

# Maven Income and Growth VCT 4 PLC

Annual Report

Year ended 31 December 2011

# Contents

3 Financial Highlights

## Annual Report

5 Chairman's Statement

8 Analysis of Unlisted and AIM Portfolio

10 Investment Manager's Review

14 Summary of Investment Changes

15 Investment Portfolio Summary

17 Largest Unlisted and AIM Investments

## Directors' Report and Financial Statements

19 Your Board

21 Directors' Report

31 Directors' Remuneration Report

33 Statement of Directors' Responsibilities

34 Independent Auditor's Report to the Members of Maven Income and Growth VCT 4 PLC

36 Financial Statements

## Other Information

55 Notice of Meeting

61 Explanatory Notes to the Notice of Annual General Meeting

63 Corporate Summary

64 Corporate Information

# Financial Calendar

16 May 2012

Annual General Meeting

# Dividend Schedule

	Rate	XD date	Record date	Payment date
<b>Ordinary shares</b>				
Proposed final 2011	2.5p	9 May 2012	11 May 2012	30 May 2012
<b>S Ordinary shares</b>				
Proposed final 2011	1.3p	9 May 2012	11 May 2012	30 May 2012

# Financial Highlights: Ordinary Shares

## Financial History

	31 December 2011	31 December 2010	31 December 2009	31 December 2008	31 December 2007	31 December 2006
Net asset value	£8,231,000	£7,964,000	£6,996,000	£6,647,000	£8,221,000	£8,789,000
Net asset value per Ordinary share	98.2p	95.7p	89.7p	84.8p	104.9p	112.2p
Total return (without initial tax relief) <sup>A</sup>	118.5p	112.0p	102.5p	95.3p	112.9p	114.2p
Total return (with initial tax relief) <sup>B</sup>	158.5p	152.0p	142.5p	135.3p	152.9p	154.2p
Share price <sup>C</sup>	94.0p	66.0p	64.5p	50.0p	82.0p	96.5p
Discount to net asset value	4.3%	31.0%	28.1%	41.0%	21.8%	14.0%
Ordinary shares in issue	8,386,589	8,323,130	7,798,296	7,835,163	7,835,163	7,835,163

<sup>A</sup> Sum of net asset value per share and dividends paid to date.

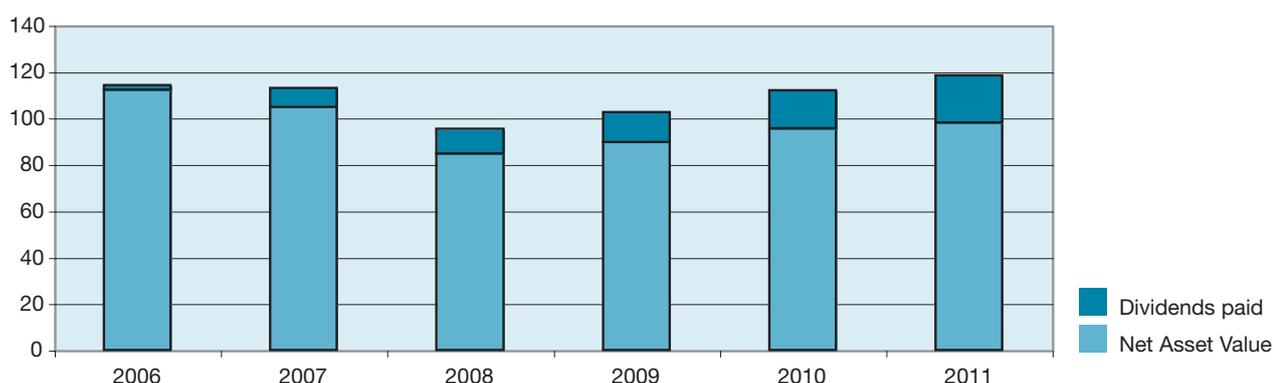
<sup>B</sup> Sum of net asset value per share, initial income tax relief at 40% and dividends paid to date.

<sup>C</sup> Source: Bloomberg

## Dividends - Ordinary Shares

Year ended December	Payment date	Interim/final	Rate (p)
2006	30 October 2006	Interim	2.0
	19 January 2007	Interim	3.5
	18 May 2007	Final	0.5
2007	24 October 2007	Interim	2.0
	20 May 2008	Final	1.5
	17 October 2008	Interim	1.0
2008	20 May 2009	Final	1.3
2009	25 September 2009	Interim	1.0
	27 May 2010	Final	2.5
2010	27 September 2010	Interim	1.0
	27 May 2011	Final	2.5
2011	27 September 2011	Interim	1.5
<b>Total dividends paid</b>			<b>20.3</b>
	30 May 2012	Final proposed	<b>2.5</b>
<b>Total dividends paid or proposed</b>			<b>22.8</b>

## NAV Total Return Performance (p)



The bar chart shows the total return (net asset value plus dividends paid since launch) as at 31 December for the relevant year.

# Financial Highlights: S Ordinary Shares

## Financial History

	31 December 2011	31 December 2010	31 December 2009	31 December 2008	31 December 2007
Net asset value	£5,058,000	£4,801,000	£4,693,000	£4,750,000	£4,831,000
Net asset value per S Ordinary share	104.10p	97.30p	94.40p	95.50p	97.20p
Total return (without initial tax relief) <sup>1</sup>	112.65p	103.85p	99.45p	97.75p	97.20p
Total return (with initial tax relief) <sup>2</sup>	142.65p	133.85p	129.45p	127.75p	127.40p
Share price <sup>3</sup>	93.0p	70.5p	71.50p	90.0p	100.00p
Discount to net asset value	10.66%	27.50%	24.26%	5.80%	(2.9)%
Ordinary shares in issue	4,861,009	4,936,009	4,972,459	4,972,459	4,972,459

<sup>1</sup> Sum of current net asset value and dividends paid to date.

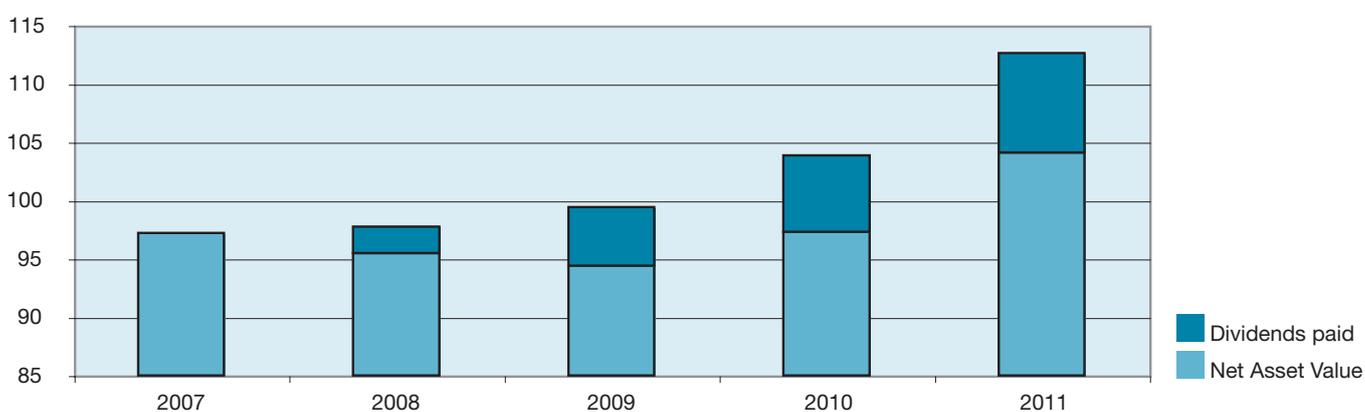
<sup>2</sup> Sum of current net asset value, initial income tax relief at 30% and dividends paid to date.

<sup>3</sup> Source: Bloomberg

## Dividends - S Ordinary Shares

Year ended December	Payment date	Interim/final	Rate (p)
2007	20 May 2008	Final	1.25
	17 October 2008	Interim	1.00
2008	20 May 2009	Final	1.80
2009	25 September 2009	Interim	1.00
	27 May 2010	Final	0.50
2010	27 September 2010	Interim	1.00
	27 May 2011	Final	0.50
2011	27 September 2011	Interim	1.50
<b>Total dividends paid</b>			<b>8.55</b>
	30 May 2012	Final proposed	1.30
<b>Total dividends paid or proposed</b>			<b>9.85</b>

## NAV Total Return Performance (p)



The bar chart shows the total return (net asset value plus dividends paid since launch) as at 31 December for the relevant year.

# Chairman's Statement

Despite continued volatility for global quoted markets throughout the reporting period, and the resulting adverse impact on UK business and investor sentiment, the Board is pleased to report that your Company has achieved further positive shareholder returns during the year to 31 December 2011. Smaller companies are exposed to the wider market fragility, but your Company's private equity portfolio continues to perform well and in line with the Company's objective of generating long term capital appreciation and maintainable levels of tax-free income for shareholders.

The Manager seeks to invest in a wide range of attractively priced later-stage companies with defensive characteristics, predictable earnings and modest levels of debt, which are therefore well placed to withstand extended periods of challenging trading conditions. This approach has helped to deliver an increasing level of tax-free dividends for shareholders and steady growth in the underlying NAV.

Your Board was encouraged to note that a recent AIC press release entitled 'VCT performance rivals conventional companies in 2011', which analysed the high representation of VCTs among the top performing investment companies during 2011, highlighted the fact that your Company was ranked 2nd of the top ten VCTs for share price total return during that period and was also showing strong positive returns over 3 years.

The Manager's ability to source high quality private company holdings was confirmed in the Deloitte Buyout Track 100 report published in February 2012, which tracks the performance of the top 100 private equity backed medium-sized companies in Britain over the past two years. Four portfolio companies feature in this report, which provides useful independent validation of the underlying quality of the assets held by your Company.

## Performance

- **Total return on Ordinary shares of 118.5p per share (2010: 112.0p) at 31 December 2011, up 5.8% over the year and 24.7% since launch.**
- **Net asset value (NAV) of Ordinary shares at the year end of 98.2p per share (2010: 95.7p).**
- **Total return on S Shares of 112.65p per share (2010: 103.85p) at 31 December 2011, up 8.5% over the year and 18.6% since launch.**
- **NAV of S Shares at the year end of 104.1p per share (2010: 97.3p).**
- **Five new later stage, yielding investments added during the year.**
- **Disposal of Walker Technical Resources, for a return of 3.0 times cost.**
- **Final dividends proposed of 2.5p per Ordinary Share (2010: 2.5p) and 1.3p per S Share (2010: 0.5p).**
- **A total of 4.0p declared per Ordinary share and 2.8p per S Share in respect of the year (2010: 3.5p and 1.5p respectively).**

The most important measure of performance for a VCT is the total return, which is the long term record of dividend payments out of income and capital gains combined with the current NAV. The NAV in isolation is a less relevant measure of performance as the underlying investments are long-term in nature and not readily realisable.

## Dividends

The Board is proposing a final dividend of 2.5p per Ordinary share and 1.3p per S share to be paid on 30 May 2012 to shareholders on the register on 11 May 2012. Including the interim dividends paid in September 2011, the tax-free yield for the year is 6.7% on the net cost (taking into account the initial tax relief available at time of investment) to Ordinary shareholders and 4% to S shareholders. Since the Company's launch, and after receipt of the proposed final dividend, Ordinary shareholders and S shareholders will have received 22.8p and 9.85p respectively in tax-free dividends.

## Distributable Reserve

On 13 June 2011, the Court order approving the reduction in share premium account, as voted for by shareholders at the General Meeting on 1 February 2011, became effective. The purpose of the reduction was to provide the Company with greater flexibility in returning funds to shareholders, whether through the payment of dividends, share buy-backs or other means.

## Principal risks and uncertainties

The Board has reviewed the principal risks and uncertainties facing the Company, which are set out in the annual report and are the risks involved in investment in small and unquoted companies. In order to reduce the exposure to investment risk, the Company has invested in a broadly-based portfolio of mature companies in the United Kingdom.

## VCT Qualifying Status

The VCT qualifying status of the Company is reviewed regularly by your Board and monitored on a continuous basis by the Manager in order to ensure that all of the criteria for VCT qualifying status continue to be met. I can confirm that all tests were met throughout the year.

## Investment Strategy

The Manager's investment strategy is to build a large and diversified portfolio of income producing, later stage private companies across a range of sectors and industries. The principal domicile of these companies will generally be in the UK, although many have an export dimension or overseas operations.

The Board and the Manager have previously concluded that the potential returns available from AIM and PLUS quoted investments are too uncertain, with very limited liquidity in many stocks and poor dividend yield in comparison with private equity investments. The Manager has therefore continued to selectively realise the AIM portfolio for value over the past 12 months, and redeploy the proceeds into investments in established, income-producing private companies.

Shareholder value is created through a combination of generating revenue from loan stock holdings and capital proceeds arising from profitable realisations, normally via an eventual trade sale of the business. To achieve this goal, new transactions are typically structured with 70% to 90% in secured, yielding loan stock, in companies where an equity stake can also be acquired at a reasonable entry price, and where the Manager perceives an opportunity to arbitrage a capital profit when the business achieves greater scale and maturity.

The revised Listing Rules require your Board to ensure that this and subsequent reports carry additional information on investment policy, in particular statements concerning asset mix, the spread of risk and maximum exposures. This information is contained in the Directors' Report and in the tabular analyses of the portfolio.

## Valuation Process

Investments held by Maven Income and Growth VCT 4 in unquoted companies are valued in accordance with the International Private Equity And Venture Capital Valuation Guidelines.

Investments quoted or traded on a recognised stock exchange, including AIM, are valued at their bid prices.

## Portfolio Developments

During the year your Company participated in five substantial new private company transactions, as well as ten follow-on investments intended to support the development of existing portfolio companies. Most of the existing private equity assets are trading acceptably or ahead of plan. There has also been significant recent acquisition interest in several portfolio companies and the Manager is currently working on the potential sale of a number of holdings, although there is no certainty that any of these discussions will result in successful exits.

In line with the strategy of reducing the exposure to AIM, a number of further disposals were made during the period and the portfolio is now almost exclusively invested in private companies, with AIM securities now representing only 4.2% and 1.5% of the asset base for the Ordinary Pool and S pool respectively (2010: Ordinary Pool 8.9%, S Pool 3.4%). The proceeds of those disposals are then available for investment in the further growth of the private equity portfolio.

Your Company continues to co-invest in each transaction with other Maven client funds, which allows the Manager to invest in a greater range and size of transaction on behalf of VCT clients than would otherwise be the case.

## Recovery of VAT

The Board continues to pursue the recovery of VAT and interest on VAT paid on management fees paid in the years before October 2008 and is confident of making progress in this area. We expect that further sums will be recovered in due course.

## Co-Investment Scheme of the Manager

The co-investment scheme, which allows executive members of the Manager to invest alongside the Company, continued in operation during the year. The scheme operates through a nominee company which invests alongside the Company in each and every transaction made by the Company, including any follow-on investments. The scheme more closely aligns the interests of the executives and the Company's shareholders while providing an incentive to enable the Manager to retain the existing skills and capacity of the Manager's investment team in a competitive market.

## Share Capital

As reported previously, in the period to 29 April 2011 your Company raised further funds through the Maven Linked VCT Offer 2. An additional £395,843 was raised, at a cost of 5% of total funds raised, and 431,672 new shares were issued.

In December 2011 your Board announced its intention to offer a further opportunity to acquire New Ordinary Shares and New S Ordinary Shares through a top-up Offer aiming to raise £1.25 million before expenses, which is within the maximum permitted under the prospectus rules and avoids the higher costs associated with publishing a full prospectus.

On 1 March 2012, the Company issued and allotted 482,424 New Ordinary Shares and 268,769 New S Ordinary Shares under the Offer. At that point the Offer had been over-subscribed and the Board announced its closure on 2 March 2012. The remaining shares will be allotted on 5 April 2012 for the 2011/2012 tax year and on 18 April 2012 for the 2012/2013 tax year.

The Company may use the money raised, under both the earlier top-up Offer and the latest Offer, to pay dividends and general running costs. This has the effect of preserving for investment purposes an equivalent sum of valuable 'old money' which operates under more advantageous VCT regulations. The proceeds of both Offers will provide additional liquidity for the Company to make further later-stage investments, and allow it to spread its costs over a larger asset base to the benefit of all Shareholders.

## Outlook

Although the UK economy continues to face significant uncertainty, with widespread concerns over the prospects for growth and potential for rising inflation, well run cash-generative smaller companies continue to prosper. As a result of the persistent scarcity of bank debt available to growth companies looking for additional capital, there are continuing opportunities for well managed generalist VCTs to identify and invest in established, progressive businesses with strong balance sheets and proven business models. The Manager has been able to source a steady flow of private company introductions across the UK, allowing your Company to invest in good quality assets which are capable of generating significant income in support of a sustainable dividend programme.

Investors have been contending with record low interest rates since early 2009 and your Board recognises that regular tax-free income is a significant factor in VCT investment, alongside the ability to generate capital gains in the medium to long term. Your Company continues to build momentum, with a more established portfolio and improving dividends which bode well for future Shareholder returns.

**Ian Cormack**  
**Chairman**

**16 April 2012**

# Analysis of Unlisted and AIM Portfolio

As at 31 December 2011

FT Industrial Sector	Ordinary Shares		S Shares	
	Valuation £'000	%	Valuation £'000	%
<b>Unlisted</b>				
Support Services	1,553	21.9	967	22.3
Oil & Gas	1,118	15.7	1,063	24.5
Food Producers & Processors	599	8.4	456	10.5
Telecommunication Services	627	8.8	394	9.0
Insurance	530	7.5	463	10.6
Chemicals	410	5.8	230	5.3
Household Goods & Textiles	627	8.8	-	-
Leisure & Hotels	237	3.3	249	5.7
Engineering & Machinery	241	3.4	145	3.3
Real Estate	199	2.8	150	3.4
Electronic & Electrical Equipment	290	4.1	5	0.1
Automobiles & Parts	155	2.2	124	2.8
Banks	68	1.0	34	0.8
Utilities (ex-electricity)	100	1.4	-	-
<b>Total Unlisted</b>	<b>6,754</b>	<b>95.1</b>	<b>4,280</b>	<b>98.3</b>
<b>AIM</b>				
Household Goods & Textiles	133	1.9	35	0.8
Media & Entertainment	67	1.0	24	0.5
Support Services	65	0.9	8	0.2
Mining	27	0.4	-	-
Electronic & Electrical Equipment	25	0.4	-	-
Investment Companies	8	0.1	8	0.2
Software & Computer Services	10	0.1	-	-
Telecommunication Services	9	0.1	-	-
Engineering & Machinery	2	-	-	-
<b>Total AIM</b>	<b>346</b>	<b>4.9</b>	<b>75</b>	<b>1.7</b>
<b>Total Unlisted and AIM</b>	<b>7,100</b>	<b>100.0</b>	<b>4,355</b>	<b>100.0</b>

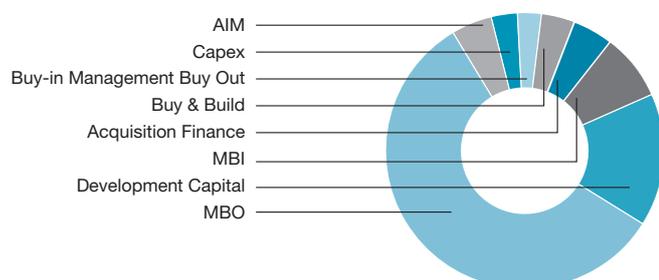
# Analysis of Unlisted and AIM Portfolio (continued)

As at 31 December 2011

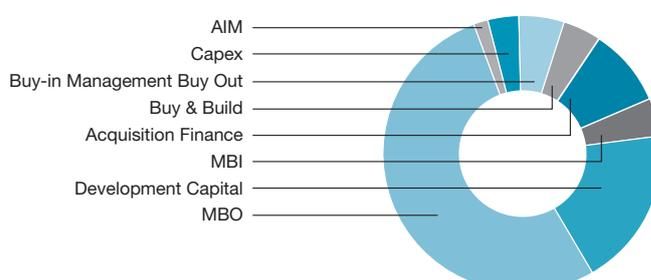
Analysis of Unlisted and AIM Portfolio by Deal Type

Deal Type	Ordinary Shares			S Shares		
	Number	Valuation £'000	%	Number	Valuation £'000	%
<b>Unlisted</b>						
MBO	19	4,089	57.5	15	2,303	52.9
Development Capital	9	1,090	15.3	7	804	18.5
MBI	3	563	8.0	3	196	4.5
Acquisition Finance	2	325	4.6	2	400	9.2
Buy & Build	1	274	3.9	1	192	4.4
Buy-in Management Buy Out	2	214	3.0	2	235	5.4
Capex	1	199	2.8	1	150	3.4
<b>Total Unlisted</b>	<b>37</b>	<b>6,754</b>	<b>95.1</b>	<b>31</b>	<b>4,280</b>	<b>98.3</b>
<b>AIM</b>	<b>16</b>	<b>346</b>	<b>4.9</b>	<b>6</b>	<b>75</b>	<b>1.7</b>
<b>Total Unlisted and AIM</b>	<b>53</b>	<b>7,100</b>	<b>100.0</b>	<b>37</b>	<b>4,355</b>	<b>100.0</b>

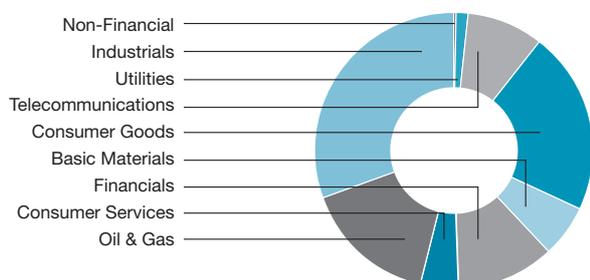
## Ordinary Shares



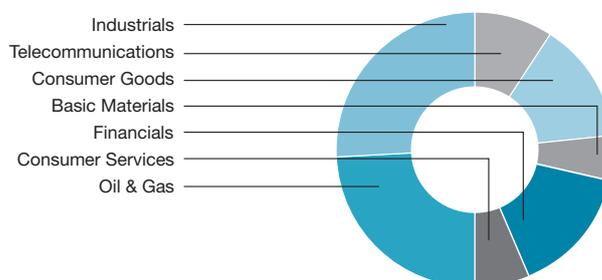
## S Ordinary Shares



## Ordinary Shares



## S Ordinary Shares



# Investment Manager's Review

## Overview

The prospects for the UK economy remain uncertain, with most indicators suggesting low economic growth is likely to persist for a number of years ahead. This view is further supported by the Government's 2011 Autumn Statement which forecasts that the public sector borrowing requirement will increase over the next five years, and an extended period of spending restraint will be required in order to ensure that the UK maintains its current rating with the key credit agencies. This fiscal control and lower discretionary spend capacity is likely to impact on both consumer and investor confidence over the medium term.

Notwithstanding the challenges facing the UK economy, we are encouraged to note that the majority of private company assets in the portfolio are trading in line with expectations, and are creating value for our client investors through a combination of revenue generation to fund dividends, and capital growth.

The fundamental strategy pursued by Maven is to use its national presence and local advisory relationships to generate a high level of new transaction introductions each year, and to invest selectively and conservatively in earnings reliable and well managed private companies on prudent entry multiples. This approach has ensured positive shareholder returns have been consistently achieved in recent years and will continue to be at the cornerstone of our investment approach.

We believe there are continuing positive medium term prospects for potential deal flow in our target private equity market, as well resourced generalist VCT managers continue to be introduced to high quality later-stage private companies seeking capital to expand. Maven has been introduced to over 400 private company transactions around the UK in the past 12 months, mainly by a network of long-established contacts across the corporate finance and business community.

## Investment Activity

During the year the Maven team completed five substantial new private equity investments on behalf for your company, alongside ten follow-on investments in existing portfolio companies. At the year end, the portfolio stood at 55 unlisted and AIM investments at a total cost of £12.7 million.

The following investments have been completed during the period.

Investment	Date	Sector	Investment cost £'000		Website
			Ordinary Share	S Share	
<b>Unlisted</b>					
ATR Holdings Limited	Feb 11	Oil equipment services	14	8	www.atrgroup.co.uk
Blackford Capital Limited	Nov 11	Food Producer & Processor	75	-	No website available
Camwatch Limited	Aug 11	Telecommunication services	70	40	www.camwatch.co.uk
Claven Holdings Limited	Feb 11	Financial services	26	13	No website available
Corinthian Foods Limited	Nov 11	Food Producer & Processor	250	-	No website available
Glacier Energy Services Group Limited	Mar 11	Oil equipment services	119	99	www.glacier.co.uk
Lawrence Recycling & Waste Management Limited	Dec 11	Support services	15	10	www.lawrenceskiphire.co.uk
LCL Hose Limited	Sep 11	Manufacturing	149	99	www.dantec.ltd.uk
Lemac No.1 Limited	Oct 11	Manufacturing	106	85	www.mcgavigan.com
Maven Co-invest Exodus Limited Partnership	Jun 11	Telecommunication services	274	192	www.6dg.co.uk
Moriond Limited	Dec 11	Real Estate	200	150	No website available
Nessco Group Holdings Limited	Oct 11	Oil equipment services	31	50	www.nesscogroup.com
Space Student Living Limited	Jun 11	Support services	154	124	No website available
TC Communications Holdings Limited	May 11	Support services	43	27	www.tccommunications.co.uk
Torridon Capital Limited	Apr 11	Financial services	87	74	www.elite-insurance.co.uk
<b>Total Unlisted investment</b>			<b>1,613</b>	<b>971</b>	
<b>AIM</b>					
Brookwell Limited	Feb 11	Financial services	53	11	www.brookwelllimited.com
Marechale Capital PLC	Feb 11	Financial services	3	1	www.marechalecapital.com
Marwyn Management Partners	Jul 11	Financial services	15	17	www.marwyn.com
<b>Total AIM investment</b>			<b>71</b>	<b>29</b>	
<b>Listed</b>					
Treasury 5.25% 7 June 2012	Dec 11	Gilt	600	250	
			<b>600</b>	<b>250</b>	
<b>Total</b>			<b>2,284</b>	<b>1,250</b>	

## Unlisted Portfolio Developments

Five substantial private company investments were added to the portfolio during the period under review.

- Glacier Energy Services, a profitable oil and gas service group with two specialist trading subsidiaries, Roberts Pipeline Machining and Wellclad. Roberts designs and manufactures on-site portable cutting machines for blue chip oil and gas clients. Wellclad provides services to the European offshore and subsea equipment market. Glacier is focused on growth within its core UK market as well as promoting its technologies to the international oil and gas market.
- Space Student Living, a business providing contracted property management services across the student housing sector. Space aims to achieve significant growth across its consultancy services operation, in tandem with the acquisition of further long term management contracts.
- Maven Co-invest Exodus, a new company trading as 6<sup>o</sup>, established by Penta Capital to implement a buy-and-build strategy in the business telecommunications service sector based on the converging of mobile, fixed-line, broadband, internet and IT technology businesses. Penta is an established private equity firm with which Maven previously co-invested in the successful 2010 management buy-out of esure.
- LCL Hose, (trading as Dantec) a specialist manufacturer of hand-built composite hoses for the global petrochemical industry. Composite hoses provide the vital flexible connection in many fluid transfer systems, and are used worldwide in applications such as unloading road, rail and marine tankers within chemical and oil plants, and in Formula 1 racing. Dantec exports around 70% of its output and is engaged in a number of significant overseas projects.
- Moriond, a new company set up to acquire an established residential property portfolio at a significant discount to open market value. Maven will work on a joint venture basis with an experienced developer to break up the portfolio into single lots, carry out minor refurbishment, and then implement a structured sale of the individual assets over an 18-24 month period. The transaction is projected to generate a significant capital gain alongside a 6.5% paid yield through the life of the investment.

In a number of cases the Manager is also currently engaged with investee companies and prospective acquirers at various stages of a potential exit process. This realisation activity reflects the increasing maturity of a number of holdings, but it should be noted that there can be no certainty that these discussions will ultimately lead to profitable sales.

There was one notable private company exit during the period. The investment in Dalglen 1150 (Walker Technical Resources) was realised in July with further proceeds received on agreement of completion accounts. Total proceeds over the life of the investment were £1.05m representing an overall 3.0 times return on the initial investment cost. The exit was via a secondary buy-out, funded by Gresham Private Equity, just two years after Maven originally led the management buy-in in June 2009. Walker, which provides some of the most advanced composite repairs technology available for the global oil & gas industry, has consistently traded ahead of budget and has more than doubled earnings since the initial investment.

The table on page 13 gives details of realisations during the reporting period.

## Realisations

	Date first invested	Complete/partial exit	Cost of shares disposed of £'000	Ordinary Shares			S Shares		
				Sales proceeds £'000	Realised gain/(loss) £'000	Cost of shares disposed of £'000	Sales proceeds £'000	Realised gain/(loss) £'000	
<b>Unlisted</b>									
Ailsa Craig Capital Limited	2009	Complete	249	249	-	169	169	-	
Atlantic Foods Group Limited	2008	Partial	-	-	-	56	63	7	
Attraction World Holdings Limited	2010	Partial	39	39	-	30	30	-	
Dalglen (1150) Limited (trading as Walker Technical Resources)	2009	Complete	249	627	378	99	251	152	
Dunning Capital Limited	2009	Complete	249	249	-	149	149	-	
Essential Viewing Systems Limited	2001	Complete	192	239	47	-	-	-	
Oliver Kay Holdings Limited	2007	Partial	4	4	-	-	-	-	
Shiskine Capital Limited	2009	Complete	249	249	-	149	149	-	
Tosca Penta Investments Limited Partnership	2010	Partial	13	13	-	13	13	-	
Others			71	31	(40)	37	16	(21)	
<b>Total unlisted disposals</b>			<b>1,315</b>	<b>1,700</b>	<b>385</b>	<b>702</b>	<b>840</b>	<b>138</b>	
<b>AIM</b>									
Brookwell Limited	2011	Partial	22	17	(5)	5	4	(1)	
Individual Restaurant Company PLC	2006	Complete	47	4	(43)	-	-	-	
OPG Power Ventures PLC	2008	Complete	39	55	16	39	56	17	
Praesepe PLC	2008	Complete	49	17	(32)	50	17	(33)	
Software Radio Technology PLC	2005	Partial	8	12	4	-	-	-	
System C Healthcare PLC	2005	Complete	150	194	44	-	-	-	
Others			66	35	(31)	132	70	(62)	
<b>Total AIM disposals</b>			<b>381</b>	<b>334</b>	<b>(47)</b>	<b>226</b>	<b>147</b>	<b>(79)</b>	
<b>Total disposals</b>			<b>1,696</b>	<b>2,034</b>	<b>338</b>	<b>928</b>	<b>987</b>	<b>59</b>	

One unlisted investment and one AIM company were struck off the Register during the year resulting in a realised losses of £232,000 (cost £267,000) and £62,000 (cost £132,000) for the Ordinary Share Pool and S Share Pool respectively. This had no effect on the NAV as a full provision had been made in earlier years.

In respect of AIM holdings the Manager has continued its policy of structured exits from this part of the portfolio. Four AIM securities were purchased by a closed ended investment company established to acquire investments which were underperforming or trading below entry price. These transactions incurred realised losses of £126,000 (cost £179,000) and £41,000 (cost £52,000) for the Ordinary Share Pool and S Share Pool respectively during the year.

## Outlook

Your Company's portfolio has benefitted from significant diversification in recent years, with a specific focus on investing in a wide range of later-stage private companies with income generating characteristics. There is increased competition among providers of alternative capital for access to attractive private equity transactions, and good quality private company opportunities are at a premium. However with one of the most highly resourced and experienced management teams in the industry, Maven has access to a UK-wide network of introducers and is therefore well placed to continue to expand the asset base and consistently grow shareholder value.

# Summary of Investment Changes

For the year ended 31 December 2011

## Ordinary Shares

	Valuation 31 December 2010		Net investment/ (disinvestment) £'000	Appreciation/ (depreciation) £'000	Valuation 31 December 2011	
	£'000	%			£'000	%
<b>Unlisted investments</b>						
Equities	1,849	23.2	13	541	2,403	29.2
Preference	17	0.2	(4)	(2)	11	0.1
Loan stocks	4,380	55.0	(96)	56	4,340	52.7
	<b>6,246</b>	<b>78.4</b>	<b>(87)</b>	<b>595</b>	<b>6,754</b>	<b>82.0</b>
AIM/PLUS investments	710	8.9	(316)	(48)	346	4.2
Listed fixed income investments	-	-	598	(1)	597	7.3
<b>Total investments</b>	<b>6,956</b>	<b>87.3</b>	<b>195</b>	<b>546</b>	<b>7,697</b>	<b>93.5</b>
Other net assets	1,008	12.7	(474)	-	534	6.5
<b>Total Assets</b>	<b>7,964</b>	<b>100.0</b>	<b>(279)</b>	<b>546</b>	<b>8,231</b>	<b>100.0</b>

## S Ordinary Shares

	Valuation 31 December 2010		Net investment/ (disinvestment) £'000	Appreciation/ (depreciation) £'000	Valuation 31 December 2011	
	£'000	%			£'000	%
<b>Unlisted investments</b>						
Equities	1,207	25.1	72	336	1,615	31.9
Preference	1	-	-	-	1	-
Loan stocks	2,632	54.8	59	(27)	2,664	52.7
	<b>3,840</b>	<b>79.9</b>	<b>131</b>	<b>309</b>	<b>4,280</b>	<b>84.6</b>
AIM/PLUS investments	162	3.4	(129)	42	75	1.5
Listed fixed income investments	-	-	249	(1)	248	4.9
<b>Total investments</b>	<b>4,002</b>	<b>83.3</b>	<b>251</b>	<b>350</b>	<b>4,603</b>	<b>91.0</b>
Other net assets	799	16.7	(344)	-	455	9.0
<b>Total Assets</b>	<b>4,801</b>	<b>100.0</b>	<b>(93)</b>	<b>350</b>	<b>5,058</b>	<b>100.0</b>

# Investment Portfolio Summary

As at 31 December 2011

Investment Name	Ordinary Shares			S Shares			% of equity	
	Valuation £'000	Cost £'000	% of total assets	Valuation £'000	Cost £'000	% of total assets	% of equity held	held by other clients*
<b>Unlisted Investments</b>								
Torricon Capital Limited	424	190	5.3	358	161	7.0	2.6	37.4
Nessco Group Holdings Limited	241	156	3.0	386	249	7.5	3.9	31.1
Homelux Nenplas Limited	627	149	7.6	-	-	-	3.0	37.0
Camwatch Limited	353	390	4.3	202	223	3.9	4.6	52.6
Westway Services Limited	260	113	3.2	260	113	5.0	2.4	19.5
Lawrence Recycling and Waste Management Limited	292	292	3.6	195	195	3.8	6.0	56.0
Maven Co-invest Exodus Limited Partnership**	274	274	3.3	192	192	3.8	1.5	9.1
Flexlife Group Limited	264	199	3.2	178	134	3.5	1.3	13.3
Adler & Allan Holdings Limited	260	187	3.2	130	93	2.6	1.0	6.0
TPL (Midland) Limited (formerly Transys Holdings)	241	259	2.9	145	155	2.9	4.6	45.5
TC Communications Holdings Limited	217	242	2.6	136	151	2.7	13.5	59.7
Moriond Limited	199	199	2.4	150	150	3.0	7.2	42.8
Atlantic Foods Group Limited	274	199	3.3	56	56	1.1	1.1	7.7
Attraction World Holdings Limited	187	126	2.3	140	94	2.8	4.4	34.0
Steminic Limited	220	220	2.7	101	101	2.0	4.4	47.3
Beckford Capital Limited	160	160	1.9	160	160	3.2	24.2	75.8
Oliver Kay Holdings Limited	292	205	3.5	-	-	-	1.3	18.7
Lemac No. 1 Limited (trading as John McGavigan Limited)	155	155	1.9	124	124	2.5	6.3	30.5
Space Student Living Limited	154	154	1.9	124	124	2.5	3.1	26.9
Blackford Capital Limited	75	75	0.9	200	200	4.0	20.2	63.9
Martel Instruments Holdings Limited	271	227	3.3	-	-	-	4.2	40.0
CHS Engineering Services Limited	152	152	1.8	114	114	2.3	3.0	20.4
Corinthian Foods Limited	250	250	3.0	-	-	-	16.3	56.6
LCL Hose Limited	149	149	1.8	99	100	2.0	4.5	25.5
Venmar Limited (trading as XPD8 Solutions Limited)	109	109	1.3	124	124	2.5	3.6	31.4
Intercede (Scotland) 1 Limited (trading as Electroflow Controls Limited)	95	70	1.2	136	99	2.7	1.9	26.6
Glacier Energy Services Group Limited	119	119	1.4	99	99	2.0	2.1	22.9
Tosca Penta Investments Limited (trading as esure Holdings Limited)**	106	75	1.3	105	74	2.1	-	0.2
Staffa Capital Limited	-	-	-	200	200	4.0	15.3	49.0
Training For Travel Group Limited	76	149	0.9	89	174	1.8	3.7	26.3
ATR Holdings Limited	69	62	0.8	39	35	0.7	6.1	47.0
Claven Holdings Limited	68	26	0.8	34	13	0.6	6.9	43.1
Enpure Holdings Limited	100	100	1.2	-	-	-	0.4	2.2
Others	21	909	0.2	4	166	0.1		
	<b>6,754</b>	<b>6,341</b>	<b>82.0</b>	<b>4,280</b>	<b>3,873</b>	<b>84.6</b>		

# Investment Portfolio Summary (continued)

As at 31 December 2011

Investment Name	Ordinary Shares			S Shares			% of equity held	% of equity held by other clients*
	Valuation £'000	Cost £'000	% of total assets	Valuation £'000	Cost £'000	% of total assets		
<b>AIM/PLUS</b>								
Plastics Capital PLC	134	197	1.7	34	50	0.7	0.9	2.8
Chime Communications PLC	67	71	0.8	24	26	0.5	-	0.2
Hambledon Mining PLC	27	83	0.3	-	-	-	0.2	0.1
Datong PLC	25	151	0.3	-	-	-	0.9	1.1
Work Group PLC	24	151	0.3	-	-	-	0.7	2.6
Brookwell Limited	17	30	0.2	4	9	0.1	-	-
Hasgrove PLC	14	49	0.2	-	-	-	0.2	1.5
Others	38	727	0.4	13	102	0.2		
	<b>346</b>	<b>1,459</b>	<b>4.2</b>	<b>75</b>	<b>187</b>	<b>1.5</b>		
<b>Listed</b>								
Treasury 5.25% 7 June 2012	597	598	7.3	248	249	4.9		
	<b>597</b>	<b>598</b>	<b>7.3</b>	<b>248</b>	<b>249</b>	<b>4.9</b>		
<b>Total</b>	<b>7,697</b>	<b>8,398</b>	<b>93.5</b>	<b>4,603</b>	<b>4,309</b>	<b>91.0</b>		

\* Other clients of Maven Capital Partners UK LLP

\*\* These investments are managed by Penta Capital LLP of which a director of the Company, Steven Scott, is a partner.

# Largest Unlisted and AIM/PLUS Investments

As at 31 December 2011

Torridon Capital Limited		Grantham, Lincolnshire		www.elite-insurance.co.uk	
	Cost (£'000)	351	Year ended	31 March	2011 2010
	Valuation (£'000)	782			£'000 £'000
	Basis of valuation	Earnings	Sales		31,162 5,433
	Equity held	2.6%	Profit/(Loss) before tax		2,939 1,828
	Income received (£'000)	46	Retained profit/(loss)		2,072 1,710
	First invested	January 2010	Net Assets		4,559 2,487

National supplier of specialist financial and legal insurance products and litigation services

Other MAVEN Clients invested Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Growth VCT 3, Ortus VCT and Talisman First Venture Capital Trust

Nessco Group Holdings Limited		Aberdeen		www.nesscogroup.com	
	Cost (£'000)	405	Year ended	31 March	2011 2010
	Valuation (£'000)	627			£'000 £'000
	Basis of valuation	Earnings	Sales		17,307 16,626
	Equity held	3.9%	Profit/(loss) before tax		(436) 361
	Income received (£'000)	98	Retained profit/(loss)		(505) 417
	First invested	June 2008	Net Assets		635 943

Telecommunication Services provider.

Other MAVEN Clients invested Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Growth VCT 3, Talisman First Venture Capital Trust and Ortus VCT.

Homelux Nenplas Limited		Ashbourne, Derbyshire		www.homeluxnenplas.co.uk	
	Cost (£'000)	149	Year ended	31 May	2011 2010
	Valuation (£'000)	627			£'000 £'000
	Basis of valuation	Earnings	Sales		15,960 12,909
	Equity held	3.0%	Profit/(loss) before tax		1,881 1,142
	Income received (£'000)	95	Retained profit/(loss)		1,556 785
	First invested	May 2006	Net Assets		5,061 3,484

Manufacturer of plastic tiling trims and related products.

Other MAVEN Clients invested Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Growth VCT 3, and Talisman First Venture Capital Trust.

Camwatch Limited		Sheffield, South Yorkshire		www.camwatch.co.uk	
	Cost (£'000)	613	Year ended	31 March	2010 2009
	Valuation (£'000)	555			£'000 £'000
	Basis of valuation	Earnings	Sales		4,378 3,895
	Equity held	4.6%	Profit/(Loss) before tax		(804) (776)
	Income received (£'000)	95	Retained profit/(loss)		(804) (776)
	First invested	March 2007	Net Assets		(920) (266)

Provider of CCTV monitoring and installation services.

Other MAVEN Clients invested Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Growth VCT 3 and Talisman First Venture Capital Trust.

Westway Services Limited		Middlesex		www.westwayservices.com	
	Cost (£'000)	226	Year ended	28 February	2011 2010
	Valuation (£'000)	520			£'000 £'000
	Basis of valuation	Earnings	Sales		27,521 17,369
	Equity held	2.4%	Profit/(Loss) before tax		4,224 2,797
	Income received (£'000)	74	Retained profit/(loss)		3,129 2,255
	First invested	June 2009	Net Assets		7,724 4,401

Provider of design, installation and maintenance services on air-conditioning and associated building services plant.

Other MAVEN Clients invested Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Growth VCT 3, Talisman First Venture Capital Trust and Ortus VCT.

Lawrence Recycling & Waste Management Limited		Kidderminster, Worcestershire	www.lawrenceskiphire.co.uk	
Cost (£'000)	487	Year ended	31 December	2010 2009
Valuation (£'000)	487			£'000 £'000
Basis of valuation	Earnings	Sales		* *
Equity held	6.0%	Profit/(Loss) before tax		* *
Income received (£'000)	Nil	Retained profit/(loss)		* *
First invested	January 2009	Net Assets		872 839
Operator of material recycling facility.				
Other MAVEN Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Clients invested Growth VCT 3, Ortus VCT and Talisman First Venture Capital Trust.				



Maven Co-invest Exodus Limited Partnership		London	www.6dg.co.uk	
Cost (£'000)	466	Year ended	**	
Valuation (£'000)	466			
Basis of valuation	Cost	Sales		
Equity held	1.5%	Profit/(Loss) before tax		
Income received (£'000)	Nil	Retained profit/(loss)		
First invested	June 2011	Net Assets		
The business is undertaking a buy and build in the B2B communications and data hosting sectors.				
Other MAVEN Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Clients invested Growth VCT 3, Ortus VCT and Talisman First Venture Capital Trust.				



Flexlife Group Limited		Aberdeen	www.flexlife.co.uk	
Cost (£'000)	333	Year ended***	31 March	2011
Valuation (£'000)	442			£'000
Basis of valuation	Earnings	Sales		3,966
Equity held	1.3%	Profit/(Loss) before tax		285
Income received (£'000)	20	Retained profit/(loss)		47
First invested	October 2010	Net Assets		7,652
Provider of subsea flexible pipe project management and integrity management solutions to the Oil & Gas industry.				
Other MAVEN Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Clients invested Growth VCT 3, Ortus VCT and Talisman First Venture Capital Trust.				



Adler & Allan Holdings Limited		Harrogate	www.adlerandallan.co.uk	
Cost (£'000)	280	Year ended	30 September	2011 2010
Valuation (£'000)	390			£'000 £'000
Basis of valuation	Earnings	Sales		39,331 38,496
Equity held	1.0%	Profit/(Loss) before tax		175 762
Income received (£'000)	Nil	Retained profit/(loss)		(424) 175
First invested	June 2007	Net Assets		(3,620) (3,326)
Provider of services for the handling and disposal of liquid waste.				
Other MAVEN Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Clients invested Growth VCT 3 and Talisman First Venture Capital Trust				



TPL (Midlands) Limited		Birmingham	www.transysprojects.ltd.uk	
Cost (£'000)	414	Year ended	31 December	2011 2010
Valuation (£'000)	386			£'000 £'000
Basis of valuation	Earnings	Sales		12,477 7,465
Equity held	4.6%	Profit/(loss) before tax		1,258 (475)
Income received (£'000)	48	Retained profit/(loss)		798 (561)
First invested	December 2007	Net Assets		(155) (954)
Provider of engineering services to the rail industry.				
Other MAVEN Maven Income and Growth VCT, Maven Income and Growth VCT 2 and Maven Income and Clients invested Growth VCT 3.				



\* This company only produces abridged accounts, as permitted under the Companies Act.

\*\* These companies have not yet produced their first report and accounts.

\*\*\* Accounts for period 16 July 2010 to 31 March 2011.

## Your Board

The Board of five Directors, all of whom are non-executive and the majority of whom are considered by the Board to be independent of the Manager, supervise the management of Maven Income and Growth VCT 4 PLC and look after the interests of its Shareholders.

### Ian Cormack, independent non-executive Director and Chairman

**Age:** 64.

**Length of service:** Appointed a Director and Chairman in September 2004.

**Relevant experience and other directorships:** Mr Cormack spent 30 years at Citigroup (formerly Citibank), occupying many senior positions in the bank including Country Head (CCO) for Citicorp in the UK, Chairman of Citibank International and most recently occupying the position of Co-head of Global Financial Institutions. Following his career at Citigroup, he spent two years at AIG Inc where he was Chief Executive of insurance, financial services and asset management businesses in Europe.

He is currently a partner at Cormack Tansey Partners, a consulting practice, and holds a number of directorships.

**Committee membership:** Audit (Chairman), Management Engagement (Chairman) and Nomination (Chairman).

**Employment by the Manager:** None.

**Other connections with the Manager:** None.

**Shared directorships with other Directors:** None.

### Malcolm Graham-Wood, independent non-executive Director

**Age:** 54.

**Length of service:** Appointed a Director in September 2004.

**Relevant experience and other directorships:** Mr Graham-Wood began his career with Wood Mackenzie in 1979. He has spent the past 25 years working in the City as an analyst and was head of the UK equity department at Williams de Broe.

**Committee membership:** Audit, Management Engagement and Nomination.

**Employment by the Manager:** None.

**Other connections with the Manager:** None.

**Shared directorships with other Directors:** None.

### Andrew Lapping, independent non-executive Director

**Age:** 48.

**Length of service:** Appointed a Director in September 2004.

**Relevant experience and other directorships:** Mr Lapping worked for PricewaterhouseCoopers for twelve years, specialising in corporate finance and tax planning. In 1999 he established a private equity company, The Hamilton Portfolio Limited, of which he is Managing Director. He has managed a number of private equity and AIM investments. He is a Fellow of The Chartered Institute of Taxation and is a non-executive director of a number of private companies.

**Committee membership:** Audit, Management Engagement and Nomination.

**Employment by the Manager:** None.

**Other connections with the Manager:** None.

**Shared directorships with other Directors:** None.

## Bill Nixon, non-executive Director

**Age:** 48.

**Length of service:** Appointed an alternate Director in November 2005 and has been a Director in his own right since 2008.

**Relevant experience and other directorships:** Mr Nixon is Managing Partner of Maven Capital Partners and has 30 years experience of banking and private equity. In the mid-1990s he was Head of the UK private equity business at National Australia Bank and joined Aberdeen Asset Management PLC in 1999. In 2004 he was appointed as principal fund manager for all Aberdeen-managed VCTs, responsible for the UK investment team. In 2009 Bill and his senior colleagues led a buy-out from Aberdeen and formed Maven. He is a Fellow of the Chartered Institute of Bankers in Scotland and obtained an MBA from Strathclyde University in 1996.

**Committee membership:** Nomination.

**Employment by the Manager:** Since 2009; with Aberdeen Asset Management 1999 – 2009.

**Other connections with the Manager:** Mr Nixon is a non-executive director of Maven Income and Growth VCT 2 PLC, Maven Income and Growth VCT 3 PLC, Ortus VCT PLC and Talisman First Venture Capital Trust PLC.

**Shared directorships with other Directors:** None.

## Steven Scott, independent non-executive Director

**Age:** 46.

**Length of service:** Appointed a Director in September 2004.

**Relevant experience and other directorships:** Mr Scott is a qualified chartered accountant. He worked in the Bank of Scotland Structured Finance Group before becoming a director of Royal Bank Development Capital, the private equity division of The Royal Bank of Scotland plc. In 1999, he founded Penta Capital, an independent UK private equity manager with around £400 million under management. Penta specialises in buy-and-build investments and opportunities presented by the credit crunch and liquidity issues in the UK today.

**Committee membership:** Audit, Management Engagement and Nomination.

**Employment by the Manager:** None.

**Other connections with the Manager:** None.

**Shared directorships with other Directors:** None.

# Directors' Report

The Directors submit their Annual Report together with the Financial Statements of the Company for the year ended 31 December 2011.

## Results and dividends

The revenue attributable to Ordinary Shareholders for the year amounted to £133,000 (2010: £13,000). The net profit on ordinary activities after taxation for the year was £499,000 compared with a net profit of £756,000 in 2010. The net asset value per Ordinary Share at 31 December 2011 was 98.2p (2010: 95.7p). Having paid an interim dividend for the year of 1.5p in September 2011, the Directors propose a final dividend for the year of 2.5p per Ordinary share, payable on 30 May 2012 to Ordinary Shareholders on the register at the close of business on 11 May 2012.

The revenue attributable to S Ordinary Shareholders for the year amounted to £111,000 (2010: £15,000). The total return attributable to S Ordinary Shareholders for the year was £411,000 (2010: £208,000). The net asset value per S Ordinary Share at 31 December 2011 was 104.1p (2010: 97.3p). On 27 September 2011 a dividend of 1.5p per S Ordinary Share was paid to Shareholders on the register at 27 August 2011. The Directors propose a final dividend for the year of 1.3p per S Ordinary Share, payable on 30 May 2012 to S Ordinary Shareholders on the register at the close of business on 11 May 2012.

## Business review

A review of the Company's activities is given in the Chairman's Statement on pages 5 to 7 and in the Investment Manager's Review on pages 10 to 13.

A summary of the business objectives, the Board's strategy for achieving them, the risks faced and the key performance indicators is given below.

## Investment objective and policy

The Company aims to achieve long term capital appreciation and generate maintainable levels of income for shareholders.

The Company intends to achieve its objective by:

- investing the majority of its funds in a diversified portfolio of shares and securities of smaller, unquoted UK companies and in AIM companies which meet the criteria for VCT qualifying investments with strong growth potential
- investing in line with VCT regulations, no more than £1 million in any company in one year and no more than 15% of the total investments by cost in one company at the time of investment
- maintaining a qualifying investment level of at least 70% according to VCT regulations
- borrowing up to 15% of net asset value on a selective basis in pursuit of investment strategy
- retaining the services of a Manager who can provide the breadth and depth of resources to achieve the investment objective.

The Company manages and minimises investment risk by:

- diversifying across a large number of companies
- diversifying across a range of economic sectors
- actively and closely monitoring the progress of investee companies
- seeking to appoint a non-executive director to the board of each private investee company, provided from the Manager's investment management team or from its pool of experienced independent directors
- co-investing with other funds run by the Manager in larger deals which tend to carry less risk
- not investing in hostile public to private transactions
- retaining the services of a Manager who can provide the breadth and depth of resources required to meet the criteria stated above.

Other risks are managed as follows:

- VCT qualifying risk is minimised by retaining the services of a Manager with the resources to provide sufficient flow of investment opportunities and integrated administrative and management systems to ensure continuing compliance with regulations
- risks of political change, exchange controls, taxation or other regulations that might affect investee companies are monitored and taken account of before investments are made and in determining valuations of unlisted investments.

## Statement of compliance with investment policy

That the Company is adhering to its stated investment policy and managing the risks arising from it can be seen in various tables and charts throughout the Annual Report and from figures provided in the Chairman's Statement on pages 5 to 7.

The management of the investment portfolio has been delegated to Maven Capital Partners UK LLP, which also provides administrative, financial management and company secretarial services to the Company. The Board is comfortable with the Manager's resources and its network of offices, which both supply new deals and enable it to monitor the geographically widespread portfolio companies effectively.

The Investment Portfolio Summary shows the number of investments in each portfolio and gives an indication of the degree of co-investment with other Maven clients. The tabular analyses of Unlisted and AIM Portfolio by sector and deal type show that the portfolio is diversified across a variety of economic sectors and deal types. The level of qualifying investments is monitored by the Manager continuously and reported to the Board quarterly.

## Future outlook

The Board's view of the Company's future outlook is shown in the Chairman's Statement on page 7.

## Key performance indicators

At each board meeting, the Directors consider a number of performance measures in order to assess the Company's success in achieving its objectives. The key performance indicators are:

- net asset value total return
- dividends per share.

A historical record of these measures is shown on pages 3 and 4.

The Board also considers peer group comparative performance.

## Principal risks and uncertainties

The principal risks facing the Company relate to its investment activities and include market price, interest rate, liquidity and credit risks. An explanation of these risks and how they are managed is contained in Note 18 to the financial statements on pages 51 to 54. Additional risks faced by the Company, and the mitigation approach adopted by the Board, are as follows.

- Investment objective: The Board's aim is to maximise absolute returns to shareholders while managing risk by ensuring an appropriate diversification of investments.
- Investment policy: inappropriate stock selection, leading to underperformance in absolute and relative terms, is a risk which the Manager mitigates by operating within investment guidelines and regularly monitoring performance against the peer group.
- Discount volatility: due to lack of liquidity in the secondary market, venture capital trust shares tend to trade at discounts to net asset values which the Board seeks to manage by making purchases of shares in the market from time to time.
- Regulatory risk: the Company operates in a complex regulatory environment and faces a number of related risks. A breach of section 274 of the Income Tax Act 2007 could result in the Company's being subject to capital gains tax on the sale of its investments.

Serious breach of other regulations, such as the UKLA Listing rules and the Companies Act 2006, could lead to suspension from the Stock Exchange and reputational damage. The Board receives quarterly reports from the Manager in order to monitor compliance with VCT regulations and specific restrictions placed on the Manager in the Investment Management Agreement.

The Board considers all risks and the measures in place to manage them, and monitors their management twice each year.

## Principal activity and status

The Company's affairs have been conducted in a manner that will enable it to satisfy and maintain the conditions of approval as a venture capital trust under section 274 of the Income Tax Act 2007. HM Revenue & Customs will grant section 274 status, if requested, provided that the Company's affairs have been conducted in such a manner as to satisfy the conditions of that section of the Act. Provisional approval was last granted in respect of the year ended 31 December 2010.

## Directors

The Directors who held office during the year are shown on pages 19 and 20 of the Annual Report and their interests in shares of the Company are shown below.

In accordance with the Articles of Association, directors must offer themselves for re-election at least once every three years and so Mr Lapping and Mr Scott, whose biographies appear on page 18, retire by rotation at this time and, being eligible, offer themselves for re-election. Resolutions to this effect will be proposed at the Annual General Meeting. As a non-independent director, Mr Nixon presents himself for re-election annually. Mr Nixon is not independent by virtue of his position as Managing Partner of the Manager, Maven Capital Partners, which is entitled to receive investment management and secretarial fees as described below.

At its meeting in November 2011, the Nomination Committee recommended to the Board that Mr Lapping, Mr Scott and Mr Nixon should be nominated for re-election at the Annual General Meeting for the following reasons:

- Mr Lapping, who has been a Director since 2004, brings to the Board many years of experience at a senior level in private equity and AIM investment.
- Mr Scott, who has been a Director since 2004, has an in-depth knowledge of the private equity industry.
- Mr Nixon, who has been an alternate Director since 2005, and was appointed a director in August 2008, brings to the Board a wide range of investment skills and experience and a particular knowledge of the private equity industry.

With the exception of Maven Capital Partners' contract to provide investment management, administration and company secretarial services, no other contract or arrangement significant to the Company's business and in which any of the directors is interested has subsisted during the year.

Under Listing rule 15.2.13, the Company may not have more than one Director who is also a Director of another company with the same investment manager. Bill Nixon is the only such Director, and the Company therefore complies with this requirement and is expected to continue to do so.

The interests of the directors in the share capital of the Company are as follows:

	31 December 2011		31 December 2010	
	Ordinary shares	S Ordinary shares	Ordinary shares	S Ordinary shares
I D Cormack	109,150	30,000	100,000	20,000
M Graham-Wood	10,125	10,000	10,000	10,000
A C Lapping	25,000	-	25,000	-
W R Nixon	25,521	10,325	23,003	10,000
S Scott	18,148	7,000	15,000	7,000
<b>Total</b>	<b>187,944</b>	<b>57,325</b>	<b>173,003</b>	<b>47,000</b>

Unless otherwise stated, all holdings are beneficial. Maven Capital Partners, which is regarded as a connected person of Mr Nixon, held 43,150 Ordinary shares in the Company at 31 December 2011. On 1 March 2012 Mr Nixon purchased a further 8,064 Ordinary shares and 4,494 S Ordinary shares.

## Manager and Company Secretary

Investment management services are provided to the Company by Maven Capital Partners. The Manager also provides accounting, administrative and company secretarial services.

For the year ended 31 December 2011, the investment management and secretarial fees payable to the Maven Capital Partners have been calculated and charged on the following basis:

- an investment management fee of 2.5% per annum of the total assets less adjusted liabilities of the Company at the previous quarter end, chargeable 20% to revenue and 80% against capital reserves to reflect the Company's investment policy and prospective income and capital growth
- a secretarial fee of £87,000 (including VAT) a year, which is chargeable 100% to revenue. The secretarial fee (as shown in note 4 on page 43) is subject to an annual adjustment to reflect movement in the UK Consumer Prices Index.

By agreement with the Manager, the total management and administrative expenses of the Company, inclusive of irrecoverable VAT but exclusive of transaction costs and expenses relating to the acquisition and disposal of investments, are capped at 3.5% of the net asset value at the end of the relevant financial period, calculated before deduction of management and administrative expenses in respect of that financial year. Consequently, the amount paid in management fees for the year ended 31 December 2011 is shown after the rebate of £74,541 (excluding VAT) by the Manager.

The Manager is entitled to a performance fee in relation to the Ordinary share portfolio only. In respect of each six month period the Company will pay the Manager a fee equal to 20% of the increase in the net asset value of the Ordinary shares, adjusted for the payment of dividends and the buy back of shares during the period since the last performance fee was paid. A high watermark arrangement operates such that the performance fee is payable if and only if the adjusted net asset value of the Ordinary Shares at the period end is higher than that at every previous period end since 31 December 2007. In respect of the year ended 31 December 2011, the performance fee amounted to £136,000 (2010: £71,000).

The management agreement is terminable on twenty-four months written notice. Should the Company terminate the management agreement on shorter notice before that date, the Manager would be entitled to receive fees which would otherwise have been due up until the date of the end of the contractual notice period.

In order to ensure that the Manager's staff are appropriately incentivised in relation to the portfolio, the Manager operates a co-investment scheme which requires nominated individuals to participate in investments in portfolio companies alongside the Company. All such investments are made through a nominee and under terms previously agreed by the Board. The terms of the scheme ensure that all investments are made on identical terms to those of the investments in voting ordinary shares made by the Company and no selection of investments is allowed. The total investment by participants in the co-investment scheme is set at 5% of the aggregate amount of voting ordinary shares subscribed for by the Company and the co-investing executives, except where the only securities to be acquired by the Company are voting ordinary shares or are securities quoted on AIM, in which case the co-investment percentage will be 1.5%. The Directors believe that the scheme provides a useful incentive to the Manager's staff and therefore more closely aligns the interests of key individuals with those of Shareholders.

The Board considers the continued appointment of the Manager on the agreed terms to be in the interests of the Shareholders because of the quality of the investment management service provided, including: the quality of investment opportunities presented to and selected by the Manager; the breadth and depth of the experience, knowledge and skill of the Manager's staff; and the network of offices across the country, from which the Manager sources new investments and monitors portfolio companies.

## Issue of Ordinary shares

A Resolution, numbered 9 in the notice of meeting, will be put to Shareholders at the Annual General Meeting for their approval to issue Ordinary Shares up to an aggregate nominal amount of £83,865 (equivalent to 838,650 Ordinary Shares or 10% of the total issued Ordinary Share capital at 15 March 2012) and S Ordinary Shares up to an aggregate nominal amount of £48,610 (equivalent to 486,100 S Ordinary Shares or 10% of the S Ordinary share capital). Further issues of new Ordinary Shares or S Ordinary Shares may be made only at a premium to net asset value per share, thus ensuring that existing investors will not be disadvantaged. The proceeds of any issue may be used to purchase the Company's shares in the market or to fund further investments in accordance with the Company's investment policy. This authority will expire either at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the date of the passing of the Resolution, whichever is earlier.

When shares are to be allotted for cash, section 561 (1) of the Companies Act 2006 provides that existing shareholders have pre-emption rights and that the new shares are offered first to them in proportion to their existing shareholdings.

However, shareholders can by Special Resolution authorise the directors to allot shares otherwise than by a pro rata issue to existing shareholders. Resolution 10 will, if passed, also give the directors power to allot for cash, Ordinary Shares up to an aggregate nominal amount of £84,208 and S Ordinary Shares up to an aggregate nominal amount of £49,360 as if Section 561 (1) did not apply. This is the same amount of share capital that the directors are seeking the authority to allot pursuant to Resolution 9. This authority will also expire either at the conclusion of the next Annual General Meeting of the Company or at the end of 15 months from the passing of the relevant resolution, whichever is earlier.

In February 2011, 97,687 new Ordinary Shares were allotted in respect of applications under the second Maven Linked VCT Offer. On 1 March 2012 a further 482,424 new Ordinary and 268,769 new S Ordinary Shares were allotted. On 5 April a further 219,070 Ordinary shares and 122,040 S Ordinary shares were allotted.

## Purchase of shares

During the year ended 31 December 2011, a total of 368,213 Ordinary Shares and 75,000 S Ordinary Shares were bought back for cancellation.

A Special Resolution, numbered 11 in the notice of Annual General Meeting, will be put to Shareholders for their approval to give the Board the authority to purchase in the market an aggregate of 10% of the Ordinary shares in issue (842,080 Ordinary Shares) and 10% of the S Ordinary Shares in issue (493,600 S Ordinary Shares) at 15 March 2012. This authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing of the Resolution, whichever is the earlier. This means, in effect, that the authority will have to be renewed at the Annual General Meeting of the Company in 2013.

Purchases of shares may be made within guidelines established from time to time by the Board, but only if it is considered that they would be to the advantage of the Company and its shareholders taken as a whole. Purchases will be made in the market for cash only at prices below the prevailing net asset value per share. Under the Listing Rules of the UK Listing Authority, the maximum price that may be paid on the exercise of this authority is 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase. The minimum price that may be paid is 10p per share. In making purchases, the Company will deal only with members of the London Stock Exchange. Shares that are purchased will be cancelled. Purchases of shares by the Company will be made from distributable reserves and the purchase price will normally be paid out of cash balances held by the Company from time to time.

The purchase of shares by the Company is intended to help to provide liquidity in the shares and enhance the net asset value for the remaining shareholders. Since any purchases will be made at a discount to net asset value at the time of purchase, the net asset value of the remaining Ordinary Shares in issue will increase as the result of any purchase.

Shares will not be purchased by the Company in the period of two months immediately preceding the notification of the Company's interim results and the two months immediately preceding the preliminary announcement of the annual results or, if shorter, the period from the end of the Company's relevant financial period up to and including the time of the relevant announcement.

## Statement of Corporate Governance

This statement describes how the principles and supporting principles set out in the UK Code of Corporate Governance, have been applied by the Company throughout the year ended 31 December 2011, and provides an explanation where the Board has decided that it is in the interests of Shareholders not to follow guidance in the Code.

The exceptions to compliance with Code, were as follows:

- a senior independent director has not been appointed and whilst Shareholders are invited to contact the Chairman or the Secretary in the first instance if they have concerns, they may contact any Director
- the Combined Code recommends that the Audit Committee and Management Engagement Committee should comprise independent non-executive directors. For the reasons set out below, Mr Nixon is a member of the Nomination Committee, but not the Audit Committee or Management Engagement Committee as he is not regarded by the Board as independent
- the Chairman of the Board is the Chairman of each of the Board Committees.

## The Board

The Board currently consists of five non-executive directors. All of the directors who held office during the year, with the exception of Mr Nixon, are considered to be independent of the Manager. Mr Nixon is the Managing Partner of Maven Capital Partners and as such is not considered to be independent.

Mr Cormack was independent of the Manager at the time of his appointment as a director and chairman in September 2004 and continues to be so by virtue of his lack of connection with the Manager and the absence of cross-directorships with his fellow directors. Mr Cormack is chairman of the Audit Committee because it considers the valuations of the unlisted investments and this is the bulk of the work done at the relevant meetings.

The biographies of the directors appear on pages 19 and 20 of this annual report and indicate the range of the directors' investment, commercial and professional experience.

The Board sets the Company's values and objectives and ensures that its obligations to its shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

These matters include:

- the maintenance of clear investment objectives and risk management policies
- the monitoring of the business activities of the Company
- Companies Act requirements such as the approval of the interim and annual financial statements and approval and recommendation of the interim and final dividends
- major changes relating to the Company's structure, including share buybacks and share issues
- Board appointments and related matters
- appointment and removal of the Manager and the terms and conditions of the management and administration agreements
- terms of reference and membership of Board Committees
- Stock Exchange, UK Listing Authority and Financial Services Authority matters, such as approval of all circulars, listing particulars and releases concerning matters decided by the Board.

As required by the Companies Act 2006 and permitted by the Articles of Association, Directors notify the Company of any situation which might give rise to a potential for a conflict of interests, so that the Board may consider and, if appropriate, approve such situations. A register of potential conflicts of interest for directors has been created, which will be reviewed regularly by the Board. Directors notify the Company whenever there is a change in the nature of a registered conflict situation, or whenever a new conflict situation arises.

There is an agreed procedure for directors to take independent professional advice, if necessary, at the Company's expense. The directors have access to the advice and services of the corporate Company Secretary through its appointed representatives, who are responsible to the Board for:

- ensuring that Board procedures are complied with
- ensuring, under the direction of the chairman, good information flows with the Board and its committees
- advising on corporate governance matters.

An induction meeting will be arranged by the Manager on the appointment of any new director, covering details about the Company, the Manager, legal responsibilities and venture capital trust industry matters. Directors are provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting directors' responsibilities are advised to the Board as they arise.

The Chairman of the Company is a non-executive director. A senior non-executive director has not been appointed as the Board considers that each of the directors has different qualities and areas of expertise on which they may lead. The Chairman is the chairman of each of the Board Committees as the Board considers he has the skills and experience relevant to those roles.

During the year ended 31 December 2011 the Board held four quarterly board meetings and additional meetings as required to address specific matters. In addition, there were two meetings of the Audit Committee and one each of the Management Engagement Committee and Nomination Committee. Between meetings the Board maintains contact with the Manager. The primary focus of quarterly board meetings is a review of investment performance and related matters including asset allocation, peer group information and industry issues.

Directors have attended Board and Committee meetings during the year to 31 December 2011 as follows:

Director	Board Meetings	Audit Committee	Management Engagement Committee	Nomination Committee
I D Cormack	6	2	1	1
M Graham-Wood	6	2	1	1
A C Lapping	5	1	1	1
W R Nixon*	6	–	–	1
S Scott	6	2	–	1

\* Mr Nixon is not a member of the Audit Committee or the Management Engagement Committee.

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including the Manager's Review and discussion documents regarding specific matters. Directors have made further enquiries where necessary.

The Board and Committees have undertaken their annual performance evaluation, using questionnaires and discussion to ensure that members have devoted sufficient time and contributed adequately to the work of the Board and its Committees.

## External agencies

The Board has contractually delegated to external agencies, including the Manager and other service providers, certain services: the management of the investment portfolio; the custodial services, which include the safeguarding of the asset; the registration services; and day to day accounting and company secretarial requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers reports from the Manager on a regular basis. In addition, ad hoc reports and information are supplied to the Board as requested.

## Committees

### Nomination Committee

A Nomination Committee has been established with written terms of reference and comprises the full Board. The Chairman of the Committee is the Chairman of the Company.

The Committee makes recommendations to the Board on the following matters:

- the identification and nomination of candidates to fill Board vacancies as and when they arise for the approval of the Board
- succession planning
- the re-appointment of any non-executive Director at the conclusion of their specified term of office
- the re-election by Shareholders of any Director under the retirement by rotation provisions in the Company's Articles of Association
- the continuation in office of any Director at any time
- the appointment of any Director to another office, such as Chairman of the Audit Committee, other than to the position of Chairman.

One meeting was held during the period ended 31 December 2011. At its meeting in November 2011, the Nomination Committee recommended to the Board the nominations for re-election of Mr Lapping and Mr Scott and the nomination for re-election of Mr Nixon at the May 2012 Annual General Meeting.

### Audit Committee

An Audit Committee has been established with written terms of reference and comprising all of the independent directors. The Chairman of the Company is the Chairman of the Audit Committee. The Board is satisfied that the members of the Audit Committee have recent and relevant financial experience. Two meetings were held during the period. The terms of reference of the Committee, which are available on request, are reviewed and re-assessed for their adequacy at each meeting.

The terms of reference of the Audit Committee include:

- the review of the effectiveness of the internal control environment of the Company including by receiving reports from internal and external Auditor on a regular basis
- the review of the interim and annual reports and financial statements
- the review of the terms of appointment of the Auditor together with their remuneration as well as any non-audit services provided by the Auditor
- the review of the scope and results of the audit and the independence and objectivity of the Auditors
- the review of the Auditor's management letter and the management response
- meetings with representatives of the Manager.

At each meeting, the Audit Committee examines the annual or interim report and financial statements, reviews the Company's internal controls and reviews the scope of the audit and the auditor's management report to the Board. No significant weaknesses in the control environment were identified.

A review of the auditor's independence is conducted annually. The Company has in place a policy for controlling the provision of non-audit services by the Auditors, in order to safeguard their independence and objectivity. Non-audit work which might compromise independence is prohibited.

### **Management Engagement Committee**

A Management Engagement Committee has been established comprising all of the independent Directors. The Chairman of the Committee is the Chairman of the Company. The Committee annually reviews the management contract with Maven Capital Partners UK LLP, details of which are shown on page 24. The Committee met in February 2012 to consider the management contract.

### **Remuneration Committee and Directors' remuneration**

Where a venture capital trust has only non-executive Directors, the Combined Code principles relating to Directors' remuneration do not apply. The full Board therefore carries out the functions of a remuneration committee.

The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on pages 31 and 32.

## **Directors' terms of appointment**

All non-executive Directors are appointed for an initial term of three years, subject to re-election and Companies Act provisions and, in accordance with the existing Articles of Association, stand for election at the first Annual General Meeting following their appointment. The Articles of Association state that Directors must offer themselves for re-election at least once every three years. Mr Nixon is subject to annual re-election in view of his position as Managing Partner of the Manager.

## **Policy on tenure**

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make and therefore the length of service will be determined on a case by case basis.

## **Communication with shareholders**

The Company places a great deal of importance on communication with its shareholders.

The Notice of Meeting sets out the business of the Annual General Meeting and the resolutions are explained more fully in the Explanatory Notes to the Notice of Annual General Meeting on page 61. A separate resolution is proposed for each substantive issue.

Shareholders are encouraged to attend and participate in the Annual General Meeting. Shareholders have the opportunity to put questions at the meeting and the results of proxy voting are relayed to them after each resolution has been voted on by a show of hands.

The Company and the Manager respond to letters from shareholders. In order to ensure that Directors develop an understanding of the views of shareholders, correspondence between the Manager or the Chairman and shareholders is copied to the Board. It is in the nature of a venture capital trust that there are often no major shareholders.

The Company's web pages are hosted on Maven's website, and can be visited at [www.mavencp.com/migvct4](http://www.mavencp.com/migvct4) from where annual and interim reports, Stock Exchange announcements and other information can be viewed, printed or downloaded. Access to further information about the Manager can be gained from a visit to [www.mavencp.com](http://www.mavencp.com).

## Accountability and audit

The Directors' Statement of Responsibilities in respect of the Financial Statements is on page 33 and the Statement of Going Concern is included in the Directors' Report on page 30. The Board is satisfied that the members of the Audit Committee have recent and relevant financial experience. The Independent Auditor's Report is on pages 34 and 35. The auditors, Deloitte LLP, rotate the partner responsible for the Company's audit every five years. Details of the amounts paid to the auditors during the year for audit and other services are set out in note 4 to the Financial Statements.

## Internal control

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The Directors confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company, which has been in place for the full period under review and up to the date of approval of the Financial Statements, and that this process is regularly reviewed by the Board and accords with the Turnbull guidance.

The Board has reviewed the effectiveness of the system of internal control and, in particular, it has reviewed the process for identifying and evaluating the significant risks affecting the Company and the policies and procedures by which these risks are managed.

The Directors have delegated the investment management of the Company's assets to the Manager within overall guidelines and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the Internal Audit function of the Manager which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Manager's activities. Risk is considered in the context of the Turnbull guidance and includes financial, regulatory, market, operational and reputational risk. This enables the internal audit risk assessment model to identify those functions for review. Any weaknesses identified are reported to the Company and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The key components designed to provide effective internal control for the period under review and up to the date of this report are:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board. The Manager's evaluation procedure and financial analysis of the companies concerned include detailed appraisal and due diligence
- as a matter of course the compliance department of the Manager continually reviews the Manager's operations
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers
- the Board carries out an annual assessment of internal controls by considering reports from the Manager, including its internal audit and compliance functions and taking account of events since the relevant period end.

In addition, the Manager ensures that clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations.

The Internal Audit function of the Manager reports to the Audit Committee twice a year and has direct access to the Directors at any time.

The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business goals and, by their nature, can provide reasonable but not absolute assurance against material misstatement or loss.

## Socially responsible investment policy

The Directors are aware of their duty to act in the interests of the Company. There are risks associated with investment in companies which fail to conduct business in a socially responsible manner and they therefore ensure that the Directors take regular account of the social environment and ethical factors that might affect the performance or value of the Company's investments.

## Exercise of voting powers

The Directors believe that the exercise of voting rights at company meetings lies at the heart of the regulation and promotion of corporate governance. The Board has therefore given discretionary voting powers to the Manager, Maven Capital Partners.

## 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 Directors' Report on pages 21 to 30. The financial position of the Company is described in the Chairman's Statement on pages 5 to 7. Note 18 to the financial statements includes: the Company's objectives, policies and processes for managing its financial risk management; details of its financial instruments; and its exposures to market price risk, interest rate risk, liquidity risk and credit risk.

The Directors believe that the Company is well placed to manage its business risks successfully despite the current economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## Creditor payment policy

The Company's creditor payment policy is to agree terms of payment before business is transacted, to ensure suppliers are aware of these terms and to settle bills in accordance with them. The Company did not have any trade creditors at the year end.

## Political donations

The Company has not made any political or charitable contributions during the year.

## Annual General Meeting

The Notice of Annual General Meeting, is on pages 55 and 56. The meeting will be held on 16 May 2012 in 9 – 13 St Andrew Street, London, EC4A 3AF.

## Auditor

So far as the Directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each of the directors has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

A resolution to reappoint Deloitte LLP as auditors will be proposed at the forthcoming Annual General Meeting.

### **By order of the Board**

**Maven Capital Partners UK LLP**

**Secretary**

**149 St Vincent Street**

**Glasgow G2 5NR**

**16 April 2012**

# Directors' Remuneration Report

This report has been prepared in accordance with the requirements of the Companies Act 2006. An ordinary resolution, numbered 2, for the approval of this report will be put to the members at the forthcoming annual general meeting.

As required by law, some of the disclosures provided in this report have been audited, and they are indicated as such.

## Remuneration Committee

The Company has five non-executive Directors, four of whom are independent. The full Board performs the function of a remuneration committee. Biographical details are set out on pages 19 and 20 of the annual report. The Board has not been provided with advice or services by any other person in respect of its consideration of the Directors' remuneration. The Directors expect, from time to time, to review the fees paid to the boards of directors of other venture capital trust companies.

## Policy on Directors' Remuneration

The Board's policy is that the remuneration of the Directors, all of whom are non-executive, should reflect the experience of the Board as a whole, be fair and be comparable to that of other venture capital trusts with a similar capital structure and investment objectives. It is intended that this policy will continue for the financial year ending 31 December 2012 and subsequent years.

The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears, to the Director personally or to a third party specified by him. The fees for the Directors are determined within the limits set out in the Company's Articles of Association, which limit the aggregate of the fees payable to the Directors to £150,000 a year. The Company's policy is that fees payable to the Directors should reflect the time spent by them on the Company's affairs and should be sufficient to enable candidates of a high quality to be recruited. Non-executive Directors do not receive bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

The present level of fees is £15,000 for the Chairman and £12,000 for each Director per annum. The policy is to review these rates from time to time. The fees shown in this Remuneration Report relate to the year ended 31 December 2011.

Directors' and officers' liability insurance cover is held by the Company in respect of the Directors. This insurance is neither a benefit in kind nor does it form part of the Directors' remuneration.

## Directors' service contracts

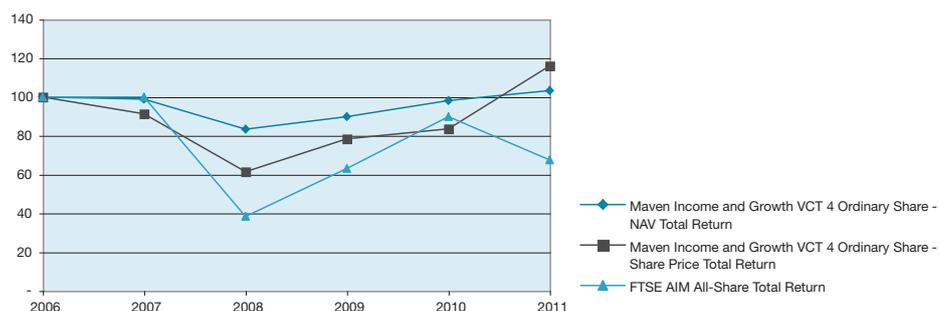
None of the Directors has a contract of service or contract for services and a Director may resign by notice in writing to the Board at any time; there are no set notice periods. All Directors are appointed for an initial period of three years; this period may be varied by either party. The Articles of Association provide that, at the annual general meeting each year, one third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to one third) shall be subject to retirement by rotation. Directors retire and are subject to election at the first annual general meeting following their appointment and, thereafter, retire by rotation and offer themselves for re-election, at least every three years. No compensation is payable for loss of office, save any arrears of fees which may be due.

## Company performance

The graphs below compare the total returns on an investment of £100 in the Ordinary shares since 16 February 2006, and in the S Ordinary shares since 1 March 2007, when the shares first traded on the London Stock Exchange, with the total shareholder return over the same period on a notional investment of £100 made up of shares of the same kinds and number as those by reference to which the FTSE AIM All-Share indices are calculated. This index was chosen for comparison purposes, as it is the most relevant to the Company's investment portfolio.

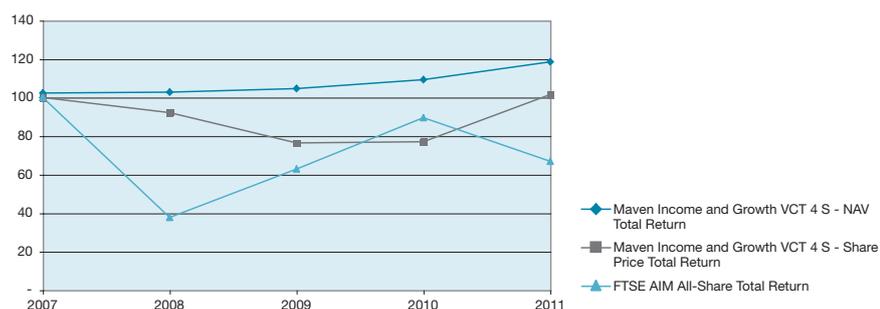
## Ordinary and S Ordinary Share Price Total Return Performance

### Ordinary Share



Source: Maven Capital Partners UK LLP/Factset.

### S Ordinary Share



Source: Maven Capital Partners UK LLP/Factset.

Please note that past performance is not necessarily a guide to future performance.

## Directors' emoluments for the year (audited)

The Directors who served in the year ended 31 December 2011 received the following emoluments in the form of fees:

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
<b>Chairman of the Board:</b>		
I D Cormack	15,000	15,000
<b>Directors:</b>		
M Graham-Wood	12,000	12,000
A C Lapping	12,000	12,000
W R Nixon	12,000	12,000
S Scott	12,000	12,000
	<b>63,000</b>	<b>63,000</b>

Mr Nixon's remuneration is paid to Maven Capital Partners UK LLP.

No Director has received any taxable expenses, compensation for loss of office or non-cash benefits for the year ended 31 December 2011.

## Approval

The Directors' Remuneration Report on pages 31 and 32 was approved by the Board of Directors and signed on its behalf by:

**I D Cormack, Director**

**16 April 2012**

# Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report, Directors' Remuneration 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 have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the net return of 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 judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, 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.

The directors are responsible for keeping proper accounting records that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Responsibility of the Directors in respect of the Annual Financial Report

We confirm that, to the best of our knowledge, the financial statements, prepared in accordance with the applicable set of accounting standards and set out on pages 36 to 54, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and the Directors' Report, set out on pages 21 to 30, includes a fair review of the developments and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that they face.

**By order of the Board**

# Independent Auditor's Report to the Members of Maven Income and Growth VCT 4 PLC

We have audited the financial statements of Maven Income and Growth VCT 4 PLC for the year ended 31 December 2011 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Cash Flow Statement and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

## Respective responsibilities of directors and auditor

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

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

## Opinion on 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 2011 and of its profit 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.

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements. The information given in the Directors' Report includes the specific information presented in the Chairman's Statement and in the Investment Manager's Review that is cross referenced from the Business Review section of the Directors' Report.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

## Under the Listing Rules we are required to review:

- the directors' statement, contained within the Directors' Report, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to the shareholders by the Board on directors' remuneration.

**David Claxton ACA (Senior statutory auditor)**  
**for and on behalf of Deloitte LLP**  
**Chartered Accountants and Statutory Auditor**  
**Glasgow, United Kingdom**

**16 April 2012**

# Income Statement

For the year ended 31 December 2011

	Notes	Ordinary Shares			S Ordinary Shares			TOTAL		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	8	-	546	546	-	350	350	-	896	896
Income from investments	2	393	-	393	240	-	240	633	-	633
Other income	2	1	-	1	-	-	-	1	-	1
Investment management fees	3	(53)	(212)	(265)	(15)	(62)	(77)	(68)	(274)	(342)
Other expenses	4	(176)	-	(176)	(102)	-	(102)	(278)	-	(278)
<b>Net return on ordinary activities before taxation</b>		<b>165</b>	<b>334</b>	<b>499</b>	<b>123</b>	<b>288</b>	<b>411</b>	<b>288</b>	<b>622</b>	<b>910</b>
Tax on ordinary activities	5	(32)	32	-	(12)	12	-	(44)	44	-
<b>Return attributable to equity shareholders</b>		<b>133</b>	<b>366</b>	<b>499</b>	<b>111</b>	<b>300</b>	<b>411</b>	<b>244</b>	<b>666</b>	<b>910</b>
<b>Earnings per share (pence)</b>		<b>1.5</b>	<b>4.3</b>	<b>5.8</b>	<b>2.3</b>	<b>6.1</b>	<b>8.4</b>	<b>3.8</b>	<b>10.4</b>	<b>14.2</b>

A Statement of Total Recognised Gains and Losses has not been prepared, as all gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

The total column of this statement is the Profit and Loss Account of the Company.

## Reconciliation of Movements in Shareholders' Funds

For the year ended 31 December 2011

	Ordinary Shares £'000	S Ordinary Shares £'000	TOTAL £'000
Opening Shareholders' funds	7,964	4,801	12,765
Net return for year	499	411	910
Net proceeds of share issue	377	-	377
Repurchase and cancellation of shares	(261)	(55)	(316)
Dividends paid - revenue	(43)	(25)	(68)
Dividends paid - capital	(305)	(74)	(379)
<b>Closing Shareholders' funds</b>	<b>8,231</b>	<b>5,058</b>	<b>13,289</b>

The accompanying Notes are an integral part of the Financial Statements.

# Income Statement

For the year ended 31 December 2010

	Notes	Ordinary Shares			S Ordinary Shares			TOTAL		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	8	-	799	799	-	278	278	-	1,077	1,077
Income from investments	2	229	-	229	121	-	121	350	-	350
Other income	2	-	-	-	-	-	-	-	-	-
Investment management fees	3	(14)	(57)	(71)	(14)	(55)	(69)	(28)	(112)	(140)
Other expenses	4	(201)	-	(201)	(122)	-	(122)	(323)	-	(323)
<b>Net return on ordinary activities before taxation</b>		<b>14</b>	<b>742</b>	<b>756</b>	<b>(15)</b>	<b>223</b>	<b>208</b>	<b>(1)</b>	<b>965</b>	<b>964</b>
Tax on ordinary activities	5	(1)	1	-	-	-	-	(1)	1	-
<b>Return attributable to equity shareholders</b>		<b>13</b>	<b>743</b>	<b>756</b>	<b>(15)</b>	<b>223</b>	<b>208</b>	<b>(2)</b>	<b>966</b>	<b>964</b>
<b>Earnings per share (pence)</b>		<b>0.2</b>	<b>9.0</b>	<b>9.2</b>	<b>(0.3)</b>	<b>4.5</b>	<b>4.2</b>	<b>(0.1)</b>	<b>13.5</b>	<b>13.4</b>

A Statement of Total Recognised Gains and Losses has not been prepared, as all gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

The total column of this statement is the Profit and Loss Account of the Company.

## Reconciliation of Movements in Shareholders' Funds

For the year ended 31 December 2010

	Ordinary Shares £'000	S Ordinary Shares £'000	TOTAL £'000
Opening Shareholders' funds	6,996	4,693	11,689
Net return for year	756	208	964
Net proceeds of share issue	605	-	605
Repurchase and cancellation of shares	(98)	(26)	(124)
Dividends paid - revenue	(42)	(25)	(67)
Dividends paid - capital	(253)	(49)	(302)
<b>Closing Shareholders' funds</b>	<b>7,964</b>	<b>4,801</b>	<b>12,765</b>

The accompanying Notes are an integral part of the Financial Statements.

# Balance Sheet

As at 31 December 2011

	Notes	31 December 2011			31 December 2010		
		Ordinary Shares £'000	S Ordinary Shares £'000	Total £'000	Ordinary Shares £'000	S Ordinary Shares £'000	Total £'000
<b>Fixed assets</b>							
Investments at fair value through profit or loss	8	7,697	4,603	12,300	6,956	4,002	10,958
<b>Current assets</b>							
Debtors	10	233	125	358	167	78	245
Cash and overnight deposits		399	356	755	890	753	1,643
		<b>632</b>	<b>481</b>	<b>1,113</b>	<b>1,057</b>	<b>831</b>	<b>1,888</b>
<b>Creditors:</b>							
Amounts falling due within one year	11	(98)	(26)	(124)	(49)	(32)	(81)
<b>Net current assets</b>		<b>534</b>	<b>455</b>	<b>989</b>	<b>1,008</b>	<b>799</b>	<b>1,807</b>
<b>Total net assets</b>		<b>8,231</b>	<b>5,058</b>	<b>13,289</b>	<b>7,964</b>	<b>4,801</b>	<b>12,765</b>
<b>Capital and reserves</b>							
Called up share capital	12	839	486	1,325	832	494	1,326
Share premium account	13	-	-	-	538	4,227	4,765
Capital reserve - realised	13	611	-	611	1,085	106	1,191
Capital reserve - unrealised	13	(701)	294	(407)	(1,236)	(38)	(1,274)
Distributable reserve	13	7,168	4,149	11,317	6,539	(26)	6,513
Capital redemption reserve	13	37	8	45	19	3	22
Revenue reserve	13	277	121	398	187	35	222
<b>Net assets attributable to Ordinary Shareholders</b>		<b>8,231</b>	<b>5,058</b>	<b>13,289</b>	<b>7,964</b>	<b>4,801</b>	<b>12,765</b>
<b>Net asset value per ordinary share (pence)</b>	14	<b>98.2</b>	<b>104.1</b>		<b>95.7</b>	<b>97.3</b>	

The financial statements of Maven Income and Growth VCT 4 PLC, registered number SC272568, were approved by the Board of Directors and were signed on its behalf by:

**I D Cormack**  
Director

**16 April 2012**

The accompanying Notes are an integral part of the Financial Statements.

# Cash Flow Statement

For the year ended 31 December 2011

	Notes	Year ended 31 December 2011			Year ended 31 December 2010		
		Ordinary	S Ordinary	Total	Ordinary	S Ordinary	Total
		Shares	Shares		Shares	Shares	
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Operating activities</b>							
Investment income received		328	193	521	226	109	335
Deposit interest received		1	-	1	-	-	-
Investment management fees paid		(200)	(71)	(271)	(82)	(77)	(159)
Secretarial fees paid		(66)	(41)	(107)	(48)	(33)	(81)
Directors expenses paid		(41)	(25)	(66)	(39)	(26)	(65)
Other cash payments		(85)	(48)	(133)	(111)	(63)	(174)
<b>Net cash (outflow)/inflow from operating activities</b>	15	<b>(63)</b>	<b>8</b>	<b>(55)</b>	<b>(54)</b>	<b>(90)</b>	<b>(144)</b>
<b>Taxation</b>							
Corporation tax		-	-	-	(22)	(5)	(27)
<b>Financial investment</b>							
Purchase of investments		(2,284)	(1,250)	(3,534)	(1,401)	(1,829)	(3,230)
Sale of investments		2,088	999	3,087	1,399	945	2,344
<b>Net cash outflow from financial investment</b>		<b>(196)</b>	<b>(251)</b>	<b>(447)</b>	<b>(2)</b>	<b>(884)</b>	<b>(886)</b>
<b>Equity dividends paid</b>		<b>(348)</b>	<b>(99)</b>	<b>(447)</b>	<b>(295)</b>	<b>(74)</b>	<b>(369)</b>
<b>Net cash outflow before financing</b>		<b>(607)</b>	<b>(342)</b>	<b>(949)</b>	<b>(373)</b>	<b>(1,053)</b>	<b>(1,426)</b>
<b>Financing</b>							
Issue of Ordinary Shares		377	-	377	605	-	605
Repurchase of Ordinary Shares		(261)	(55)	(316)	(98)	(26)	(124)
<b>Net cash inflow/(outflow) from financing</b>		<b>116</b>	<b>(55)</b>	<b>61</b>	<b>507</b>	<b>(26)</b>	<b>481</b>
<b>(Decrease)/increase in cash</b>	16	<b>(491)</b>	<b>(397)</b>	<b>(888)</b>	<b>134</b>	<b>(1,079)</b>	<b>(945)</b>

The accompanying Notes are an integral part of the Financial Statements.

# Notes to the Financial Statements

For the year ending 31 December 2011

## 1. Accounting Policies - UK Generally Accepted Accounting Practice

### (a) Basis of preparation

The Financial Statements have been prepared under the historical cost convention modified to include the revaluation of investments and in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (the SORP) issued in January 2009.

The disclosures on Going Concern on page 30 of the Directors' Report form part of these financial statements.

### (b) Income

Dividends receivable on equity shares and unit trusts are treated as revenue for the period on an ex-dividend basis. Where no ex-dividend date is available dividends receivable on or before the year end are treated as revenue for the period. Provision is made for any dividends not expected to be received. The fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective interest rate on the debt securities and shares. Provision is made for any fixed income not expected to be received. Interest receivable from cash and short term deposits and interest payable are accrued to the end of the year.

### (c) Expenses

All expenses are accounted for on an accruals basis and charged to the income statement. Expenses are charged through the revenue account except as follows:

- expenses which are incidental to the acquisition and disposal of an investment are charged to capital.
- expenses are charged to realised capital reserves where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 20% to revenue and 80% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.
- share issue costs are charged to the share premium account: and
- expenses are allocated between the original pool or the S share pool depending on the nature of the expense.

### (d) Taxation

Deferred taxation 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 right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

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

The tax effect of different items of income/gain and expenditure/loss is allocated between capital reserves and revenue account on the same basis as the particular item to which it relates using the Company's effective rate of tax for the period.

UK Corporation tax is provided at amounts expected to be paid/recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

### (e) Investments

In valuing unlisted investments the Directors follow the criteria set out below. These procedures comply with the revised International Private Equity and Venture Capital Valuation Guidelines for the valuation of private equity and venture capital investments. Investments are recognised at their trade date and are designated by the directors as fair value through profit or loss. At subsequent reporting dates, investments are valued at fair value, which represent the Directors' view of the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. This does not assume that the underlying business is saleable at the reporting date or that its current shareholders have an intention to sell their holding in the near future.

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

1. For investments completed within the 12 months prior to the reporting date fair value is determined using the Price of Recent Investment Method, except that adjustments are made when there has been a material change in the trading circumstances of the company or a substantial movement in the relevant sector of the stock market.
2. Whenever practical, recent investments will be valued by reference to a material arm's length transaction or a quoted price.
3. Mature companies are valued by applying a multiple to their fully taxed prospective earnings to determine the enterprise value of the company.
  - 3.1 To obtain a valuation of the total ordinary share capital held by management and the institutional investors, the value of third party debt, institutional loan stock, debentures and preference share capital is deducted from the enterprise value. The effect of any performance related mechanisms is taken into account when determining the value of the ordinary share capital.
  - 3.2 Preference shares, debentures and loan stock are valued using the Price of Recent Investment Method. When a redemption premium has accrued, this will only be valued if there is a reasonable prospect of it being paid. Preference shares which carry a right to convert into ordinary share capital are valued at the higher of the Price of Recent Investment Method basis and the price/earnings basis.
4. Where there is evidence of impairment, a provision may be taken against the previous valuation of the investment.
5. In the absence of evidence of a deterioration, or strong defensible evidence of an increase in value, the fair value is determined to be that reported at the previous balance sheet date.
6. All unlisted investments are valued individually by the Manager. The resultant valuations are subject to detailed scrutiny and approval by the Directors of the Company.
7. In accordance with normal market practice, investments listed on the Alternative Investment Market or a recognised stock exchange are valued at their bid market price.

#### **(f) Fair Value Measurement**

Fair value is defined as the price that the Company would receive upon selling an investment in a timely transaction to an independent buyer in the principal or the most advantageous market of the investment. A three-tier hierarchy has been established to maximise the use of observable market data and minimise the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on best information available in the circumstances

The three-tier hierarchy of inputs is summarised in the three broad levels listed below.

- Level 1 - quoted prices in active markets for identical investments
- Level 2 - other significant observable inputs (included quoted prices for similar investments, interest rates, prepayment speeds, credit risk etc).
- Level 3 - significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

#### **(g) Gains and losses on investments**

When the company sells or revalues its investments during the year, any gains or losses arising are credited/ charged to the Income Statement.

## 2. Income

	Year ended 31 December 2011			Year ended 31 December 2010		
	Ordinary Shares	S Ordinary Shares	Total	Ordinary Shares	S Ordinary Shares	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from investments:</b>						
UK franked investment income	6	1	7	9	2	11
UK unfranked investment income	387	239	626	220	119	339
	<b>393</b>	<b>240</b>	<b>633</b>	<b>229</b>	<b>121</b>	<b>350</b>
<b>Other Income:</b>						
Deposit interest	1	-	1	-	-	-
<b>Total income</b>	<b>394</b>	<b>240</b>	<b>634</b>	<b>229</b>	<b>121</b>	<b>350</b>
<b>Total income comprises:</b>						
Dividends	6	1	7	9	2	11
Interest	388	239	627	220	119	339
	<b>394</b>	<b>240</b>	<b>634</b>	<b>229</b>	<b>121</b>	<b>350</b>

## 3. Investment management fees

	Year ended 31 December 2011								
	Ordinary Shares			S Ordinary Shares			TOTAL		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment management fees	26	103	129	15	62	77	41	165	206
Performance fees	27	109	136	-	-	-	27	109	136
	<b>53</b>	<b>212</b>	<b>265</b>	<b>15</b>	<b>62</b>	<b>77</b>	<b>68</b>	<b>274</b>	<b>342</b>
	Year ended 31 December 2010								
	Ordinary Shares			S Ordinary Shares			TOTAL		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment management fees	28	114	142	19	73	92	47	187	234
VAT reclaim	(14)	(57)	(71)	(5)	(18)	(23)	(19)	(75)	(94)
	<b>14</b>	<b>57</b>	<b>71</b>	<b>14</b>	<b>55</b>	<b>69</b>	<b>28</b>	<b>112</b>	<b>140</b>

Details of the fee basis are contained in the Director's Report on page 24.

#### 4. Other expenses

Year ended 31 December 2011

	Ordinary Shares			S Ordinary Shares			TOTAL		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Secretarial fees	54	-	54	33	-	33	87	-	87
Directors' remuneration	41	-	41	25	-	25	66	-	66
Fees to Auditor - audit services	10	-	10	6	-	6	16	-	16
Fees to Auditor - tax services	3	-	3	1	-	1	4	-	4
Miscellaneous expenses	68	-	68	37	-	37	105	-	105
	<b>176</b>	<b>-</b>	<b>176</b>	<b>102</b>	<b>-</b>	<b>102</b>	<b>278</b>	<b>-</b>	<b>278</b>

Year ended 31 December 2010

	Ordinary Shares			S Ordinary Shares			TOTAL		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Secretarial fees	49	-	49	33	-	33	82	-	82
Directors' remuneration	39	-	39	26	-	26	65	-	65
Fees to Auditor - audit services	9	-	9	6	-	6	15	-	15
Fees to Auditor - tax services	3	-	3	1	-	1	4	-	4
Miscellaneous expenses	101	-	101	56	-	56	157	-	157
	<b>201</b>	<b>-</b>	<b>201</b>	<b>122</b>	<b>-</b>	<b>122</b>	<b>323</b>	<b>-</b>	<b>323</b>

## 5. Tax on ordinary activities

	Year ending 31 December 2011								Total
	Ordinary	Ordinary	Ordinary	S Ordinary	S Ordinary	S Ordinary	S Ordinary	Total	
	Shares	Shares	Shares	Shares	Shares	Shares	Shares		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Corporation tax	(32)	32	-	(12)	12	-	(44)	44	-

	Year ending 31 December 2010								Total
	Ordinary	Ordinary	Ordinary	S Ordinary	S Ordinary	S Ordinary	S Ordinary	Total	
	Shares	Shares	Shares	Shares	Shares	Shares	Shares		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Corporation tax	(1)	1	-	-	-	-	(1)	1	-

The tax assessed for the period is lower than the standard rate of corporation tax of 26% (2010: 28%). The differences are explained below:

	Year ending 31 December 2011								Total
	Ordinary	Ordinary	Ordinary	S Ordinary	S Ordinary	S Ordinary	S Ordinary	Total	
	Shares	Shares	Shares	Shares	Shares	Shares	Shares		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Return on ordinary activities before tax	165	334	499	123	288	411	288	622	910
Revenue return on ordinary activities multiplied by standard rate of corporation tax	43	87	130	32	75	107	75	162	237
Non taxable UK dividend income	(2)	-	(2)	-	-	-	(2)	-	(2)
Gains on investments	-	(142)	(142)	-	(91)	(91)	-	(233)	(233)
Utilisation of taxable losses	-	-	-	(16)	-	(16)	(16)	-	(16)
Smaller Companies relief	(9)	23	14	(4)	4	-	(13)	27	14
	<b>32</b>	<b>(32)</b>	<b>-</b>	<b>12</b>	<b>(12)</b>	<b>-</b>	<b>44</b>	<b>(44)</b>	<b>-</b>

Losses with a tax value of £29,742 (2010: £34,447) are available to carry forward against future trading profits. These have not been recognised as a deferred tax asset as recoverability is not sufficiently certain.

	Year ending 31 December 2010								Total
	Ordinary	Ordinary	Ordinary	S Ordinary	S Ordinary	S Ordinary	S Ordinary	Total	
	Shares	Shares	Shares	Shares	Shares	Shares	Shares		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Return on ordinary activities before tax	14	742	756	(15)	223	208	(1)	965	964
Revenue return on ordinary activities multiplied by standard rate of corporation tax	4	208	212	(4)	62	58	-	270	270
Non taxable UK dividend income	(3)	-	(3)	-	-	-	(3)	-	(3)
Gains on investments	-	(224)	(224)	-	(78)	(78)	-	(302)	(302)
Utilisation of taxable losses	-	-	-	-	-	-	-	-	-
Smaller Companies relief	-	15	15	4	16	20	4	31	35
	<b>1</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(1)</b>	<b>-</b>

## 6. Dividends

	Year ended 31 December 2011			Year ended 31 December 2010		
	Ordinary Shares £'000	S Ordinary Shares £'000	Total £'000	Ordinary Shares £'000	S Ordinary Shares £'000	Total £'000
<b>Revenue dividends</b>						
Final revenue dividend for the year ended 31 December 2010 of Nil (2009: 0.5p)	-	-	-	42	25	67
Interim revenue dividend for the year ended 31 December 2011 of 0.5p (2010: Nil) paid on 28 September 2011	43	25	68	-	-	-
	<b>43</b>	<b>25</b>	<b>68</b>	<b>42</b>	<b>25</b>	<b>67</b>

### Capital dividends

Final capital dividend for the year ended 31 December 2010 of 2.5p (2009: 2.0p) paid on 27 May 2011	219	-	219	169	-	169
Final capital dividend for the year ended 31 December 2010 of 0.5p (2009: Nil) paid on 27 May 2011	-	25	25	-	-	-
Interim capital dividend for the year ended 31 December 2011 of 1.0p (2010: 1.0p) paid on 28 September 2011	86	49	135	84	49	133
	<b>305</b>	<b>74</b>	<b>379</b>	<b>253</b>	<b>49</b>	<b>302</b>

### Revenue dividends

We set out below the total revenue dividends paid and proposed 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.

Revenue available for distribution by way of dividends for the year	<b>133</b>	<b>111</b>	<b>244</b>	<b>13</b>	<b>(15)</b>	<b>(2)</b>
Final revenue dividend proposed for the year ended 31 December 2011 of 0.6p (2010: Nil) payable on 20 May 2012	51	-	51	-	-	-
Final revenue dividend proposed for the year ended 31 December 2011 of 1.3p (2010: Nil) payable on 20 May 2012	-	64	64	-	-	-
	<b>51</b>	<b>64</b>	<b>115</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Capital dividends

Final capital dividend proposed for the year ended 31 December 2011 of 1.9p (2010: 2.5p) payable on 20 May 2012	162	-	162	206	-	206
Final capital dividend proposed for the year ended 31 December 2011 of Nil (2010: 0.5p)	-	-	-	-	25	25
	<b>162</b>	<b>-</b>	<b>162</b>	<b>206</b>	<b>25</b>	<b>231</b>

7. Return per ordinary share The returns per share have been based on the following figures:	Year ended 31 December 2011			Year ended 31 December 2010		
	Ordinary Shares	S Ordinary Shares	Total	Ordinary Shares	S Ordinary Shares	Total
Weighted average number of ordinary shares	8,541,693	4,917,310	13,459,003	8,243,192	4,937,304	13,180,496
Revenue return	£133,000	£111,000	£244,000	£13,000	(£15,000)	(£2,000)
Capital return	£366,000	£300,000	£666,000	£743,000	£223,000	£966,000
<b>Total Return</b>	<b>£499,000</b>	<b>£411,000</b>	<b>£910,000</b>	<b>£756,000</b>	<b>£208,000</b>	<b>£964,000</b>

## 8. Investments

	Year ended 31 December 2011											
	Ordinary Shares				S Ordinary Shares				Total			
	Listed (quoted prices)	AIM (quoted prices)	Unlisted/AIM (unobservable inputs)	Total	Listed (quoted prices)	AIM (quoted prices)	Unlisted/AIM (unobservable inputs)	Total	Listed (quoted prices)	AIM (quoted prices)	Unlisted/AIM (unobservable inputs)	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Movements during the year:</b>												
Valuation at 1 January 2011	-	710	6,246	6,956	-	162	3,840	4,002	-	872	10,086	10,958
Unrealised loss/(gain)	-	1,087	149	1,236	-	274	(236)	38	-	1,361	(87)	1,274
Cost at 1 January 2011	-	1,797	6,395	8,192	-	436	3,604	4,040	-	2,233	9,999	12,232
Purchases	600	71	1,613	2,284	250	29	971	1,250	850	100	2,584	3,534
Sales proceeds	-	(387)	(1,700)	(2,087)	-	(158)	(840)	(998)	-	(545)	(2,540)	(3,085)
Realised (loss)/gain	-	(173)	184	11	-	(120)	138	18	-	(293)	322	29
Amortisation of book cost	(2)	-	-	(2)	(1)	-	-	(1)	(3)	-	-	(3)
Cost at 31 December 2011	598	1,308	6,492	8,398	249	187	3,873	4,309	847	1,495	10,365	12,707
Unrealised (loss)/gain	(1)	(962)	262	(701)	(1)	(112)	407	294	(2)	(1,074)	669	(407)
<b>Valuation at 31 December 2011</b>	<b>597</b>	<b>346</b>	<b>6,754</b>	<b>7,697</b>	<b>248</b>	<b>75</b>	<b>4,280</b>	<b>4,603</b>	<b>845</b>	<b>421</b>	<b>11,034</b>	<b>12,300</b>

Note 1(f) defines the three tier hierarchy of investments, and the significance of the information used to determine their fair value, that is required by Financial Reporting Standard 29 "Financial Instruments: Disclosures".

## 8. Investments (continued)

Year ended 31 December 2010

	Ordinary Shares			S Ordinary Shares			Total		
	AIM (quoted prices)	Unlisted/AIM (unobservable inputs)	Total	AIM (quoted prices)	Unlisted/AIM (unobservable inputs)	Total	AIM (quoted prices)	Unlisted/AIM (unobservable inputs)	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valuation at									
1 January 2010	1,211	4,945	6,156	522	2,319	2,841	1,733	7,264	8,997
Unrealised loss	1,323	667	1,990	160	32	192	1,483	699	2,182
Cost at									
1 January 2010	2,534	5,612	8,146	682	2,351	3,033	3,216	7,963	11,179
Purchases	-	1,401	1,401	-	1,829	1,829	-	3,230	3,230
Sales proceeds	(772)	(628)	(1,400)	(363)	(583)	(946)	(1,135)	(1,211)	(2,346)
Realised gains	35	10	45	117	7	124	152	17	169
Cost at									
31 December 2010	1,797	6,395	8,192	436	3,604	4,040	2,233	9,999	12,232
Unrealised (loss)/gain	(1,087)	(149)	(1,236)	(274)	236	(38)	(1,361)	87	(1,274)
<b>Valuation at 31 December 2010</b>	<b>710</b>	<b>6,246</b>	<b>6,956</b>	<b>162</b>	<b>3,840</b>	<b>4,002</b>	<b>872</b>	<b>10,086</b>	<b>10,958</b>

	31 December 2011			31 December 2010		
	Ordinary Shares	S Ordinary Shares	Total	Ordinary Shares	S Ordinary Shares	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>The portfolio valuation</b>						
<b>Held at market valuation:</b>						
Listed fixed income	597	248	845	-	-	-
AIM quoted equities	346	75	421	710	162	872
AIM unobservable equities	-	-	-	-	-	-
	<b>943</b>	<b>323</b>	<b>1,266</b>	<b>710</b>	<b>162</b>	<b>872</b>
<b>Unlisted at Directors' valuation:</b>						
Unquoted unobservable equities	2,403	1,615	4,018	1,849	1,207	3,056
Unquoted unobservable fixed income	4,351	2,665	7,016	4,397	2,633	7,030
	<b>6,754</b>	<b>4,280</b>	<b>11,034</b>	<b>6,246</b>	<b>3,840</b>	<b>10,086</b>
<b>Total</b>	<b>7,697</b>	<b>4,603</b>	<b>12,300</b>	<b>6,956</b>	<b>4,002</b>	<b>10,958</b>
Realised gains on historical basis	11	18	29	45	124	169
Net movement in unrealised appreciation	535	332	867	754	154	908
<b>Gains on investments</b>	<b>546</b>	<b>350</b>	<b>896</b>	<b>799</b>	<b>278</b>	<b>1,077</b>

## 9. Participating and significant interests

The principal activity of the Company is to select and hold a portfolio of investments in unlisted and AIM securities. Although the Company will, in some cases, be represented on the board of the investee company, it will not take a controlling interest or become involved in its management. The size and structure of the companies with unlisted and AIM securities may result in certain holdings in the portfolio representing a participating interest without there being any partnership, joint venture or management consortium agreement.

At 31 December 2011, the Company held no shares amounting to 20% or more of the equity capital of any of the unlisted or AIM undertakings. The Company does hold shares or units amounting to more than 3% or more of the nominal value of the allotted shares or units of any class in certain investee companies.

Details of equity percentages held are shown in the Investment Portfolio Summary on page 15.

## 10. Debtors

	31 December 2011			31 December 2010		
	Ordinary	S Ordinary	Total	Ordinary	S Ordinary	Total
	Shares	Shares		Shares	Shares	
	£'000	£'000	£'000	£'000	£'000	£'000
Prepayments and accrued income	231	124	355	166	77	243
Other debtors	2	1	3	1	1	2
	<b>233</b>	<b>125</b>	<b>358</b>	<b>167</b>	<b>78</b>	<b>245</b>

## 11. Creditors

Accruals	98	26	124	49	32	81
	<b>98</b>	<b>26</b>	<b>124</b>	<b>49</b>	<b>32</b>	<b>81</b>

## 12. Share capital

	31 December 2011				31 December 2010			
	Ordinary Shares		S Ordinary Shares		Ordinary Shares		S Ordinary Shares	
	Number	£'000	Number	£'000	Number	£'000	Number	£'000
<b>At 31 December the authorised share capital comprised:</b>								
<b>allotted, issued and fully paid:</b>								
Ordinary shares of 10p each								
Balance brought forward	8,323,130	832	4,936,009	494	7,798,296	780	4,972,459	497
Repurchased and cancelled in year	(368,213)	(36)	(75,000)	(8)	(152,065)	(15)	(36,450)	(3)
	7,954,917	796	4,861,009	486	7,646,231	765	4,936,009	494
Issued during the year	431,672	43	-	-	676,899	67	-	-
	<b>8,386,589</b>	<b>839</b>	<b>4,861,009</b>	<b>486</b>	<b>8,323,130</b>	<b>832</b>	<b>4,936,009</b>	<b>494</b>

During the year 368,213 Ordinary Shares (2010: 152,065) of 10p each were repurchased by the Company at a total cost of £261,977 (2010: £98,361) and cancelled.

During the year 75,000 S Ordinary Shares (2010: 36,450) of 10p each were repurchased by the Company at a total cost of £54,866 (2010: £26,020) and cancelled.

During the year the Company issued 431,672 Ordinary Shares (2010: 676,899) pursuant to the linked offer at a subscription price of 91.7p per share (2010: 89.5p).

### 13. Reserves

	Share premium account £'000	Distributable reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Capital redemption reserve £'000	Revenue reserve £'000
<b>Ordinary Shares</b>						
<b>At 1 January 2011</b>	538	6,539	1,085	(1,236)	19	187
Gains on sales of investments	-	-	11	-	-	-
Net increase in value of investments	-	-	-	535	-	-
Investment management fees	-	-	(212)	-	-	-
Dividends paid	-	-	(305)	-	-	(43)
Tax effect of capital items	-	-	32	-	-	-
Share Issue - 1 February 2011	75	-	-	-	-	-
Share Issue - 5 April 2011	207	-	-	-	-	-
Share Issue - 3 May 2011	51	-	-	-	-	-
Cancellation of share premium account	(871)	871	-	-	-	-
Cancellation of capital redemption reserve	-	19	-	-	(19)	-
Repurchase and cancellation of shares	-	(261)	-	-	37	-
Net return on ordinary activities after taxation	-	-	-	-	-	133
<b>At 31 December 2011</b>	-	<b>7,168</b>	<b>611</b>	<b>(701)</b>	<b>37</b>	<b>277</b>

### S Ordinary Shares

<b>At 1 January 2011</b>	4,227	(26)	106	(38)	3	35
Gains on sales of investments	-	-	18	-	-	-
Net increase in value of investments	-	-	-	332	-	-
Investment management fees	-	-	(62)	-	-	-
Dividends paid	-	-	(74)	-	-	(25)
Tax effect of capital items	-	-	12	-	-	-
Cancellation of share premium account	(4,227)	4,227	-	-	-	-
Cancellation of capital redemption reserve	-	3	-	-	(3)	-
Repurchase and cancellation of shares	-	(55)	-	-	8	-
Net return on ordinary activities after taxation	-	-	-	-	-	111
<b>At 31 December 2011</b>	-	<b>4,149</b>	-	<b>294</b>	<b>8</b>	<b>121</b>

### 14. Net asset value per ordinary share

The net asset value per share and the net asset value attributable to the ordinary shares at the year end calculated in accordance with the Articles of Association were as follows:

	31 December 2011				31 December 2010			
	Ordinary Shares		S Ordinary Shares		Ordinary Shares		S Ordinary Shares	
Net asset value per share	Net asset value attributable £'000	Net asset value per share	Net asset value attributable £'000	Net asset value per share	Net asset value attributable £'000	Net asset value per share	Net asset value attributable £'000	
<b>Ordinary shares</b>	<b>98.2</b>	<b>8,231</b>	<b>104.1</b>	<b>5,058</b>	<b>95.7</b>	<b>7,964</b>	<b>97.3</b>	<b>4,801</b>

The number of issued shares used in the above calculation is set out in note 12.

15. Reconciliation of revenue return before finance costs and taxation to net cash (outflow)/inflow from operating activities	Year ended		Year ended	
	31 December 2011		31 December 2010	
	Ordinary	S Ordinary	Ordinary	S Ordinary
	Shares	Shares	Shares	Shares
	£'000	£'000	£'000	£'000
Net return before taxation	499	411	756	208
Gains on investments	(546)	(350)	(799)	(278)
Increase in accrued income	(65)	(47)	(3)	(12)
Increase/(decrease) in accruals	49	(6)	(8)	(8)
Amortisation of fixed income investment book cost	2	1	-	-
Tax on unfranked income	(2)	(1)	-	-
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(63)</b>	<b>8</b>	<b>(54)</b>	<b>(90)</b>

16. Analysis of changes in net funds	Ordinary Shares			S Ordinary Shares		
	At		At	At		At
	1	Cash	31	1	Cash	31
	January	flows	December	January	flows	December
2011	£'000	2011	2011	£'000	2011	
£'000	£'000	£'000	£'000	£'000	£'000	
Cash and overnight deposits	890	(491)	399	753	(397)	356

	At		At	At		At
	1	Cash	31	1	Cash	31
	January	flows	December	January	flows	December
	2010	£'000	2010	2010	£'000	2010
	£'000	£'000	£'000	£'000	£'000	£'000
Cash and overnight deposits	756	134	890	1,832	(1,079)	753

17. Capital commitments, contingencies and financial guarantees	Year ended		Year ended	
	31 December 2011		31 December 2010	
	Ordinary	S Ordinary	Ordinary	S Ordinary
	Shares	Shares	Shares	Shares
	£'000	£'000	£'000	£'000
Financial guarantees	244	137	248	140

These financial guarantees represent potential further investment in unlisted securities.

## 18. Derivatives and other financial instruments

The Company's financial instruments comprise equity and fixed interest investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The company holds financial assets in accordance with its investment policy of investing mainly in a portfolio of VCT qualifying unquoted and AIM quoted securities.

The Company may not enter into derivative transactions in the form of forward foreign currency contracts, futures and options without the written permission of the Directors. No derivative transactions were entered into during the period.

The main risks the Company faces from its financial instruments are (i) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rates, (ii) interest rate risk, (iii) liquidity risk and (iv) credit risk. In line with the Company's investment objective, the portfolio comprises only sterling currency securities and therefore has no direct exposure to foreign currency risk.

The Manager's policies for managing these risks are summarised below and have been applied throughout the period. The numerical disclosures below exclude short-term debtors and creditors which are included in the balance sheet at fair value.

### Market price risk

The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the manager in pursuance of the investment objective as set out on page 21. Adherence to investment guidelines and to investment and borrowing policies set out in the management agreement mitigates the risk of excessive exposure to any particular type of security or issuer. These powers and guidelines include the requirement to invest in a minimum of 30 companies across a range of industrial and service sectors at varying stages of development, to closely monitor the progress of these companies and to appoint a non executive director to the board of each company. Further information on the investment portfolio (including sector concentration and deal type analysis) is set out in the Analysis of Unlisted and AIM Portfolio, Investment Manager's Review, Summary of Investment Changes, Investment Portfolio Summary and Largest Unlisted and AIM Investments.

### Interest rate risk

The interest rate risk profile of financial assets at the balance sheet date was as follows:

#### Ordinary Shares

At 31 December 2011	Fixed interest £'000	Floating rate £'000	Non interest bearing £'000
<b>Sterling</b>			
Listed Fixed Income	597	-	-
Unlisted and AIM/PLUS	4,351	-	2,749
Cash	-	399	-
	<b>4,948</b>	<b>399</b>	<b>2,749</b>

At 31 December 2010	Fixed interest £'000	Floating rate £'000	Non interest bearing £'000
<b>Sterling</b>			
Listed Fixed Income	-	-	-
Unlisted and AIM/PLUS	4,397	-	2,559
Cash	-	890	-
	<b>4,397</b>	<b>890</b>	<b>2,559</b>

The listed fixed interest assets have a weighted average life of 0.4 years (2010: N/A) and a weighted average interest rate of 5.2% (2010: N/A).

The unlisted fixed interest assets have a weighted average life of 2.8 years (2010: 2.8 years) and a weighted average interest rate of 10.4% (2010: 8.45%). The non-interest bearing assets represents the equity element of the portfolio. All assets and liabilities of the fund are included in the balance sheet at fair value.

It is the Directors opinion that the carrying amounts of these financial assets represent the maximum credit risk exposure at the balance sheet date.

The interest rate which determines the interest received on cash balances is the bank base rate.

### S Ordinary Shares

<b>At 31 December 2011</b>	<b>Fixed interest £'000</b>	<b>Floating rate £'000</b>	<b>Non interest bearing £'000</b>
<b>Sterling</b>			
Listed Fixed Income	248	-	-
Unlisted and AIM/PLUS	2,665	-	1,690
Cash	-	356	-
	<b>2,913</b>	<b>356</b>	<b>1,690</b>

<b>At 31 December 2010</b>	<b>Fixed interest £'000</b>	<b>Floating rate £'000</b>	<b>Non interest bearing £'000</b>
<b>Sterling</b>			
Listed Fixed Income	-	-	-
Unlisted and AIM/PLUS	2,633	-	1,369
Cash	-	753	-
	<b>2,633</b>	<b>753</b>	<b>1,369</b>

The listed fixed interest assets have a weighted average life of 0.4 years (2010: N/A) and a weighted average interest rate of 5.2% (2010: N/A).

The unlisted fixed interest assets have a weighted average life of 3.2 years (2010: 3.2 years) and a weighted average interest rate of 10.4% (2010: 8.2%). The non-interest bearing assets represents the equity element of the portfolio. All assets and liabilities of the fund are included in the balance sheet at fair value.

It is the Directors opinion that the carrying amounts of these financial assets represent the maximum credit risk exposure at the balance sheet date.

The interest rate which determines the interest received on cash balances is the bank base rate.

## Maturity profile

The interest rate profile of the Company's financial assets at the Balance Sheet date was as follows:

Ordinary Shares	Within 1 year	Within 1-2 years	Within 2-3 years	Within 3-4 years	Within 4-5 years	More than 5 years	Total
At 31 December 2011	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed interest</b>							
Listed	597	-	-	-	-	-	597
Unlisted	939	452	1,088	1,018	501	353	4,351
	<b>1,536</b>	<b>452</b>	<b>1,088</b>	<b>1,018</b>	<b>501</b>	<b>353</b>	<b>4,948</b>

Within "more than 5 years" there is a figure of £11,000 (2010 - £17,000) in respect of preference shares which have no redemption date).

Ordinary Shares	Within 1 year	Within 1-2 years	Within 2-3 years	Within 3-4 years	Within 4-5 years	More than 5 years	Total
At 31 December 2010	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed interest</b>							
Listed	-	-	-	-	-	-	-
Unlisted	857	856	427	1,134	900	223	4,397
	<b>857</b>	<b>856</b>	<b>427</b>	<b>1,134</b>	<b>900</b>	<b>223</b>	<b>4,397</b>

S Ordinary Shares	Within 1 year	Within 1-2 years	Within 2-3 years	Within 3-4 years	Within 4-5 years	More than 5 years	Total
At 31 December 2011	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed interest</b>							
Listed	248	-	-	-	-	-	248
Unlisted	437	90	553	954	370	261	2,665
	<b>685</b>	<b>90</b>	<b>553</b>	<b>954</b>	<b>370</b>	<b>261</b>	<b>2,913</b>

Within "more than 5 years" there is a figure of £1,000 (2010 - £1,000) in respect of preference shares which have no redemption date).

S Ordinary Shares	Within 1 year	Within 1-2 years	Within 2-3 years	Within 3-4 years	Within 4-5 years	More than 5 years	Total
At 31 December 2010	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed interest</b>							
Listed	-	-	-	-	-	-	-
Unlisted	403	579	116	540	845	150	2,633
	<b>403</b>	<b>579</b>	<b>116</b>	<b>540</b>	<b>845</b>	<b>150</b>	<b>2,633</b>

All liabilities are due within one year and, as such, no maturity profile has been provided.

## Liquidity risk

Due to their nature, unlisted investments may not be readily realisable and therefore a portfolio of listed assets and cash is held to offset this liquidity risk. Note 1(f) details the three-tier hierarchy of inputs used as at 31 December 2011 in valuing the Company's investments carried at fair value.

Credit risk and interest rate risk are minimised by acquiring high quality government stocks which have a relatively short time to maturity.

The company, generally, does not hold significant cash balances and any cash held is with reputable banks with high quality external credit ratings.

## Credit risk

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

The Company's financial assets exposed to credit risk amounted to the following:

	31 December 2011			31 December 2010		
	Ordinary Shares	S Ordinary Shares	Total	Ordinary Shares	S Ordinary Shares	Total
Investments in fixed interest instruments	597	248	845	-	-	-
Investments in unlisted debt securities	4,351	2,665	7,016	4,397	2,633	7,030
Cash and cash equivalents	399	356	755	890	753	1,643
	<b>5,347</b>	<b>3,269</b>	<b>8,616</b>	<b>5,287</b>	<b>3,386</b>	<b>8,673</b>

Credit risk arising on fixed interest instruments is mitigated by investing in UK Government stock.

All assets which are traded on a recognised exchange, are held by JP Morgan Chase (JPM), the Company's custodian. Cash balances are held by JPM, RBS and Clydesdale. Should the credit quality or the financial position of any of these institutions deteriorate significantly the Manager will move these assets to another financial institution.

The manager evaluates credit risk on unlisted debt securities and financial commitments and guarantees prior to investment, and as part of the ongoing monitoring of investments. In doing this, it takes into account the extent and quality of any security held. Typically, unlisted debt securities have a fixed charge over the assets of the investee company in order to mitigate the gross credit risk. The manager receives management accounts from investee companies, and members of the investment management team sit on the boards of investee companies; this enables the close identification, monitoring and management of investment specific credit risk.

There were no significant concentrations of credit risk to counterparties at 31 December 2011 or 31 December 2010.

## Price risk sensitivity

The following details the Company's sensitivity to a 10% increase or decrease in the market prices of listed or AIM/PLUS quoted securities, with 10% being the Manager's assessment of a reasonable possible change in market prices.

At 31 December 2011, if market prices of AIM/PLUS quoted securities had been 10% higher or lower and with all other variables held constant, the increase or decrease in net assets attributable to Ordinary Shareholders for the year would have been £94,000 (2010: £71,000) due to the change on valuation of financial assets at fair value through profit or loss.

At 31 December 2011, if market prices of listed or AIM/PLUS quoted securities had been 10% higher or lower and with all other variables held constant, the increase or decrease in net assets attributable to S Ordinary Shareholders for the year would have been £32,000 (2010: £16,200) due to the change on valuation of financial assets at fair value through profit or loss.

At 31 December 2011, 82.0% (2010: 78.4%) comprised investments in unquoted companies held at fair value attributable to Ordinary Shareholders. The valuation methods used by the Company include cost and realisable value. Therefore, it is not considered meaningful to provide a sensitivity analysis on the net asset position and total return for the year due to the fact any such movements would be immaterial to users of Financial Statements.

At 31 December 2011, 84.6% (2010: 79.9%) comprised investments in unquoted companies held at fair value attributable to S Ordinary Shareholders. The valuation methods used by the Company include cost and realisable value. Therefore, it is not considered meaningful to provide a sensitivity analysis on the net asset position and total return for the year due to the fact any such movements would be immaterial to users of Financial Statements.

# Notice of Meeting

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your shares in Maven Income and Growth VCT 4 PLC, please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Notice is hereby given that the Annual General Meeting of Maven Income and Growth VCT 4 PLC will be held on Wednesday 16 May 2012 at 10.30 a.m. at 9 – 13 St Andrew Street, London EC4A 3AF to transact the following business.

## Ordinary Business

To consider and, if thought fit, pass the following as Ordinary Resolutions:

1. To receive the Directors' Report and audited financial statements for the year ended 31 December 2011.
2. To approve the Directors' Remuneration Report.
3. To approve the payment of a final dividend of 2.5p to Ordinary Shareholders and a final dividend of 1.3p to S Ordinary Shareholders.
4. To re-elect Mr A Lapping as a Director.
5. To re-elect Mr S Scott as a Director.
6. To re-elect Mr W R Nixon as a Director.
7. To re-appoint Deloitte LLP as Auditor.
8. To authorise the Directors to fix the remuneration of the Auditor.
9. That the Directors be, and they are hereby, generally and unconditionally authorised under section 551 of the Companies Act 2006 (the '2006 Act') to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £88,690 representing 886,900 Ordinary Shares and £51,297 representing 512,970 S Ordinary Shares provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution, and so that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

## Special Resolutions

To consider the following resolutions, which will be proposed as Special Resolutions:

10. That, subject to the passing of resolution 9, the Directors be, and they are hereby, empowered under Section 571 of the 2006 Act to allot equity securities (as defined in Section 560 of the 2006 Act) under the authority conferred by resolution 9 for cash as if Section 561(1) of the 2006 Act did not apply to the allotment, provided that this power shall be limited to the allotment:
  - (a) of equity securities in connection with an offer of such securities by way of rights to holders of Ordinary Shares in proportion (as nearly as practicable) to their respective holdings of such shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
  - (b) (other than under paragraph (a) above) of equity securities up to an aggregate nominal amount not exceeding £88,690 in respect of 886,900 Ordinary Shares and £51,297 in respect of 512,970 S Ordinary Shares and shall expire at the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution, and so that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

11. That the Company be and is hereby generally and, subject as here and after appears, unconditionally authorised in accordance with section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Ordinary shares of 10p each in the capital of the Company, provided always that:

- (a) the maximum number of Ordinary shares hereby authorised to be purchased is 886,900 Ordinary Shares and 512,970 S Ordinary Shares, representing 10% of the Company's issued Ordinary share capital as at 1 March 2011;
- (b) the minimum price that may be paid for an ordinary share shall be 10p per share;
- (c) the maximum price (exclusive of expenses) that may be paid for an ordinary share shall not be more than an amount equal to the higher of:
  - i) an amount equal to 105 per cent of the average of the closing middle market price for the ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is purchased; and
  - ii) the price stipulated by Article 5(1) of Commission Regulation (EC) No. 273/2003 (the Buy-back and Stabilisation Regulation); and
- (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on the expiry of fifteen months from the passing of this resolution, save that the Company may before such expiry enter into a contract to purchase Ordinary shares which will or may be complete wholly or partly after such expiry.

12. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

#### Recommendation

An explanation of the resolutions to be proposed is set out at page 61 of this document. The Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

#### By order of the Board

**Maven Capital Partners UK LLP**

**Secretary**

**149 St Vincent Street**

**Glasgow G2 5NW**

**16 April 2012**

## Notes:

### Entitlement to attend and vote

1. Only those members registered on the Company's register of members 48 hours before the meeting or, if this Meeting is adjourned, 48 hours before the adjourned meeting, shall be entitled to attend and vote at the Meeting.

### Website giving information regarding the Meeting

2. Information regarding the Meeting, including the information required by section 311A of the Companies Act 2006, is available from [www.mavencp.com/migvct4](http://www.mavencp.com/migvct4).

### Attending in person

3. If you wish to attend the Meeting in person, please bring some form of identification.

### Appointment of proxies

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can appoint a proxy only by following the procedures set out in these notes and the notes to the proxy form.
5. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.
6. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please copy the proxy form, indicate on each form how many shares it relates to, and attach them together.
8. 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 you select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote, or abstain from voting, as he or she thinks fit in relation to any other matter which is put before the Meeting.

### Appointment of proxy using hard copy proxy form

9. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be completed and signed, and sent or delivered to Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, and received by Capita Registrars no later than forty eight hours before the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed, or a duly certified copy of such power or authority, must be included with the proxy form.

### Appointment of proxies through CREST

- 10 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting 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.

In order for a proxy appointment 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 & Ireland Limited's (EUI) 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 (RAIO) by forty-eight hours before the Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. 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 his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

#### Appointment of proxy by joint members

11 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.

#### Changing proxy instructions

12 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars. Contact details are shown under Corporate Information following the Explanatory Notes to the Notice of Annual General Meeting.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### Termination of proxy appointments

13 In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Capita Registrars no later than forty-eight hours before the meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

#### Corporate representatives

14 A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

#### Issued shares and total voting rights

15 As at 10.30 am on 15 March 2012 the Company's issued share capital comprised 8,869,013 Ordinary Shares of 10p each and 5,129,778 S Ordinary Shares of 10p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 10.30 am on 15 March 2012 is 13,998,791.

The website referred to in note 2 will include information on the number of shares and voting rights.

## Questions at the Meeting

16. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:

- answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

## Website Publication of Audit Concerns

17 Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (sections 527 to 531), where requested by a member or members meeting the qualification criteria set out at note 19 below, the Company must publish on its website, a statement setting out any matter that such members propose to raise at the Meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting.

Where the Company is required to publish such a statement on its website:

- it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
- it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and
- the statement may be dealt with as part of the business of the Meeting.

The request:

- may be in hard copy form or in electronic form (see note 20 below);
- must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
- must be authenticated by the person or persons making it (see note 20 below); and
- be received by the Company at least one week before the Meeting.

## Members' qualification criteria

18 In order to be able to exercise the members' right to require the Company to publish audit concerns (see note 17), the relevant request must be made by:

- a member or members having a right to vote at the Meeting and holding at least 5% of total voting rights of the Company; or
- at least 100 members have a right to vote at the Meeting and holding, on average, at least £100 of paid up share capital.

For information on voting rights, including the total number of voting rights, see note 15 above and the website referred to in note 2.

## Submission of hard copy and electronic requests and authentication requirements

19 Where a member or members wishes to request the Company to publish audit concerns (see note 17) such request be must be made in one of the following ways:

- a hard copy request which is signed by you, states your full name and address and is sent to The Secretary, Maven Income and Growth VCT 4 PLC, 149 St Vincent Street, Glasgow G2 5NW
- a request which states your full name and address, and investor code and is sent to enquiries@mavencp.com, stating "AGM" in the subject line of the e-mail.

## Nominated persons

20 If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person):

- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting.
- If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
- Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

## Documents on display

21 The following document will be available for inspection at 149 St Vincent Street, Glasgow G2 5NW and at 9 – 13 St Andrew Street, London, EC4A 3AF from the date of this notice until the time of the Meeting:

- copies of the letters of appointment of the directors of the Company;
- a copy of the Articles of Association.

## Communication

22 Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):

- calling the Manager and Secretary on 0141 306 7400; or
- emailing [enquiries@mavencp.com](mailto:enquiries@mavencp.com).

# Explanatory Notes to the Notice of Annual General Meeting

The notes on the following pages given an explanation of the proposed resolutions.

Resolutions 1 to 9 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 10 to 12 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

## Resolution 1 – Annual Report and Accounts

The Directors of the Company must present to the meeting the audited annual accounts and the Directors' and auditor's report for the financial year ended 31 December 2011.

## Resolution 2 – Remuneration Report

The Company's shareholders will be asked to approve the Directors' Remuneration Report contained in the Annual Report and Accounts at the Annual General Meeting.

## Resolution 3

The Company's shareholders will be asked to approve the payment of final dividends of 2.5p to Ordinary shareholders and 1.3p to S Ordinary shareholders.

## Resolution 4 – Re-election of Director

Mr A Lapping will retire by rotation this year in accordance with the Articles of Association of the Company, is proposed for re-election by the Company's shareholders.

Biographical details for Mr Lapping are set out on page 18 of the Annual Report and Accounts.

## Resolution 5 – Re-election of Director

Mr S Scott will retire by rotation this year in accordance with the Articles of Association of the Company and, being eligible, is proposed for re-election by the Company's shareholders.

Biographical details for Mr Scott are set out on page 18 of the Annual Report and Accounts.

## Resolution 6 – Re-election of Director

Mr W R Nixon will retire by rotation this year in accordance with the Articles of Association of the Company, is proposed for re-election by the Company's shareholders.

Biographical details for Mr Nixon are set out on page 19 of the Annual Report and Accounts.

## Resolutions 7 and 8 – Appointment and Remuneration of Auditor

The Company must appoint an auditor at each general meeting at which the accounts are presented to shareholders to hold office until the conclusion of the next such meeting. Resolution 7 seeks shareholder approval to re-appoint Deloitte LLP as the Company's auditor. In accordance with normal practice, resolution 8 seeks authority for the Directors to determine their remuneration.

## Resolution 9 – Authority to Allot Shares

Under Section 549 of the Companies Act 2006, the Directors are prevented, subject to certain exceptions, from allotting shares in the Company or rights to subscribe for such shares without the authority of the shareholders in general meeting. Resolution 9 is proposed as an ordinary resolution to authorise the Directors to allot shares or rights to subscribe for them up to an aggregate nominal value representing approximately one-tenth of the share capital of the Company in issue at the date of this notice. The Directors' authority will expire at the conclusion of the next Annual General Meeting of the Company following the passing of resolution 9. The Directors have no immediate plans to make use of this authority. At the date of this notice the Company does not hold any ordinary shares in the capital of the Company in treasury.

### Resolution 10 – Waiver of Statutory Pre-Emption Rights

Under Section 561 of the Companies Act 2006, when new shares are allotted they must first be offered to existing shareholders pro rata to their holdings. Shareholders are being asked to grant authority to the Directors to: (a) allot shares of the Company on such a pre-emptive basis as far as possible, subject to excluding circumstances where it is impractical to apply the strict pro rating; and (b) otherwise allot shares of the Company or rights to subscribe for shares of the Company up to an aggregate nominal value of £88,690 Ordinary Share capital and £51,297 S Share capital (representing approximately ten per cent of the share capital in issue at the date of this notice) as if the pre-emption rights of Section 561 of the Companies Act 2006 did not apply. The Directors have no immediate plans to make use of these authorities. This authority will expire at the conclusion of the next Annual General Meeting of the Company following the passing of resolution 10.

### Resolution 11 – Purchase of Own Shares

At the last Annual General Meeting, the Company's shareholders passed a resolution granting to the Company authority to make market purchases of the Company's ordinary shares subject to certain specified limits. 128,490 Ordinary Shares and 26,450 S Ordinary Shares have been purchased pursuant to this authority, which expires at the conclusion of the Annual General Meeting to be held on 16 May 2012. Under resolution 11 the Company's shareholders are being asked to renew the Directors' authority to make market purchases of up to 886,900 Ordinary Shares and 512,970 S Ordinary Shares of the Company (which represents approximately ten per cent of the issued share capital of the Company at the date of this notice) and the resolution sets out the minimum and maximum prices that can be paid, exclusive of expenses. The minimum price is equal to the nominal value of an ordinary share from time to time and maximum price is equal to the higher of: (i) 105 per cent of the average of the closing middle market price of an ordinary share of the Company for the five business days, prior to the date of purchase; and (ii) the price stipulated by Article 5(1) of Commission Regulation (EC) No. 2273/2003 (the Buy-back and Stabilisation Regulation), being the higher of the last independent trade for an ordinary share or the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out. Any ordinary shares in the Company purchased pursuant to the authority sought under resolution 11 may either be cancelled (and not be available for reissue) or held in treasury. Once held in treasury, such shares may be cancelled, sold for cash or used for the purpose of employee share schemes.

### Resolution 12 – Notice of General Meetings

The regulation implementing the Shareholders Rights Directive increases the notice period for general meetings of the Company to 21 days. The Company is currently able to call general meetings (other than an AGM) on 14 clear days' notice and would like to preserve this ability. In order to be able to do so, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 12 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice.

**Registered in Scotland - Company Number SC272568.**

# Corporate Summary

## Company profile

Maven Income and Growth VCT 4 PLC is a venture capital trust and has a Premium listing on the London Stock Exchange.

## Investment objective

The Company aims to achieve long term capital appreciation and generate maintainable levels of income for shareholders.

## Benchmark

There is no meaningful venture capital trust index against which to compare the performance of the Company. The Manager therefore uses peer group comparisons for reporting to the Board.

## Capital structure

The Company's issued share capital, as at 31 March 2012, consisted of 8,869,013 Ordinary Shares of 10p each and 5,129,778 S Ordinary Shares of 10p each.

## Net assets and net asset value per share

At 31 December 2011, the Company had net assets of £13,289,000, a net asset value per Ordinary Share of 98.2p and a net asset value per S Ordinary Share of 104.1p.

## Continuation date

The Articles of Association require the Directors to put a proposal for the continuation of the Company, in its then form, to shareholders at the Company's AGM in 2014, and thereafter at five yearly intervals.

## Risk

Many of the stocks in which the Company invests are exposed to the risk of political change, exchange controls, tax or other regulations, which may affect their value and marketability. Investments in smaller unquoted companies carry substantially higher risk than investments in larger companies or in companies listed on the Official List. The levels and bases of tax reliefs may change. As the volume of shares traded on the market is likely to be small, the shares may trade at a significant discount to net asset value.

## Management agreement

The Company has agreements with Maven Capital Partners UK LLP for the provision of management and secretarial services respectively. Please refer to page 24 for details of the management and secretarial fees payable.

## Share classes

There are two classes of share, Ordinary and S Ordinary. Each class of share owns a separate pool of assets, but expenses are shared. Each class of share is entitled to receive dividends, returns of capital or proceeds of winding up arising from its own portfolio, and they both carry the same rights to attend and vote at general meetings of the Company.

# Corporate Information

## Share Registrar Enquiries

Capita Registrars  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
West Yorkshire HD8 0LA

Shareholder Helpline 0871 664 0300  
Calls cost 10p per minute plus network extras, and lines are open from 8.30am until 5.30pm, Monday to Friday.

## Website

[www.mavencp.com/migvct4](http://www.mavencp.com/migvct4)

## Directors

I D Cormack (Chairman)  
M Graham-Wood  
A Lapping  
W R Nixon  
S Scott

## Manager and Secretary

Maven Capital Partners UK LLP  
Sutherland House  
149 St Vincent Street  
Glasgow G2 5NW  
Tel: 0141 306 7400  
Email: [enquiries@mavencp.com](mailto:enquiries@mavencp.com)

## Registered Office

Sutherland House  
149 St Vincent Street  
Glasgow G2 5NW  
Registered in Scotland  
Company Number SC272568

## Shareholder Portal

[www.capitashareportal.com](http://www.capitashareportal.com)

This service enables you to access and maintain your shareholding online at your convenience.

## Bankers

JP Morgan Chase Bank

## Auditor

Deloitte LLP

## Stockbrokers

Shore Capital Stockbrokers Limited



## Buying and selling shares in the stock market

For qualifying investors buying shares in the stock market offers the following advantages:

- dividends are free of income tax
- there is no capital gains tax on disposal of the shares
- there is no minimum holding period

Shares can be bought and sold through a stockbroker and the value of them can go up or down. Tax regulations and rates can change. VCTs tend to be invested in smaller, more risky companies and the secondary market for VCT shares can be illiquid.

## Unsolicited offers for shares (boiler room scams)

Shareholders in a number of UK registered companies have received unsolicited calls from organisations, usually based overseas or using false UK addresses or phone lines routed abroad, offering to buy shares at prices much higher than their current market values or to sell non-tradable, overpriced, high risk or even non-existent securities. Whilst the callers may sound credible and professional, Shareholders should be aware that their intentions are often fraudulent and high pressure sales techniques may be applied, often involving a request for an indemnity or a payment to be provided in advance.

If you receive such a call, you should exercise caution and, based on advice from the Financial Services Authority (FSA), the following precautions are suggested:

- obtain the name of the individual or organisation calling;
- check the FSA register to confirm if the caller is authorised;
- call back using the details on the FSA Register to verify the caller's identity;
- discontinue the call if you are in any doubt about the intentions of the caller, or if calls persist; and
- report any individual or organisation that cold calls with an offer to buy or sell shares to the FSA and the City of London Police.

Useful contact details:

- **Action Fraud**

Telephone: 0300 123 2040

Website: [www.actionfraud.org.uk](http://www.actionfraud.org.uk)

- **FSA**

Telephone: 0845 606 1234

Website: [www.fsa.gov.uk](http://www.fsa.gov.uk)

Register: [www.fsa.gov.uk/pages/register](http://www.fsa.gov.uk/pages/register)

Boiler room warning: [www.fsa.gov.uk/consumerinformation/scamsandswindles](http://www.fsa.gov.uk/consumerinformation/scamsandswindles)





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