4%	27.5%
CGI Creative Graphics International Limited	476,612	973,134	1,449,746	6.3%	26.9%
Legatics Limited	663,011	-	663,011	6.0%	27.3%
Northern Bloc Ice Cream Limited	425,670	-	425,670	5.5%	27.3%
Vivacity Labs Limited	1,531,122	-	1,531,122	5.5%	20.0%
IPV Limited	619,487	-	619,487	5.5%	26.6%
My Tutorweb Limited (trading as MyTutor)	2,464,757	-	2,464,757	5.3%	22.6%
Pets' Kitchen Limited (trading as Vet's Klinic)	360,640	270,480	631,120	4.5%	20.0%
Bella & Duke Limited	877,381	-	877,381	4.4%	21.2%
Rota Geek Limited	874,000	218,500	1,092,500	4.1%	20.3%
Bleach London Holdings Limited	960,057	-	960,057	4.1%	14.1%
Orri Limited	438,200	-	438,200	3.6%	28.4%
BookingTek Limited	582,300	-	582,300	3.5%	14.9%
MPB Group Limited	1,095,252	-	1,095,252	3.2%	14.4%
Connect Childcare Limited	423,007	423,000	846,007	3.0%	14.4%

[1] – The percentage of equity held for these companies is the fully diluted figure, in the event that, for example, management of the investee company exercises share options, where available.

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

	2022 £	2021 £
Amounts due within one year:		
Accrued income	155,632	297,687
Prepayments	19,904	17,532
Other debtors	-	2,580,313
	175,536	**2,895,532**

11 Cash at bank and Current Investments

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.

	2022 £	2021 £
OEIC Money market funds	34,143,097	18,475,179
Cash equivalents per Statement of Cash Flows	34,143,097	18,475,179
Bank deposits that mature after three months	2,000,000	2,000,000
Current asset investments	**36,143,097**	**20,475,179**
Cash at bank	**1,573,079**	**4,059,487**

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	32,138	9,140
Other creditors	4,037	26,752
Accruals	267,375	191,519
	303,550	**227,411**

13 Called up share capital

	2022 £	2021 £
Allotted, called-up and fully paid:		
Ordinary shares of 1p each: 104,356,447 (2021: 83,389,721)	**1,043,565**	**833,897**

Under the 2021/22 Offer launched on 20 January 2022, 7,361,191 (2021: nil) Ordinary shares were allotted at an average effective offer price of 101.89 pence per share; raising net funds of £7,271,180 (2021: nil) for the Company.

Under the 2022/23 offer launched on 5 October 2022, 13,177,484 Ordinary shares were allotted at an average effective offer price of 83.49 pence per share raising net funds of £10,608,642 for the Company.

During the year, the Company purchased 1,796,536 (2021: 1,309,349) of its own shares for cash (representing 2.2% (2021: 1.6%) of the shares in issue at the start of the year) at the prevailing market price for a total cost of £1,460,054 (2021: £1,230,702). These shares were subsequently cancelled by the Company.

Under the terms of the Dividend Investment Scheme, 2,224,587 (2021: 695,092) Ordinary shares were allotted during the year for a non-cash consideration of £1,994,430 (2021: £641,116).

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 104,356,447 (2021: 83,389,721) 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.

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 2022:

	2022 (Fair value) £	2021 (Fair value) £
Assets at fair value through profit and loss:		
Investment portfolio	45,951,680	65,584,467
Loans and receivables held at amortised cost		
Accrued income	155,632	297,687
Cash at bank	1,573,079	4,059,487
Current asset investments	36,143,097	20,475,179
Other debtors	-	2,580,313
Liabilities at amortised cost or equivalent		
Other creditors	(303,550)	(227,411)
Total for financial instruments	83,519,938	92,769,722
Non financial instruments	19,904	17,532
Total net assets	**83,539,842**	**92,787,254**

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

The investment portfolio principally consists of unquoted investments 94.4% (2021: 84.9%) and AIM quoted stocks 5.6% (2021: 15.1%). The investment portfolio has a 100% (2021: 100%) concentration of risk towards small UK based, sterling denominated companies, and represents 55.0% (2021: 70.7%) of net assets at the year-end.

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Notes to the Financial Statements for the year ended 31 December 2022

Current asset investments are money market funds, and bank deposits which, along with cash are discussed under credit risk below, which represent 45.1% (2021: 26.4%) 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, although 5.6% of the portfolio value at the year-end is held in AIM quoted. 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 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 £36,143,097 (2021: £20,475,179), 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 £	2022 Total £
Other creditors	201,951	101,599	-	-	303,550

Financial liabilities	<3 months £	3-6 months £	6-12 months £	over 12 months £	2021 Total £
Other creditors	125,218	102,193	-	-	227,411

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:

	2022 £	2021 £
Loan stock investments	6,025,925	8,099,692
Current asset investments	36,143,097	20,475,179
Cash at bank	1,573,079	4,059,487
Accrued income	155,632	297,687
Other debtors	-	2,580,313
	43,897,733	35,512,358

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 typically 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 Company receives regular updates on each company at each quarter end.

The accrued income shown above of £155,632 was all due within six months of 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	2022 £	2021 £
0 to 1 year	1,895,646	980,756
1 to 2 years	1,282,651	3,829,649
2 to 3 years	1,708,980	1,135,939
3 to 4 years	689,789	989,348
4 to 5 years	448,859	847,587
Over 5 years	-	316,413
Total	6,025,925	8,099,692

Included within loan stock investments above are loans to five investee companies at a carrying value of £3,598,082 which are past their repayment date but have been renegotiated. Loans to one other company with a value of £116,100 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 have already been 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 £	2022 Total £
Loans to investee companies past due	-	-	1,705,422	1,705,422

	0-6 months £	6-12 months £	over 12 months £	2021 Total £
Loans to investee companies past due	-	-	1,894,811	1,894,811

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. The five OEIC money market funds holding £34,143,097 are all triple A rated funds and, along with bank deposits of £3,573,079 at four well-known financial institutions, credit risk is considered to be relatively low in the 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 £185,474 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.

Notes to the Financial Statements for the year ended 31 December 2022

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 £45,951,680 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 6 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 mainly 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 one asset is quoted on AIM, most portfolio 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 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% (2021: 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 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 small, unquoted companies which may have other factors which may influence the extent of the valuation change, e.g. a strong niche brand may limit the valuation fall compared to comparators, or may be more affected by external market factors than larger companies.

For each of the companies in the investment portfolio that are valued on a multiple or bid price basis, the calculation has applied plus and minus 20% to the bid price or multiple (such as earnings or revenue) derived from quoted market comparators that are used to value the companies. The companies valued on a multiple or bid price basis represent £43.85 million (2021: £63.10 million) of the total investment portfolio of £45.95 million (2021: £65.58 million). The remainder of the portfolio is valued at either price of recent investment or net asset value, as shown below.

The impact of a change of 20% (2021: 20%) has been selected as this is considered reasonable given the level of volatility observed both on a historical basis and market expectations for future movement.

Valuation Technique	Base Case*	Change in input	Change in fair value of investments (£'000)	Change in NAV (pence per share)
Revenue Multiple	2.28	+20%	3,299	3.16
		-20%	(2,619)	(2.51)
EBITDA Multiple	5.43	+20%	1,762	1.69
		-20%	(1,122)	(1.07)
Bid price		+20%	518	0.50
		-20%	(518)	(0.50)
Recent Investment Price			-	-

* As detailed in the accounting policies, the base case is based on market comparables, discounted where appropriate for marketability, in accordance with the IPEV guidelines.

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 2022 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	38,205,552	-	-	38,205,552		
Preference shares	-	1,720,203	-	1,720,203	5.6	3.9
Loan stocks	-	6,025,925	-	6,025,925	6.7	2.0
Current investments	-	-	36,143,097	36,143,097	3.2	
Cash	-	-	1,573,079	1,573,079	0.1	
Debtors	155,632	-	-	155,632		
Creditors	(303,550)	-	-	(303,550)		
Total for financial instruments	38,057,634	7,746,128	37,716,176	83,519,938		
Other non financial assets	19,904	-	-	19,904		
Net assets	**38,077,538**	**7,746,128**	**37,716,176**	**83,539,842**		

The interest rate profile of the Company's financial net assets at 31 December 2021 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	55,876,437	-	-	55,876,437		
Preference shares	-	1,608,338	-	1,608,338	-	3.9
Loan stocks	-	8,099,692	-	8,099,692	10.0	1.9
Current investments	-	-	20,475,179	20,475,179	0.3	
Cash	-	-	4,059,487	4,059,487	0.1	
Debtors	2,878,000	-	-	2,878,000		
Creditors	(227,411)	-	-	(227,411)		
Total for financial instruments	58,527,026	9,708,030	24,534,666	92,769,722		
Other non financial assets	17,532	-	-	17,532		
Net assets	**58,544,558**	**9,708,030**	**24,534,666**	**92,787,254**		

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 money market funds, the table below shows the sensitivity of income earned to changes in interest rates:

	2022 Profit and net assets £	2021 Profit and net assets £
If interest rates rose/fell by 5% (2021: 1%), with all other variables held constant – increase/(decrease)	1,527,505 / (1,527,505)	198,731 / (198,731)
Increase/(decrease) in earnings, and net asset value, per Ordinary share (in pence)	1.46p / (1.46)p	0.24p / (0.24)p

Currency risk

All assets and liabilities are denominated in sterling and therefore there is no currency risk, although a number of investee companies do trade overseas, so do face some exposure to currency risk in their operations.

Fair value hierarchy

The table below sets out fair value measurements using FRS102 s11.27 fair value hierarchy.

Financial assets at fair value through profit and loss At 31 December 2022	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	2,591,357	-	35,614,195	38,205,552
Preference shares	-	-	1,720,203	1,720,203
Loan stock investments	-	-	6,025,925	6,025,925
Total	**2,591,357**	**-**	**43,360,323**	**45,951,680**

Financial assets at fair value through profit and loss At 31 December 2021	Level 1 £	Level 2 £	Level 3 £	Total £
Equity investments	9,903,755	-	45,972,682	55,876,437
Preference shares	-	-	1,608,338	1,608,338
Loan stock investments	-	-	8,099,692	8,099,692
Total	**9,903,755**	**-**	**55,680,712**	**65,584,467**

There are currently no financial liabilities 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.

The valuation techniques used by the Company are explained in the accounting policies in Note 8 to these Financial Statements.

There was a transfer out of Level 1 into Level 3 during the year. A reconciliation of this and fair value measurements in Level 3 is set out below:

	Equity investments £	Preference shares £	Loan stock investments £	Total £
Opening balance at 1 January 2022	45,972,682	1,608,338	8,099,692	55,680,712
Purchases	3,339,621	-	437,500	3,777,121
Sales	(3,242,632)	(4,273,470)	(1,185,536)	(8,701,638)
Transfers into Level 3	417,536	-	-	417,536
Reclassification at value	110,100	-	(110,100)	-
Total (losses)/gains included in losses on investments in the Income Statement:				
- on assets sold or impaired	(3,535,633)	4,272,401	-	736,768
- on assets held at the year end	(7,447,479)	112,934	(1,215,631)	(8,550,176)
Closing balance at 31 December 2022	**35,614,195**	**1,720,203**	**6,025,925**	**43,360,323**

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 suitable price-earnings ratio taken from a comparable sector on the quoted market which is then appropriately adjusted for points of difference. Thus any change in share prices can have a significant effect on the value measurements of the Level 3 investments, as they may not be wholly offset by the adjustment for points of difference.

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

	31 December 2022 £	31 December 2021 £
Valuation methodology		
Multiple of earnings, revenues or gross margin, as appropriate	41,889,408	55,435,915
Net Asset Value	931,159	-
Recent investment price (reviewed for impairment)	500,612	195,200
Average Share Price	39,144	-
Estimated realisation proceeds	-	49,597
	43,360,323	**55,680,712**

The unquoted equity and loan stock investments had the following movements between valuation methodologies between 31 December 2021 and 31 December 2022:

Change in valuation methodology	Carrying value as at 31 December 2022 £	Explanatory note
Multiple basis to net asset basis	931,159	Net asset value is a more appropriate basis for determining fair value.

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 2022 IPEV. The Directors believe that, within these parameters, there are no other possible methods of valuation which would be reasonable as at 31 December 2022.

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 80% (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 6 February 2023, 6,009,092 new Ordinary Shares were allotted under the Company's Offer for Subscription, raising net funds of £4.81 million.

On 7 March 2023, a new investment of £0.25 million was made into Connect Earth Limited.

On 22 March 2023, a new investment of £0.50 million was made into Cognassist UK Limited.

On 24 March 2023, the company received £2.14 million for the sale of Tharstern Group Limited.

Shareholder Information

Communication with Shareholders

We aim to communicate regularly with our Shareholders. The annual general meetings provide a useful platform for the Board to meet Shareholders and exchange views and we are pleased to invite Shareholders to attend the joint Investment Adviser presentation with Mobeus Income and Growth VCT plc and the Annual General Meeting to be held from 1.30 pm on 24 May 2023 to give you the opportunity to meet the 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 via the London Stock Exchange RNS service. The Investment Adviser held its annual Shareholder event virtually on 23 March 2023. A recording is available via the Company's website.

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

23 March 2023	Virtual Shareholder Event (please register to view the recording which is available online at https://mvcts.connectid.cloud/)
April 2023	Announcement of Annual Results and circulation to Shareholders of Annual Report & Financial Statements for the year ended 31 December 2022
24 May 2023	Annual General Meeting
September 2023	Announcement of Half-Year Results and circulation of Half-Year Report for the six months ended 30 June 2023 to Shareholders
31 December 2023	Year-end

Gresham House website

Shareholders can check the performance of the Company by visiting the Investment Adviser's website www.greshamhouse.com. This is regularly updated with information on your investment including case studies of portfolio companies.

The website includes relevant Shareholder literature, including previous Annual and Half-Year Reports and the Company's Key Information Document ("KID").

Annual General Meeting

The Company's next Annual General Meeting will be held on **Wednesday, 24 May 2023 at 2.30 pm at the offices of Shoosmiths LLP, 1 Bow Churchyard, London, EC4M 9DQ**. For those who are also shareholders of the Mobeus Income & Growth VCT plc, they will hold their Annual General Meeting at 1.00 pm the same day. At 1.30 pm there will be a joint Investment Adviser presentation with a light lunch followed by the Company's AGM at 2.30 pm.

Shareholders will also be able to view the meeting remotely by registering for access to a web stream link which can be found on the Company's website at www.mig4vct.co.uk. Shareholders will be able to vote on a show of hands in person at the meeting and will also be able to submit questions to the Board in advance of the meeting using the AGM@greshamhouse.com email address. Shareholders attending virtually will not be able to vote at the meeting and therefore you are encouraged to lodge your proxy form, which is included with Shareholders' copies of this Annual Report, or on-line at www.signalshares.com before 22 May 2023 at 2.30 pm for your votes to be valid. A copy of the Notice of the Meeting is included on pages 79 to 81.

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 Registrar, Link Group, at the address given on page 83.

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

Dividend Investment Scheme ("DIS")

Those Shareholders who wish to participate, or to amend their existing participation in the DIS, can do so by visiting www.mig4vct.co.uk and click the Dividends tab or by contacting the Registrar directly using the details on page 83. Please note that Shareholders' elections to participate or amendments to participation in the Scheme require 15 days to become effective.

Selling your shares

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

The Company is unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited ("Panmure"). Panmure is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought in shares.

Panmure can be contacted as follows:

Chris Lloyd - 0207 886 2716 chris.lloyd@panmure.com

Paul Nolan - 0207 886 2717 paul.nolan@panmure.com

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

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

Managing your shareholding online

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

Fraud Warning

Boiler Room fraud and unsolicited communications to Shareholders.

We have been made aware of a number of Shareholders being contacted in connection with sophisticated but fraudulent financial scams which purport to come from the Company or to be authorised by it. This is often by a phone call or an email usually originating from outside of the UK, often claiming or appearing to be from a corporate finance firm offering to buy your VCT shares at an inflated price.

Further information on boiler room scams and fraud advice plus who to contact, can be found first in the answer to a question "What should I do if I receive an unsolicited offer for my shares?" within the VCT Investor area of the Investment Adviser's website in the A Guide to VCTs section: www.mobeusvcts.co.uk and secondly, in a link to the FCA's ScamSmart site: www.fca.org.uk/scamsmart

We strongly recommend that you seek financial advice before taking any action if you remain in any doubt. You can also contact the Investment Adviser on 0207 382 0999, or email mobeusvcts@greshamhouse.com to check whether any claims made by a caller are genuine.

Shareholders are also encouraged to ensure their personal data is always held securely and that data held by the Registrar of the Company is up to date, to avoid cases of identity fraud.

Shareholder enquiries

For enquiries concerning the investment portfolio or the Company in general, please contact the Investment Adviser, Gresham House Asset Management Limited. To contact the Chair or any member of the Board, please contact the Company Secretary, also Gresham House, in the first instance.

The Registrar, Link Group, 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 Gresham House and Link Group are included under Corporate Information on page 83 of this Annual Report.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Mobeus Income & Growth 4 VCT plc ("the Company") will be held at **2.30 pm on Wednesday, 24 May 2023, at the offices of Shoosmiths LLP, 1 Bow Churchyard, London, EC4M 9DQ** for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions. An explanation of the main business to be proposed is included in the Directors' Report on pages 37 to 39 of this document:

1. To receive and adopt the annual report and financial statements of the Company for the year ended 31 December 2022 ("Annual Report"), together with the auditor's report thereon.
2. To approve the directors' annual remuneration report as set out in the Annual Report.
3. To approve the remuneration policy as set out in the Annual Report.
4. To re-elect Graham Paterson as a director of the Company.
5. To re-elect Chris Burke as a director of the Company.
6. To elect Lindsay Dodsworth as a director of the Company.
7. To re-appoint BDO LLP of 55 Baker Street, London W1U 7EU, London, EC1A 4AB as auditor of the Company until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the directors to determine the remuneration of the auditor.
8. 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 £364,206, 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 2024, 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.
9. That, subject to the passing of resolution 8 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 8 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, £110,366, in connection with offer(s) for subscription; and

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

   (iii) otherwise than pursuant to sub-paragraph (i) and (ii) above, with an aggregate nominal value of up to, but not exceeding, 10% 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 in 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 2024, 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 power conferred by this resolution had not expired.
10. That, in substitution for any existing authorities, the Company be and hereby is authorised pursuant to and 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 16,543,794 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Shares in issue at the date of passing of 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 5% 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 amount stipulated by Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such Regulation forms part of the UK law and as amended);

Notice of the Annual General Meeting

(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 2024; 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:
5 New Street Square
London
EC4A 3TW

Gresham House Asset Management Limited
Company Secretary
Dated: 5 April 2023

Notes:

The following Notes explain your general rights as a Shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. A member is entitled to attend, speak and vote at the Meeting in person or to appoint one or more other persons as their proxy to exercise all or any of his rights on his behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the Notes below. Where a member intends to join the Meeting by means of the webcast, they shall be permitted to ask questions at the Meeting but shall not be entitled to vote on resolutions at the Meeting (and are, therefore, encouraged to submit their votes by way of proxy). Note 16 of the Notice will apply to those who join the meeting (which would be in attendance only) by means of the webcast.
2. To be entitled to attend the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast) and to be able to lodge your proxy votes, Shareholders must be registered in the Register of Members of the Company at close of trading on 22 May 2023. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend the Meeting and/or webcast and vote by proxy.
3. In order for a proxy appointment to be valid it must be received by Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL by **2.30 pm on 22 May 2023**.
4. A Shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that Shareholder. A proxy need not be a Shareholder of the Company.
5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
6. A form of proxy for use in connection with the Meeting is enclosed with the document of which this Notice forms part. If you do not have a form of proxy and would like a copy, please contact the Company's registrar, Link Group at 10th Floor Central Square, 29 Wellington Street, Leeds LS1 4DL ("Registrar"), or on 0371 664 0391. Completion and return of a form of proxy form will not legally prevent a Shareholder from attending and voting at the Meeting in person, or from joining the Meeting (which would be as an attendee only) by means of the webcast. The Company requests all Shareholders to vote by proxy on the resolutions set out in this Notice as soon as possible.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the Meeting.
8. You can also vote either:
   - by logging on to www.signalshares.com and following the instructions.
   - if you need help with voting online, please contact our Registrar, Link Group, on 0371 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside of the UK, or email Link at shareholderenquiries@linkgroup.co.uk.
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

   We strongly recommend voting electronically at www.signalshares.com as your vote will automatically be counted. Given the current situation, with many people working from home and delays in the postal system, there is a risk that your vote may not be counted if you send a paper proxy.
9. If you return more than one proxy appointment, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/ public/EUI). 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.
11. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by **2.30 pm on 22 May 2023**. For this purpose, the time of receipt will be taken to mean 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.
12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International 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(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
13. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
14. As at 4 April 2023 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 110,365,539 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 4 April 2023 are 110,365,539.
15. Under Section 527 of the Companies Act 2006, Shareholders 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 Financial Statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual Financial Statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the Shareholders propose to raise at the relevant meeting. 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 Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
16. Any Shareholder attending the Meeting has the right to ask questions. Any Shareholder may submit questions in relation to the business to be transacted at the Meeting via email to: AGM@greshamhouse.com by 22 May 2023. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
17. Copies of the directors' letters of appointment will be available for inspection at the Company's trading office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) until the end of the Meeting and will also be available for inspection at the place of the Meeting for at least 15 minutes before and during the Meeting.
18. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.mig4vct.co.uk.

Information for Shareholders

Glossary of terms

Alternative performance measure ("APM")

A financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the Company's financial reporting framework. These APMs tend to be industry specific terms which help Shareholders to understand and assess the Company's progress. A number of terms contained within this Glossary have been identified as APMs.

Cumulative dividends paid (APM)

The total amount of dividend distributions by the Company over the time period specified. A list of all dividends paid since launch of the Company is shown on the Company's website www.mig4vct.co.uk. Dividends paid in the year and dividends paid in respect of the year are shown in Note 7.

Cumulative total return (APM)

Cumulative total return per share comprises the NAV per share (NAV basis) or the mid-market price per share (Share price basis), plus cumulative dividends paid since launch in 1999.

Internal Rate of Return ("IRR")

The internal rate of return is the annual discount rate that equates the original investment cost with the value of subsequent cash flows (such as receipts/dividends or further investment) and the latest valuation/exit proceeds or net asset value. Generally speaking, the higher an investment's IRR, the more successful it is.

Net asset value or NAV

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

Net asset value per share or NAV per share

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

NAV Total Return (APM)

This measure combines two types of returns received by Shareholders. Firstly, as income in the form of dividends and secondly, as capital movements (net asset value) of the value of the Company.

It is a performance measure that adjusts for dividends that have been paid in a period or year. This allows Shareholders to assess the returns they have received both in terms of the performance of the Company but also including dividends they have received from the Company which no longer form part of the Company's assets.

It is calculated as the percentage return achieved after taking the closing NAV per share and adding dividends paid in the year and dividing the total by the opening NAV per share. The Directors feel that this is the most meaningful method for Shareholders to assess the performance of the Company.

To aid comparison with the wider Investment Trust market, the Annual Report also contains a Total Return performance measure which assumes dividends are reinvested. This assumes that dividends paid are reinvested at the date of payment at a price equivalent to the latest announced NAV at the ex-div date. Where this is referred to it will be specified in the Notes.

Ongoing charges ratio (APM)

This figure, calculated using the AIC recommended methodology, shows Shareholders the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded. Although the Ongoing Charges figure primarily is based upon historic information, it provides Shareholders with an indication of the likely level of costs that will be incurred in managing the Company in the future. This is calculated by dividing the Investment Adviser's fees of £1,881,009 and running costs of £570,258 (per Notes 4a and 4d on pages 61 and 62), the latter being reduced by IFA trail commission and one-off professional fees, by the average net assets throughout the year of £85,580,019.

Realised gains/(losses) in the year

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

Share price Total Return (APM)

As NAV Total Return, but the Company's mid-market share price (source: Panmure Gordon & Co) is used in place of NAV. This measure more reflects the actual return a Shareholder will have earned, were they to sell their shares at the year/period's end date. It includes the impact of any discounts or premiums at which the share price trades compared to the underlying net asset value of the Company. If the shares trade at a discount, the returns could be less than the NAV Total Return, but if trading at a premium, returns could be higher than the NAV Total Return.

Corporate Information

Directors (Non-executive)
Jonathan Cartwright (Chair)
Chris Burke
Lindsay Dodsworth
Graham Paterson

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