

Oxford Technology 4 Venture Capital Trust Plc



- Arecor
- Castleton
- Diamond Hard Surfaces
- Dynamic Extractions
- ImmBio
- Insense
- MirriAd Advertising
- Novacta
- Oxis Energy
- Select – STL Management

Annual Financial Statements

For the Year Ended 29 February 2020

Company Registered Number: 5038854

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About Oxford Technology 4 Venture Capital Trust Plc

VCTs were introduced by the UK Government in 1995 to encourage individuals to invest in UK smaller companies. This was achieved by offering VCT investors a series of tax benefits. Oxford Technology 4 Venture Capital Trust Plc (OT4) was listed on the London Stock Exchange in September 2004. It raised £10.2m Further top-up offers have raised an additional £679k.

The Company is managed by OT4 Managers Ltd with services subcontracted to Oxford Technology Management Ltd (OTM).

Investment Strategy

The Company has built a balanced portfolio of investments with the following characteristics at the time of initial investment:

- Unlisted, UK based, science, technology and engineering businesses;
- Investments typically in the range of £100k to £500k;
- Generally located within approximately 60 miles of Oxford so that the Company can be an active investor.

The key feature of OT4 is that it has focused on investing in early stage and start-up technology companies. Early stage companies are those which have received some initial sales. Start-up companies are those which are at an earlier stage; they will usually have already developed their initial product or service and be close to achieving their first sales.

The returns from such investments, when successful, can be highly attractive but the associated risks are high. It is intended that most of this risk will relate more to technical success or failure than to fluctuations in the major financial markets. As a result, the fund can act as a strong diversifier to a shareholder's overall portfolio by providing exposure to a different risk/reward profile from mainstream markets.

The full investment policy is included in the Business Review.

OT4 has been approved as a VCT by HMRC throughout the year and continues to comply with all statutory requirements.

Financial Headlines

	Year Ended 29 February 2020	Year Ended 28 February 2019
Net Assets at Year End	£4.15m	£5.64m
Net Asset Value (NAV) per Share	36.1p	49.0p
Dividend paid in Year	3.0p	3.0p
Cumulative Dividend per Share	43.0p	40.0p
NAV + Cumulative Dividend per Share Paid from Incorporation	79.1p	89.0p
Share Price at Year End	26.5p	29.5p
Earnings Per Share (Basic & Diluted)	(9.9)p	6.1p

Strategic Report

The Strategic Report has been prepared in accordance with the requirements of Section 414C of the Companies Act 2006 and the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014. Its purpose is to inform shareholders of the progress of the Company, to look at the current business model, future objectives, strategy and principal risks of the Venture Capital Trust.

The Strategic Report consists of the Chairman's Statement (page 6), which looks at future prospects for the Company, a Business Review (page 12), which includes analysis of the principal risks, and an Investment Portfolio Review (page 20), which looks at the performance of the Company's investments over the past year.

The Company's objective is to maximise shareholder value and so we continue to work with our investee companies to help them succeed and to seek exits as and when appropriate. The aim is to build shareholder value and distribute one-off payments to shareholders as and when exits are achieved, whilst retaining sufficient resources to continue to support other existing investees.

These distributions to shareholders will be made via dividend payments or, if it is considered to be in shareholders' interests, using other mechanisms such as buybacks (e.g. a tender offer).

Chairman's Statement

I present the Annual Report for the year to 29 February 2020 to fellow shareholders.

In these unprecedented and uncertain times our thoughts are with everyone affected by the recent market and social turmoil, specifically our shareholders, the staff of our Investment Adviser and the employees of our investee companies. We hope that by the time of our AGM in July there will be some light at the end of the tunnel and greater visibility going forward.

Shareholders will appreciate that an annual report is a snapshot in time. Our year end was 29 February and shareholders will be aware that the FTSE100 had been above 7000 for the whole year up to 26 February, fell to 6700 at 29 February. It subsequently dropped to a low of 5000 on 23 March 2020 before recovering to 5750 as of mid-May, a drop of 14% since 29 February. Whilst the FTSE index is not a direct determinant of the valuation of small unquoted early stage technology companies, it represents a guide to market sentiment which is likely to influence general company value assessments.

Under the valuation rules we are required to produce valuations based on all the information that was known or should have been known to the Directors at 29 February 2020. Clearly the full scale of the impact of the Covid-19 virus and the extraordinary measures that the government took in March to protect the country, combined with the oil price shock were unexpected at that time, to say the least.

We have been continuously assessing the effect of this double impact. With the passage of another two months to the time of signing off this report we are beginning to get greater clarity of what it means to the investee companies and your VCT. Industry-wide the worst hit sectors have been airlines, travel, hospitality and oil whilst on the upside some biotechnology companies have found new opportunities. The rest of the portfolio has not materially changed since 29 February. Since the year end Castleton Technology Plc (Castleton), the only listed company in the OT4 portfolio has announced an approved takeover offer from MRI Software Limited, which should protect the share price from downward movement until the completion of the acquisition.

Last year our biggest Brexit concern was the uncertainty itself, and this year, I had expected to comment on the ongoing uncertainty about the terms on which the UK would “fully leave” the EU at the end of this calendar year. The result of the General Election, the signing of the Withdrawal Agreement, the pandemic and the resulting turmoil have now returned Brexit and trade discussions to the business pages. The pandemic has highlighted a national need for a higher degree of self-sufficiency and the economic downturns across Europe will hopefully work against the introduction of extreme trade barriers and tariffs. Last year we stated that our portfolio was not overly exposed to trade with EU companies and that remains our view.

There has been significant other market turmoil over the last 12 months, including the closing of the Woodford Equity Income Fund and the suspension of several property funds driven by investors wishing to withdraw their money faster than assets could be realised.

Despite all of the above, it is worth reminding ourselves that the VCT structure is an appropriate holding vehicle for unquoted companies through difficult times. Unlike unit trusts, we are under no pressure to make fire sales to meet the demand from unit holders to withdraw their cash.

Your VCT has over £200k in the bank as of mid-May, which covers about 2 years of expenses, at the current running rate, and if we do not invest further in the portfolio. Furthermore, we expect to fully realise our Castleton Technology plc holding under the current takeover offer.

Overview

Your company made a loss of 9.9p per share, with the NAV falling £1.49 million to 36.1p per share. In part this is as a result of the 3.0p dividend paid in Q1 2019, but also by significant reductions in valuations of several portfolio companies made to reflect difficult trading issues. Total Return since company launch is 79.1p per share. Your Board is not recommending the payment of a final dividend for the year ended 29 February 2020.

Whilst we anticipate the majority of our investees will be less impacted by the recent turmoil than many entities, they are by no means immune from it. All companies have now needed to react to the change in circumstances, revising their cash flow forecasts and adjusting for significantly reduced sales revenues. The Investment Adviser will help companies through this process, and if desired support them to raise additional funding where possible. The Board and Investment Adviser have sought to assess the immediate impact on valuations. Using latest bid prices, and the Directors' normal determinants of fair value, we estimate that the NAV per share has reduced to an unaudited 34.3p (a drop of 5%) as at mid-May. Given we are in no immediate hurry to liquidate any of our holdings, we would hope some form of market normality will return before any asset sales occur.

The Board and your Investment Adviser will continue to monitor and mentor investee companies towards points of value inflection at which we can profitably exit and return funds to shareholders. This is the nature of a longer than expected life technology fund.

Portfolio Overview

The largest holding by value within the VCT is now Arecor Limited (Arecor) which is making excellent progress and represents 33% of the funds value. It recently announced that it has achieved an important second contractual milestone with one of its pharmaceutical partners. The first milestone was triggered in October 2017 following the signature of a license agreement between the parties. It has also announced a multi-product collaboration with a US-based clinical stage biotechnology company. Under the collaboration, Arecor will leverage its proprietary technology to develop liquid formulations of two proprietary novel products, one in oncology and one in a rare genetic orphan condition.

The second largest holding by value is STL Management Limited (Select Technology) representing 26% of the portfolio. It has been at the forefront of remote working, both as a practitioner of the art and a provider of relevant software for others, and as a result, has seamlessly embraced lockdown working practices. Clearly, it has suffered interruption to its normal course of business as customers have grappled with the effects of the economic shock of the last two months. However, looking beyond the short-term disruption, there is an immediate opportunity to provision its end customers with the required software tools that ensure business resilience and effective remote working. A recent sales webinar was attended by 125 people, well above normal attendee levels. This could just be because buyers are lacking things to do, but there is at least circumstantial evidence showing that companies are using the lockdown hiatus to spend time on 'housekeeping matters', which includes replacing out-of-date software systems. If this is the case, then Select Technology may be well-positioned for any upcoming return to normality. Select Technology paid a dividend in February 2020.

Castleton remains the third largest holding at 16% of NAV and has quickly become a leading provider of integrated technology solutions within the social housing sector, with their software being used by over 600 social housing providers. Following a period of rapid growth both organic and by acquisition, Castleton paid a maiden dividend in September 2019. Since the year end, Castleton has announced an approved takeover offer from MRI Software Limited, which should protect the share price from downward movement until the completion of the acquisition and the full realisation of our holding.

ImmBio (more formally known as ImmunoBiology Ltd) is our fourth largest holding. It has signed a commercial licence with the China National Biotech Group for its pneumococcal vaccine PnuBioVax and the first milestone payment has been received. Further milestones payments will be made when the transfer of certain technology is complete. This has been delayed partly by Covid-19 related events. The company is seeking to licence its vaccine in other countries and is pursuing grant applications. We have continued to support the working capital of the company with 2 small share placings during the year totalling £67k. However, the continuing delays have led us to reduce the valuation in the current year.

Orthogem Ltd (Orthogem) was sold in January 2020 to one of its distributors TRB Chemedica (UK) Ltd. Although Orthogem had made significant technical progress with the launch of its putty product and appointment of international distributors, it was unable to raise sufficient funding to be able to continue to trade. The OT VCTs were willing to continue supporting the company, especially given we believed the company was very close to commercial success, but the VCT rules governing the age of companies and the use to which any new funds can be applied prevented us from doing so. Similar restrictions applied to potential EIS investors. Whilst some other investors were also willing to support the company, it was at an insufficient level. The only way to avoid the company being placed into administration/liquidation was to sell it, with original investors retaining the right to a potential royalty income should product sales follow. The Investment Adviser is working with HMRC to see if/how the VCTs may be able to benefit from this income without breaching any VCT rules, should royalties become payable in the future.

Valuation changes have also been made at Diamond Hard Surfaces Limited and Dynamic Extractions Limited to reflect difficult trading conditions for both companies. The Board and your Investment Adviser continue to monitor and mentor investee companies towards points of value inflection at which we can profitably exit and return funds to shareholders. This is the nature of our technology fund with a longer than expected life.

The Directors continue to take an active interest in the companies within the portfolio, both to support their management teams to achieve company development, but also to prepare companies for realisation at the appropriate time. It should be noted, however, that approaches do occur at other times as can be seen with Castleton and the ability of the Directors and Investment Adviser to be able to provide support when such approaches occur is essential for maximising value.

Further details are contained within the Investment Adviser's Report, and on our website.

First Quarter Results Announcement

As mentioned in the overview section above, the Directors estimate that the NAV per share is an unaudited 34.3p as of mid-May.

At this time, and unless there are reasons to suggest conditions are not similar at the end of May 2020, we do not currently intend to issue a NAV as at 31 May 2020, and will update the market further with our half year results to the end of August 2020. We do not currently consider that publishing this quarterly result will add any value to shareholders, and not doing so will save some costs.

Dividends/Return of Capital

An interim capital dividend of 3.0p per share was paid on 26 April 2019. No final dividend is recommended.

The ongoing strategy remains to seek to crystallise value from the portfolio and distribute cash to shareholders. Our priority is to maximise shareholder value and liquidity over the medium term by seeking exits for these holdings at the appropriate time but remaining mindful of the need to meet VCT and going concern tests.

VCT Market Changes

After some big changes in recent years, this has been another period of allowing the new regulatory landscape to bed in. The types of investment now allowed are of the sort in which the OT VCTs have always specialised and we continue to believe the VCT structure is well-suited to this patient approach to long term value creation. However, the VCT rules do provide additional challenges for very small VCTs, where there is very little flexibility in how to operate, and with a small portfolio, we are very severely hindered from continuing to support our own investee companies. Our VCT is not in line with the majority of the industry, which is continuing to raise funds and making new investments, and where scale is not an issue, so these policies impact us more than larger VCTs. As mentioned above, from March 2020 we are required to have more than 80% of assets in qualifying assets compared to 70% in prior years. On 29 February 2020, we were at this level, and remain so at the time of writing.

Covid-19 Response

The Investment Adviser has proved to be operationally resilient and financially sound during the turmoil of Covid-19. Your Board is used to working in a virtual environment and the VCT has continued to operate effectively, as evidenced by the publication of this Annual Report and Financial Statements to our normal timetable.

Your Board continues to look at methods of improving operational efficiency, reducing costs and, more generally putting in place appropriate plans to ensure that your VCT's operational costs relative to its overall size remain within acceptable limits. Over the last 5 years we have renegotiated almost every element of cost.

Our investment management and Directors' fees and auditors' remuneration are amongst the lowest in the VCT industry. The largest remaining elements of cost are the LSE listing fee at almost £10k and the FCA fee of £6k. These regulatory fees seem to have relentless increases and bear disproportionately on a small company. We have written to both organisations to request a one-off 50% rebate in this difficult year and asked them to reconsider their overall fee structures and, in particular, relook at their charges to the lower end of the market.

Whilst your VCT remains in good structural shape, it seems prudent to take some precautionary measures. Every year we have a resolution for the shareholders to enable the Directors to raise a further 5% of shares without pre-emption rights which has been approved. This year, following guidance from the FRC Pre-emption Group we would like, with our shareholders' approval, to raise the level to 20% to provide flexibility, if ever required, to raise money more cheaply and at shorter notice. This would enable us to support investee companies (within the VCT rules) and exceptionally take advantage of other opportunities arising from other investees in the OT VCT stable. At the moment we have no plans to raise additional capital or to conduct a possible placing, but it seems prudent in these uncertain times to have the capability in case the Board considers it opportune to act quickly.

Shareholders who might be interested in buying shares via such a placing are invited to register their potential interest by email to: vcts@oxfordtechnology.com.

AGM

We believe the meeting is likely to be a virtual meeting with limited physical attendance and no investee or Investment Adviser presentations. We will provide further updates on this by the end of June via our website. Covid-19 permitting, the Board and Investment Adviser hope to be able to host a physical event in October/November following the half year results so that shareholders can be updated and for them to hear how some of our investees have coped with this year's disruption.

In the meantime, may I encourage you to return your proxies as early as possible. Please send in any questions you might have and we will put up a Q&A section on the website.

Please note that in accordance with new AIC guidelines all four directors are standing for annual re-election. I have no hesitation in recommending shareholders to vote for all my co-directors. All have played a very full part in the VCT's activities throughout the year.

We also recommend the re-election of UHY Hacker Young who have done a very good job this year under difficult conditions, not least of which was one of their key staff contracting coronavirus during the period of the audit.

As in previous years, we are putting forward a resolution to vote for the continuation of the VCT. The Directors do not consider this to be an appropriate time to wind up the VCT and that it would not be in shareholders' best interests.

Finally, we have taken the opportunity to update our articles of association; Oxford Technology 2 Venture Capital Trust Plc did this 2 years ago and a very similar format has been followed. More details are shown on page 36 and on our website www.oxfordtechnologyvct.com.

A formal Notice of the AGM has been enclosed with these Financial Statements together with a Form of Proxy for those not attending. We encourage you to vote on the AGM resolutions via your proxy forms and thank you all for your ongoing support

Outlook/planning for the Future

Our company remains a small VCT (by both net assets and market cap), reducing in size as we realise investments and return proceeds to shareholders and we continue to operate on a shoestring budget. Efforts have continued throughout the year to seek a partner interested in using the existing VCT structure to launch its own share offering, and hence enabling us to expand our asset base. As I reported at the half year, we have had detailed conversations with many other prospective parties who are potentially interested in entering the VCT industry, but to date, the costs of such a launch present too high a risk for other parties to make such a move. We have always made clear that there is no certainty such a possibility can be successful but the Directors will continue seeking such opportunities when the future outlook has become clearer.

We continue to believe your VCT is an appropriate structure to hold your Company's investments, albeit it would be preferable to have a larger asset base to share the operating costs. In the meantime, your Board continues to work so as to best provision the Company such that – when valuations and liquidity allow – holdings can be exited and proceeds distributed to shareholders.

In normal years I would conclude by expressing my thanks to all shareholders for their continuing support and looking forward to welcoming as many of you to the AGM as possible. This year I will just express a wish that you keep safe and healthy and that together we may ultimately arise stronger and more united for a future in what will undoubtedly be a different world.



David Livesley
Chairman
19 May 2020

Business Review

Company Performance

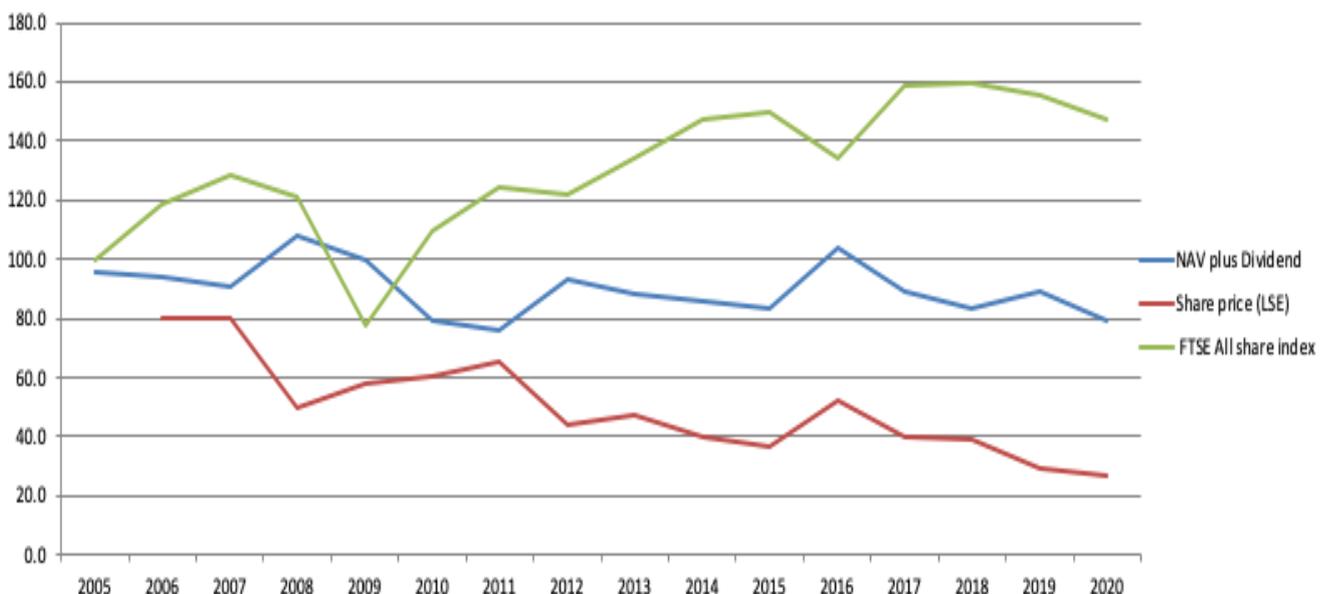
The Board is responsible for the Company's investment strategy and performance. The services regarding the creation, management and monitoring of the investment portfolio are subcontracted to OTM by the Company's Investment Manager, OT4 Managers Ltd. OTM is the Company's AIFM.

There was a net loss for the period after taxation amounting to £1,141,000 (2019: profit of £704,000). The income statement comprises income of £19,000 (2019: £11,000) received from investee companies, realised losses from disposal of investments £198,000 (2019: realised gains of £185,000), unrealised losses on fair value of investments of £852,000 (2019: unrealised gains of £617,000) and management and other expenses of £110,000 (2019: £109,000).

The review of the investment portfolio on page 20 includes a review of the Company's activities and the Chairman's Statement comments on future prospects.

The graph below compares the NAV return of the Company from 2005 with the total return from the FTSE All-Share Index (which excludes dividends) over the same period. This index is considered to be the most appropriate broad equity market index for comparative purposes.

However, the Directors wish to point out that VCTs are not able to make qualifying investments in companies quoted on the Main Market in their observance of VCT rules and are very limited in the types of investment that can be made. All measures are rebased to 100 at the start date of the fund.



Key Performance Indicators

The Board uses a number of performance measures to assess the Company's success in meeting its strategic objectives.

The KPIs it monitors include:

KPI	Objective
Total Return (Net Asset Value plus cumulative dividends paid) per share	To provide shareholders with tax free capital gains via profitable exits by investing its funds in a portfolio of primarily unquoted UK companies which meet the relevant criteria under the VCT rules.
The total expenses of the Company as a proportion of shareholders' funds	To maintain efficient operation of the VCT whilst minimising running costs.

The total return for the Ordinary shares is included in the Financial Summary on page 5 and the reduction in the total return is explained in the Chairman's Statement. In the twelve months to 29 February 2020 there was a reduction in total return of 9.9p per share (2019: increase in total return of 6.1p). A dividend of 3p per share was paid during the year (and in the prior year).

The Company was able to maintain an efficient operation of the VCT whilst minimising running costs as a proportion of shareholder's funds. Expenses of the Company are capped at 3% of the opening net asset value (but excluding Directors' fees and any performance fee). The total actual expenses were 1.6% of opening net assets (1.9% including Directors' fees), (2019:1.7% and 2.1% respectively).

Viability Statement

In accordance with provision C.2.2 of The UK Corporate Governance Code 2018 ("the UK Code") the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the "Going Concern" provision. The Company last raised funds in 2010, and so the minimum five year holding period required to enable subscribing investors to benefit from the associated tax reliefs has now passed. The Board regularly considers the Company's strategy, including investor demand for the Company's shares, and a three year period is therefore considered to be an appropriate and reasonable time horizon.

The Board has carried out a robust assessment of the principal risks facing the Company and its current position, including those which may adversely impact its business model, future performance, solvency or liquidity. The principal risks faced by the Company and the procedures in place to monitor and mitigate them are set out below.

The Board has also considered the Company's cash flow projections and found these to be realistic and reasonable.

Based on the above assessment the Board confirms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to 28 February 2023. Post year end the Board has carefully considered the impact of Covid-19 on both investees and the VCT and its assessment remains unaltered.

Principal Risks, Risk Management Objectives and Regulatory Environment

The Board carries out a regular review of the risk environment in which the Company operates, including principal and emerging risks. The main areas of risk identified by the Board are as follows:

Investment risk – The majority of the Company's investments are in smaller unquoted companies which are VCT qualifying holdings, which by their nature entail a higher level of risk and lower liquidity than investments in large quoted companies. The Directors and the Investment Adviser aimed to limit the risk initially attached to the portfolio as a whole by careful selection, by carrying out due diligence procedures and by maintaining a spread of holdings. The Directors also consider timely realisation of investments. The Board reviews the investment portfolio on a regular basis. As holdings are realised, and investments are no longer being made into new companies, the portfolio will become more concentrated over time.

VCT qualifying status risk – The Company is required at all times to observe the conditions laid down in the Income Tax Act 2007 for the maintenance of approved VCT status; these rules have subsequently been updated on several occasions. The loss of such approved status could lead to the Company losing its exemption from corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment. The Board keeps the Company's VCT qualifying status under regular review.

Qualifying investments can only be made in small and medium sized trading companies which fall within the following limits:

- carry out a qualifying trade; and
- have fewer than 250 full time equivalent employees; and
- have less than £15 million of gross assets at the time of investment and no more than £16 million immediately post investment; and
- have made their first commercial sales of more than £200k less than seven years ago (or 10 years if a knowledge intensive company) if raising State Aided funds for the first time; and
- have raised no more than £5 million of State Aided funds in the previous 12 months and less than the lifetime limit of £12 million (or £20 million if a knowledge intensive company); and
- have produced a business plan to show that its funds are being raised for growth and/or development purposes.

The Finance Act 2018 introduced a new “risk-to-capital” condition for qualifying investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk. VCTs may not make investments that do not meet the new “risk to capital” condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is a genuine risk of a loss of capital).

Non-Qualifying investments: Initially, an active approach was taken to managing the cash prior to investing in qualifying companies. Now the Company has reached its qualifying investment target to meet HMRC requirements and the Company is fully invested, any remaining funds will be invested in accordance with HMRC rules for Non-Qualifying investments, which may include money market funds and other instruments where the Board believes that the overall downside risk is low.

Financial risk – by its nature, as a VCT, the Company is exposed to market price risk, credit risk, liquidity risk, fair value and cash flow risks. All of the Company’s income and expenditure is denominated in sterling and hence the Company has no direct foreign currency risk. The indirect risk results from investees doing business overseas. The Company is financed through equity. The Company does not use derivative financial instruments.

Regulatory risk – the Company is required to comply with the Companies Act, the rules of the UK Listing Authority and United Kingdom Accounting Standards. Breach of any of these might lead to suspension of the Company’s Stock Exchange listing, financial penalties, a qualified audit report or even loss of VCT status.

Cash flow risk – the risk that the Company’s available cash will not be sufficient to meet its financial obligations is managed by frequent budgeting and close monitoring of available cash resources.

Liquidity risk – the Company’s investments may be difficult to realise. The spread between the buying and selling price of shares may be wide and thus the price used for the valuation may not be achievable.

Reputational risk –inadequate or failed controls might result in breaches of regulation or loss of shareholder trust.

Internal control risk – the Board reviews annually the system of internal controls, financial and non-financial, operated by the Company. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

Covid-19 risk – The Company is now exposed to the current Covid-19 pandemic risk. Many of the VCT’s portfolio companies are encountering challenging and uncharted trading conditions, the full extent and impact of which will emerge only over time. While most of our investees have found ways of coping with the first phase of lockdown, many will face increasing pressure if the lifting of restrictions does not start soon. The Investment Adviser and the Board will mentor and monitor investees carefully through the next phase.

The Board seeks to mitigate the internal risks by setting policies, regular review of performance, enforcement of contractual obligations and monitoring progress and compliance.

In the mitigation and management of these risks the Board applies rigorously the principles detailed in the Financial Reporting Council's Guidance on Risk Management, Internal Controls and Related Financial and Business Reporting. Details of the Company's internal controls are contained in the Corporate Governance section starting on page 41.

Further details of the Company's financial risk management policies are provided in note 15 to the Financial Statements.

Investment Policy

This is the stated investment policy as per the original prospectus which has been adhered to without material change ever since.

The investment policy of Oxford Technology 4 VCT is to construct a portfolio of qualifying investments with the following characteristics at the time of initial investment:

- *Unlisted, UK based, technology-based businesses;*
- *investments typically in the range of £100k to £500k, although a few investments outside this range will be contemplated;*
- *in most cases located within a radius of approximately 60 miles of Oxford.*

It is expected that approximately half of the funds will be invested in early stage companies and the balance in start-up companies, depending on the opportunities available. The Company defines these companies as follows:

- *early stage companies are those which have achieved some initial sales;*
- *start-up companies are those which are at an earlier stage; they will usually have already developed their initial product or service and, except in the case of biotechnology companies, be close to achieving their first sales.*

It is expected that as well as investing in new companies, OT4 will invest in companies in which OT1, OT2 or OT3 have already invested, although in these cases the investment manager (Seed Capital Limited - now known as Oxford Technology Management) and the Board will take particular care to see that the investment offers a good risk/reward profile to OT4 in its own right. This policy of investing in companies in which previous OT funds have invested has been pursued by all previous OT funds, except OT1 to which it could not have applied. The logic for this policy is:

- *Very early stage companies often require financial support for many years as they grow. VCT legislation requires that any particular VCT be substantially invested within three years;*
- *The costs associated with such follow-on investments are less since the investment manager is already familiar with the businesses;*

- *Some businesses in the earlier OT portfolios which are now showing promise, might not have existed without the investment of subsequent OT funds.*

The geographical focus described above is considered important as OT4 intends to be an active investor, assisting investee companies to develop their full potential. The Directors consider it essential that direct contact is maintained with investee companies.

The investment policy of OT4 will be to achieve an acceptable risk/reward ratio for the portfolio as a whole, by virtue of the number of investments which will be made. It is expected that, subject to the level of valid subscriptions received under the offer, investments in about 20-30 companies will be made over a three-year period.

A portfolio of this size achieves a practical balance between laying off risk and ensuring that investment executives of Seed Capital (now known as Oxford Technology Management) are able to devote a significant amount of time to each investee company so as to help manage the business risk within investee companies.

In general, it is expected that investments will be made by subscribing for ordinary shares and preference shares, sometimes combined with loans. It is envisaged that successful investee companies will pay interest on loans or dividends on preference shares to OT4 before it achieves an exit from such investee companies.

It is intended that, by April 2008, about 75 per cent of the net funds subscribed will have been invested in qualifying investments leaving the balance available for follow-on investment, if required. Although the Directors have no present intention of utilising the Company's borrowing powers contained in its Article of Association, the Company may in appropriate circumstances borrow funds.

When appropriate, particularly when the funding requirement is greater than the amount the Company wishes to invest and where it is desirable to broaden the investor base, investments may be syndicated with other venture capital funds, private individuals (including the Directors and/or shareholders in the Company) or corporations. The Investment Adviser has close links with other venture capital institutions and with a wide range of private investors who have previously made investments or shown interest in investing in early stage and start-up technology companies.

The Investment Adviser has undertaken to give OT4 the first opportunity to invest in projects identified for investment in companies engaged in science or technology located within a 60 mile radius of Oxford. Seed Capital (now known as Oxford Technology Management) and Lucius Cary have undertaken to the Company not to make, effect, manage or advise upon investments for any person other than the Company and OT1, OT2 and OT3 save with the prior consent of the Directors.

Key Information Document

New EU PRIIPs regulations came into effect in January 2018. The intent of the regulations is to increase customer protection by improving the functioning of financial markets and in this instance through the Key Information Document (KID) to provide shareholders with more information about the risks, potential returns and charges within VCTs. The regulation requires the Company to publish a KID. Retail investors must now be directed to this before buying shares in the Company.

The KID is published on the Company website <https://www.oxfordtechnologyvct.com/>. The KID has been prepared using the methodology prescribed in the PRIIPS regulation. Although well intended, there are widespread concerns about the application of some aspects of the prescribed methodologies to VCTs. Specifically, there are concerns that:

1. the risk score may be understating the level of risk; and
2. investment performance scenarios may indicate future returns for shareholders that are too optimistic.

The Association of Investment Companies (AIC) has engaged on this matter and it is hoped that these issues will be resolved in the future. In the meantime, the Board recommends shareholders continue to classify our VCT as a high-risk investment.

Section 172(1) Statement

The Directors discharge their duties under section 172 of the Companies Act 2006 to act in good faith and to promote the success of the Company for the benefit of shareholders as a whole as set out in the Business Review from page 12. As an investment company, Oxford Technology 4 Venture Capital Trust has no employees; however, the Directors also assessed the impact of the Company's activities on other stakeholders, in particular shareholders and our third-party advisers, as well as the portfolio of companies.

The Board's decision-making process incorporates, as part of the Company's investment policy and investment objectives as set out on page 4, considerations for supporting the Company's business relationships with the Investment Adviser, shareholders, advisers and registrar, independent financial advisers and the impact of the Company's operations on the community and the environment, which by nature of the business, only extends to the holdings in portfolio companies.

Outside of general meetings, the Company engages with shareholders through regulatory news service announcements, interim and annual reports as well as regular correspondence with shareholders and their advisers to address any queries that arise.

Internal Control

The Directors are responsible for the Company's system of internal control. The Board has adopted an internal operating and strategy document for the Company. This includes procedures for the selection and approval of investments, the functions of the Investment Adviser and exit and dividend strategies.

Day to day operations are delegated under agreements with the Investment Adviser who has established clearly defined policies and standards. These include procedures for the monitoring and safeguarding of the Company's investments and regular reconciliation of investment holdings.

This system of internal control, which includes procedures such as physical controls, segregation of duties, authorisation limits and comprehensive financial reporting to the Board, is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Board has reviewed, with its Investment Adviser, the operation and effectiveness of the Company's system of internal control for the financial period and the period up to the date of approval of the Financial Statements.

The Board has continued to prepare the Financial Statements in accordance with UK Financial Reporting Standards rather than International Financial Reporting Standards. This is permitted as the Financial Statements present the results of an individual company rather than a group.

Gender and Diversity

The Board consists of four male non-executive Directors of widely ranging ages, backgrounds and experience. The gender and diversity of the constitution of the Board will be reviewed on an annual basis. The Board considers diversity when reviewing Board composition and has made a commitment to consider diversity when making future appointments. The Board will always appoint the best person for the job. It will not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability. However, the Board fully supports the aims of the Hampton Alexander Report and the renewed focus and emphasis on diversity in the new 2019 AIC Code of Corporate Governance (the "2019 AIC Code") and in due course will, over time, strive to comply with these recommendations.

Environmental Policy, Greenhouse Gas Emissions and Human Rights Issues

The Board recognises the requirement under Section 414c of the Companies Act 2006 to detail information about environmental matters (including the impact of the Company's business on the environment), employee, human rights, social and community issues, including information about any policies it has in relation to these matters and effectiveness of these policies.

Given the size and nature of the Company's activities and the fact that it has no full-time employees and only four non-executive Directors, the Board considers there is limited scope to develop and implement social and community policies. However, the Company recognises the need to conduct its business in a manner responsible to the environment where possible.

For the financial year beginning 1 March 2020 and future periods, the Company will consider the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which came into force on 1 April 2019 (for accounting periods beginning after this date), in relation to energy consumption disclosure.



David Livesley
Chairman
19 May 2020

Investment Portfolio Review

OT4 was formed in 2004 and has invested in 35 companies which were start-up or early stage technology companies. Some of these companies failed with the loss of the investment. Some have succeeded and have been sold. The table on page 23 shows the companies remaining in the portfolio. A more detailed analysis is given of the major investments on the following pages. Several still have the potential to deliver significant returns and weather the storm of the current Covid-19 pandemic. OTM is working with all of the portfolio companies helping and advising them through these difficult and unprecedented times.

Arecor conducted its phase 1 trial for Ultra-Rapid Acting Insulin. The results were very good with all the desired outcomes being met. Arecor also has other insulin and non-insulin internal development programmes. Arecor also announced a new collaboration agreement with a pharma company and it has received a milestone payment for a partnered programme.

Select Technology specialises in software for photocopiers – now known as MFDs – Multi-Function Devices. Over the last decade Select Technology has built up a global network of distributors and dealers through which it sells third party products. These products now include PaperCut, KPAX, Foldr, Drivve Image, EveryonePrint and Square 9 Enterprise Content Management. Sales have increased from £210k in the year to July 2010 to just over £6.5m in the year to January 2020. Select paid a dividend in February 2020.

OT4 received shares in AIM-listed Castleton Technology Plc as part of the proceeds of sale when Castleton purchased Impact Applications in 2015. Castleton is a provider of software, services and IT infrastructure to the social, public and commercial housing sector. During the year Castleton paid its first dividend. On the 15 April, following the year end Castleton, received a recommended cash offer to acquire its shares at 95p per Castleton share. The company had been doing well, if a little behind management expectations, as 67% of its income was recurring revenues and the company was well set up to weather the Covid-19 crisis. Nonetheless for OT4, a return of 95p per Castleton share is an excellent result, and when combined with all the proceeds already received, will reflect an eight fold return from our original investment in Impact Applications.. The bid price used at the year end for these accounts was 71p.

In February 2019 ImmBio signed a license deal for PnuBioVax in the Chinese market with a subsidiary of CNBG, the leading Chinese biologics company. PnuBioVax is a vaccine that targets pneumococcal disease in children and the elderly. Throughout the year it has been working to transfer the technology to its partner. An investment of £150k (of which OT4 contributed £29k) was made in February 2020 to extend the company runway. In March 2019, OT4 also invested £38k as part of an earlier £150k round.

Dynamic Extractions was formed as a spin-out from Brunel University in 2005. The objective of the company was to commercialise a technology developed there for high performance counter current chromatography. Initially the business designed and sold HPCCC instruments which were manufactured by subcontract. The company and its business model have been transformed in the last few years. The HPCCC instruments have been redesigned from scratch and the first of the much improved instruments, manufactured by a subcontractor in Wales emerged in late 2016.

Also, although the sale of HPCCC instruments remains part of the business, more of the company's effort is now devoted to using its own technology to produce valuable compounds for sale. For example, the company is able to produce 99.9% purity CBD and given the interest in CBD following the growing legalisation of cannabis products across the world it was hoped that there would be a market for high purity CBD. Disappointingly, however, this has not proved to be the case to date. Some sales have been achieved but the volumes have been low. So Dynamic Extractions is continuing to search for a high value product which it can extract or purify and sell. The technology could equally be used to remove traces of toxin or pesticide from a residue.

OT4 was the first investor in Diamond Hard Surfaces (DHS) when the company was founded in 2004. The objective was to develop a process for creating a hard diamond like coating that was superior to other similar coatings. The DHS coating is extremely hard and also has exceptionally low friction against itself. The technology is a low temperature process which can be applied to a wide range of substrate materials and geometries and is applied in sectors such as Aerospace, Oil and Gas and Electronics. Over the last few years the company has been developing a coating which has the unusual properties of being an almost perfect electrical insulator while having three times the thermal conductivity of copper. This coating has now been branded ThermaSp3c™. This coating is used as a heat sink – removing heat from chips which are working particularly hard (and therefore getting hot), principally in defence applications. DHS had a disappointing year in 2019 with sales being slightly below the levels of the year before. However, March 2020 was the busiest ever with record sales being made, mainly for heat sinks.

Orthogem received a CE mark for its putty product in early 2018. Approvals for other countries were very slow to follow. Although a deal was made with a new and much larger UK distributor, the sales did not pick up quickly enough for the company to remain solvent going forward. The OT VCTs were willing to continue supporting the company, especially given we believed the company was very close to commercial success, but the VCT rules governing the age of companies and the use to which any new funds can be applied prevented us from doing so. The company was sold for £1 and a 10% share of gross profits going forward. We are currently working with HMRC to see how OT4 may be able to benefit from any future income stream in the form of possible royalties without breaching any VCT rules.

New Investments in the year

Follow on investment has been made into ImmBio of £67,433 in two tranches. This has complied with both EU State Aid rules and HMRC rules.

Disposals during the year

Castleton shares to the value of £491,470 were sold in March 2019. Orthogem was disposed of during the year but only for a nominal sum of £1 and Zuvasyntha was dissolved, with no proceeds being received.

Valuation Methodology

Quoted and unquoted investments are valued in accordance with current industry guidelines that are compliant with International Private Equity and Venture Capital (IPEVC) Valuation Guidelines and current financial reporting standards.

VCT Compliance

Compliance with the main VCT regulations as at 29 February 2020 and for the year then ended is summarised as follows:

Type of Investment By HMRC Valuation Rules	Actual	Target
VCT Qualifying Investments	88.1%	Minimum obligation of: 70% (80% from 1 March 2020)
Non-Qualifying Investments	11.9%	Maximum allowed: 30% (20% from 1 March 2020)
Total	100%	100%

The value used in the qualifying tests is not necessarily the original investment cost due to the complex rules required by HMRC, therefore the allocation of Qualifying investments as defined by the legislation can be different to the portfolio weighting as measured by market value relative to the net assets of the VCT.

At least 70% of each investment must be in eligible shares – Complied.

No more than 15% of the income from shares and securities is retained – Complied.

No investment constitutes more than 15% of the Company's portfolio (by value at time of investment or when the holding is added to) – Complied.

The Company's income in the period has been derived wholly or mainly (70% plus) from shares or securities – Complied.

No investment made by the VCT has caused the company to receive more than £5m of State Aid investment in the year, nor more than the lifetime limit of £12m – Complied.

Table of Investments

The table below shows the current portfolio holdings. The investments in Bluewater Bio, Cutting the Wires, Dynamic Discovery, EKB, Ingenious, Inspiration Matters, Kinomi, Glide Technologies, Historic Futures and Water Innovate have been written off. The investments in Dexela, Imagineer Systems, Impact Applications, Incentec, Mecira, OxTox, Pharma Engineering, Telegesis, Naked Objects, Abzena, Zuvasyntha and Orthogem have been sold. Some Castleton shares have also been sold.

Number of shares in issue: 11,516,946

Net Asset Value per share at 29 February 2020: 36.1p

Dividends per share paid to date: 43.0p

Table of Investments held by Company at 29 February 2020

Company	Description	Date of initial investment	Net cost of investment £'000	Carrying value at 29/02/20 £'000	Change in value for the year £'000	% equity held OT4	% equity held by all OTVCTs	% Net Assets
Arecor	Protein stabilisation	Jul 2007	590	1,289	382	5.6	10.5	31.0
Select- STL Management Ltd	Photocopier Interfaces	Aug 2006	237	1,022	(42)	18.4	58.6	24.6
Castleton Technologies Bid Price 71p	Mobile software for contractors	Oct 2005	72	622	(621)*	1.1	1.1	15.0
ImmBio	Novel vaccines	Oct 2005	857	555	(457)	13.0	22.6	13.4
Diamond Hard Surfaces	Diamond coatings	Jan 2005	640	135	(202)	49.9	49.9	3.3
Insense	Wound healing dressings	Apr 2005	475	67	-	2.5	6.8	1.6
Novacta	Antibiotics Development	Apr 2005	347	59	-	2.3	2.3	1.4
Dynamic Extractions	Separation technology	Aug 2005	377	56	(257)	30.4	30.4	1.3
Oxis Energy	Rechargeable batteries	Nov 2005	305	41	(49)	0.2	0.3	1.0
Plasma Antennas	Directional antennas	Mar 2005	700	40	-	30.9	48.8	1.0
MirriAd Advertising Bid Price 10p	Virtual product placement	May 2015	-	5	(2)	0.0	0.0	0.1
Metal Nanopowers	Production of nanopowers	Aug 2006	52	-	-	16.7	36.7	0.0
Superhard Materials	Very hard materials	Feb 2012	9	-	-	18.2	40.0	0.0
Totals			4,661	3,891	(1,248)			93.7
Other Net Assets				262				6.3
NET ASSETS				4,153				100.0

* £463k reduction related to share disposals, and £158k related to the decline during the year of the AIM share price on the shares still held at 29 February 2020

Arecor

www.arecor.com

	First Investment	Net Cost	Carrying Value 29/02/2020	Change in Value for the Year	% Equity Held
Arecor	July 2007	£590,196	£1,288,887	£381,994	5.6%

Arecor Limited is a leader in the development of innovative formulation technology that enables differentiated biopharmaceutical products. It has developed a proprietary, patent backed formulation technology platform that has been proven to stabilize a broad range of molecules as aqueous compositions. Many proteins, peptides and vaccines are too unstable in liquid form and/or at high concentrations to develop stable ready-to-use drugs and Arecor has overcome these challenges to significantly enhance the delivery of therapeutic medicines to patients.

Since inception in 2007, it has built a successful revenue generating business employing this technology to enable and differentiate biopharmaceuticals for a large cross section of the major pharmaceutical companies on a fee for service plus licensing model. The fee for service portion of the business continues to grow profitably with three new announced programmes and has received second milestone payments on one programme. It is expected that the partner will now initiate final pivotal studies in order to further progress the product towards commercialisation, which could result in further future milestone and royalty payments.

Arecor has been working on the development of a portfolio of differentiated peptides through to clinical proof of concept, with an initial focus on diabetes as a therapeutic area. Arecor is progressing key products: an ultra-rapid acting insulin and a highly concentrated insulin. A phase 1 trial for the ultra-rapid acting insulin was completed in Austria, with excellent results.

The company has recently announced that it has extended its multi-product collaboration with a US-based clinical stage biotechnology company. Under the collaboration, Arecor will leverage its Arestat technology to develop liquid formulations of two proprietary novel products in oncology and a rare genetic orphan condition.

The partner is currently funding the development work and has the option to acquire the rights to the formulations and associated Intellectual Property under separate milestone-bearing licenses at pre-agreed financial terms. This partnership further demonstrates the flexibility of Arecor's Arestat technology platform in delivering formulation solutions in this case for both multi-valent antibodies and recombinant fusion proteins.

The valuation of the investment has been increased from the price of the last funding round to reflect the excellent clinical and commercial progress.

Select – STL Management Ltd

www.selectec.co.uk

	First Investment	Net Cost	Carrying Value 29/02/2020	Change in Value for the Year	% Equity Held
Select - STL Management Ltd	August 2006	£236,703	£1,021,951	(£41,814)	18.4%

Select Technology (100% owned by STL Management Ltd) distributes high quality document management software via its global channel partners while adding significant further value through its development team by providing integrations or bespoke solutions. Select Technology grew significantly between 2010 and 2018 by focusing on print management software, primarily PaperCut. Realising that this type of software was becoming increasingly commoditised, the company changed its focus to document capture and sharing, acquiring distribution rights to additional software solutions and introducing them to the market in an innovative way.

Select Technology was also a leading light in the formation of IDEA – the International Document Evolution Alliance. The founder members of the Alliance are all software specialists and able to provide a very high level of support for the products which they distribute. Each member is located in a separate geographical region and, between them, the members cover over 100 countries. This allows members to compete with major companies in attracting international business which, individually, they would not be able to do. In addition, if an Alliance member encounters a new product for the document management market with significant potential, the member can bring it to the attention of IDEA. Given the combined purchasing power and expertise of the group, the Alliance can look to negotiate international distribution rights by offering the vendor an easy route to global distribution. The products which Select Technology distributes include Drive Image, Everyone Print, Foldr, KPAX, Papercut and Square 9 content management.

The company has changed its focus this year from print management to document and enterprise content management. At the moment however the focus is mainly on how to deal with the Coronavirus issue. There is no doubt that this will impact sales negatively in the short term. A lot of the education sector, one of Select's biggest markets is shutting down. Businesses in all areas will be reassessing their expenditure in the light of the situation. On the plus side, Select does have a fully distributed workforce so are at least in a good position to provide online sales, pre-sales, support and installation functions. This will not be easy for many of their competitors as it cannot just be switched on overnight. Hopefully Select should be in a good position to take advantage of the rebound whenever it actually happens.

Select Technology's sales grew from £210k in the year to 31 July 2010 to just over £6.5m in the year to January 2020. The company paid a dividend in February 2020.

Select Technology is valued at a multiple of sales.

Castleton Technology

www.castletonplc.com

	First Investment	Net Cost	Carrying Value 29/02/2020	Change in Value for the Year	% Equity Held
Castleton Technology	October 2005	£72,446	£622,177	(£620,535)*	1.1%

* £463k reduction related to share disposals, and £158k related to the decline during the year of the AIM share price on the shares still held at 29 February 2020

Castleton Technology Plc is listed on AIM and is a provider of software, services and IT infrastructure to the social, public and commercial housing sector. It provides an extensive combination of software products and services covering a wide range of applications from scheduling repairs, to communicating with field staff to managing finances and customers. Castleton is aggregating companies in the sector, moving towards offering integrated solutions.

The CEO of Castleton is Dean Dickinson who has successfully executed buy, build and sell strategies before in closely related fields. OT4 acquired Castleton shares as the result of the acquisition of Impact Applications Ltd.

Castleton now has the widest range of integrated products in the UK housing management sector. It has not acquired further companies in the last year but has delivered the first fully integrated solutions and also launched its AI solution to improve forecasting for customers.

In September 2019 Castleton paid a maiden dividend of 1p. Sales for the first half of the year were lower £12.1m vs. £12.9m, than the preceding year, but forecasts are positive for the second half of the year. Castleton were chosen by the National Housing Federation as the preferred supplier for Housing Management Solutions.

The number of social housing customers has grown further to 595 and the proportion of recurring revenue is now at 66%.

The share price has fallen from 89p last year to 71p on the 29 February 2020, recovering from a larger initial fall after the half year results had shown a contraction.

On the 15 April, following the year end Castleton, received a recommended cash offer to acquire its shares at 95p per Castleton share. This is an unadjusted post balance sheet event and not reflected in the valuation above.

	First Investment	Net Cost	Carrying Value 29/02/2020	Change in Value for the Year	% Equity Held
ImmBio	October 2005	£856,601	£554,666	(£456,610)	13.0%

ImmBio was founded in 1999 by Camilo Colaco to develop vaccines that engage dendritic cells. Dr. Colaco identified the role that Heat Shock Proteins play in activating the immune system. The company has programmes developing vaccines against Tuberculosis, Meningitis and Pneumonia. The TB and Meningitis vaccines have been partnered for development in China and India.

The pneumonia product PnuBioVax has now been trialled on humans in a Phase 1 trial which primarily and successfully assessed safety of the approach. The study showed the vaccine creates antibodies against a wide range of strains. The company has signed its first license deal for PnuBioVax with CNBG – China National Biotec Group – part of the state owned Sinopharm group. The license is for the development of a vaccine for infants in the Chinese market.

The CNBG license programme is progressing well with the first stage of technology transfer completed. Pneumonia produces greater infant mortality than TB, HIV and malaria combined. There are approximately 100 serotypes (variants) of Streptococcus pneumoniae in circulation. The emergence of new serotypes presents an ongoing challenge. Existing marketed vaccines are relatively expensive to produce and do not cover all existing or emerging strains, the market leader only covering 13 serotypes. Also, they do not produce good resistance in children, one of the primary patient groups. In contrast, PnuBioVax offers the potential of improved protective breadth and low production costs. PnuBioVax not only protects against a larger number of strains, it also provides protection against the toxins produced by the bacteria.

ImmBio is currently awaiting the outcome of a major grant application which would enable it to proceed to a Phase 2 study to support its next stage of clinical development which is likely to involve a challenge test and measurement of carriage – which are useful indicators of the ability to prevent the spread of pneumococcal disease. They missed out on two other vaccine grants by very narrow margins, one which occurred post year end. The Covid outbreak has involved most staff being furloughed but the company continues to operate. It has decided to launch the development of a Covid vaccine as existing vaccine programmes do not effectively direct the antigen to the dendritic cells.

The company is valued to reflect its stage of technical and commercial development and taking into account the preference cascade.

Diamond Hard Surfaces

www.diamondhardsurfaces.com

	First Investment	Net Cost	Carrying Value 29/02/2020	Change in Value for the Year	% Equity Held
Diamond Hard Surfaces	January 2005	£640,224	£134,685	(£202,028)	49.9%

OT4 was the first investor in Diamond Hard Surfaces (DHS) when the company was founded in 2004. The objective was to develop a process for creating a hard diamond like coating that was superior to other similar coatings.

The DHS coating is extremely hard and also has exceptionally low friction against itself. The technology is a low temperature process which can be applied to a wide range of substrate materials and geometries and is applied in sectors such as Aerospace, Oil and Gas and Electronics.

Over the last few years the company has been developing a coating which has the unusual properties of being an almost perfect electrical insulator while having three times the thermal conductivity of copper. This coating has now been branded ThermaSp3c™. This coating is used as a heat sink – removing heat from chips which are working particularly hard (and therefore getting hot) in defence applications.

Sales were disappointing in 2019, with many customers either delaying orders or placing small orders. But 2020 has started well with a flurry of orders for heat sinks, both from the UK and the US.

DHS continues to search for new areas to which it can apply its technology and would particularly like to develop its own products, which it could then sell in addition to providing its coating.

The company is valued using a sales multiple.

Lucius Cary
Director – OT4 Managers Ltd
Investment Manager
19 May 2020

Board of Directors

The Company has a Board of four non-executive Directors. They meet on a regular basis to review the investment performance and monitor compliance with the investment policy laid down by the Board as set out in the Strategic Report on page 5.

The Board has a formal schedule of matters specifically reserved for its decision which include:

- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy;
- approval of the appropriate dividend to be paid to shareholders;
- the appointment, evaluation, removal and remuneration of the Investment Manager;
- the performance of the Company, including monitoring the discount of the share price to net asset value; and
- monitoring shareholder profiles and considering shareholder communications.

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. He facilitates the effective contribution of the Directors and ensures that they receive accurate, timely and clear information and that the Company communicates effectively with shareholders in accordance with the Board's duty to promote the success of the Company.

The Company Secretary is responsible for advising the Board through the Chairman on all governance matters. All of the Directors have access to the advice and services of the Company Secretary. Directors may also take independent professional advice at the Company's expense where necessary in the performance of their duties.

The Company's articles of association and the schedule of matters reserved to the Board for decision provide that the appointment and removal of the Company Secretary is a matter for the full Board.

David Livesley



David Livesley is the Chairman of OT4 and was appointed in April 2004. He worked in the life science and pharmaceutical industries before joining Cambridge Consultants Ltd in 1987, where he was involved in product and process development across a range of industrial sectors.

Between 1999 and 2012 he worked for the YFM Group, where he invested VCT money into early stage technology companies. Currently he is an independent Non-Executive director for a number of early stage technology businesses and Chairman of an IoT business Wearable Technologies Limited.

David brings a wealth of fund management and venture capital investment experience to the Board, as well as direct experience of VCT fund management. He has been involved with the portfolio for over 15 years, and hence has extensive historic knowledge of the Company's investments, which remains highly relevant to the ongoing success of the Company.

David is also a Director of OT3 Managers Ltd, OT4 Managers Ltd, Oxford Technology VCT Plc, Oxford Technology 2 VCT Plc and Oxford Technology 3 VCT Plc.

Robin Goodfellow



Robin Goodfellow is a Director of OT4 and also a member of the Audit Committee. He was appointed in July 2015. Robin had 30 years of experience in senior Accounting Manager and Internal Audit Manager roles with ExxonMobil International, Esso Europe, Esso Petroleum and Esso Norway. He has particular expertise in advising on and implementing cost effective controls across total company business activities and their accounting systems.

Robin has an MA in Engineering from Cambridge University and an MBA from the London Business School.

More recently he has been an active investor and shareholder in VCTs, EISs and other small companies. He was previously a regular commentator on VCT industry performance and current VCT company issues.

Robin's combination of experience provides the Company with valuable and detailed knowledge of the VCT industry which contributes to the successful ongoing operation of a VCT. He also undertakes significant research about other companies within similar fields of activity as our investments.

Robin is a shareholder in Arecor. He is also a Director of OT1 Managers Ltd, OT3 Managers Ltd, Oxford Technology VCT Plc, Oxford Technology 2 VCT Plc and is the Chairman of Oxford Technology 3 VCT Plc.

Richard Roth



Richard is a Director of OT4 and Chairman of the Audit Committee. He was appointed in July 2015. He is a Chartered Management Accountant. After 14 years at two blue chip companies he joined easyJet, where he was one of the key executives that transformed the business from private company to household name.

He has subsequently worked for a number of airlines, including as CFO of RoyalJet. Richard has also had a number of consulting assignments, in particular helping companies determine their strategy, and implementing business improvements. He has been deeply involved in growing and/or turning businesses around.

Richard is a well-informed VCT investor having followed the industry closely since inception and has extensive understanding of the sector having observed good and bad practice for nearly 20 years. He has invested in a number of small (mainly unquoted) companies and has also advised several potential start-up businesses – mainly travel-related.

Richard is a shareholder in Plasma Antennas. He is also a Director of OT2 Managers Ltd, OT4 Managers Ltd, Oxford Technology VCT Plc, Oxford Technology 3 VCT Plc and he is the Chairman of Oxford Technology 2 VCT Plc. He is also a Director of Seneca Growth Capital VCT Plc.

This combination of experience, including his directorship on another VCT outside the Oxford Technology stable, provides the Company with valuable and detailed knowledge regarding the successful ongoing operation of a VCT.

Alex Starling



Alex Starling is a Director of OT4 and was appointed in July 2015. Alex runs his own corporate advisory firm, ACS Technical Limited. He has helped a number of technology companies raise venture capital and, conversely, shareholders realise their investments in such technology companies.

He is a Chartered Engineer and Member of the Institution of Mechanical Engineers, has a PhD in Engineering from Cambridge University and holds the ICAEW Diploma in Corporate Finance.

Alex brings current corporate finance & early stage fundraising experience to the Board.

He is also a Director of OT1 Managers Ltd, OT2 Managers Ltd, Oxford Technology 2 VCT Plc and Oxford Technology 3 VCT Plc. He is the Chairman of Oxford Technology VCT Plc.

Directors' Report

The Directors present their report together with Financial Statements for the year ended 29 February 2020.

The Directors consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This report has been prepared by the Directors in accordance with the requirements of s415 of the Companies Act 2006. The Company's independent auditor is required by law to report on whether the information given in the Directors' Report is consistent with the Financial Statements.

Principal Activity

The Company commenced business in 2004. The Company invests in start-up and early stage technology companies in general located within 60 miles of Oxford. The Company has maintained its approved status as a Venture Capital Trust by HMRC.

Review of Business Activities

The Directors are required by section 417 of the Companies Act 2006 to include a Business Review to shareholders. This is set out on page 12 and forms part of the Strategic Report. The purpose of the Business Review is to inform members of the Company and help them assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the Company). The Company's section 172 Statement on page 18, the Chairman's Statement on page 6 to 11, and the Investment Portfolio Review on pages 20 to 28 also form part of the Strategic Report.

Corporate Governance Statement

The Board has considered the principles and recommendations of the 2019 AIC Code as applied to companies reporting as at 29 February 2020. The Company's Corporate Governance policy is set out on pages 41 to 47.

The 2019 AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the 2019 AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with the recommendations of the 2019 AIC Code and the relevant provisions of the UK Code, except as set out below:

- The Company does not have a Chief Executive Officer or a Senior Independent Director. The Board does not consider this necessary as it does not have any executive directors.
- New Directors do not receive a formal induction on joining the Board, though they did receive one tailored to them on an individual basis.

- The Company conducts a formal review as to whether there is a need for an internal audit function. However, the Directors do not consider that an internal audit would be an appropriate control for this VCT at this time.
- The Company does not have a Remuneration Committee as these matters are dealt with by the Board.
- The Company does not have a Nomination Committee as these matters are dealt with by the Board.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers the above provisions are not relevant to the position of the Company, being an investment company run by the Board and managed by the Investment Adviser. In particular, all of the Company's day-to-day administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations.

Directors

The Directors of the Company are required to notify their interests under Disclosure and Transparency Rule 3.12R. The membership of the Board and their beneficial interests in the ordinary shares of the company at 29 February 2020 and at 28 February 2019 are set out below:

Name	2020	2019
D Livesley	3,499	3,499
R Roth	44,310	44,310
A Starling	Nil	Nil
R Goodfellow	20,000	20,000

Under the Company's articles of association one third of the Directors are required to retire by rotation each year. However, best practice under the latest corporate governance guidelines is for all directors to stand for election each year and as a result, Richard Roth, Alex Starling, Robin Goodfellow and David Livesley will all be nominated for re-election at the forthcoming AGM. The Board believes that all the non-executive Directors continue to provide a valuable contribution to the Company and remain committed to their roles. The Board recommends that shareholders support the resolutions to re-elect all four Directors at the forthcoming AGM.

The Board is satisfied that, following individual performance appraisals, the Directors who are retiring continue to be effective and demonstrate commitment to their roles and therefore offer themselves for re-election with the support of the Board.

The Board did not identify any conflicts of interest between the Chairman's interest and those of the shareholders, especially with regard to the relationship between the Chairman and the Investment Adviser.

The Board is cognisant of shareholders' preference for Directors not to sit on the boards of too many larger companies ("overboarding"). Shareholders will be aware that in July 2015, the Company, along with the other VCTs that were managed by Oxford Technology Management, appointed directors such that the four VCTs each had a Common Board.

In addition, Richard Roth has subsequently also become a Director of Seneca Growth Capital VCT Plc, a VCT investing in the MedTech sector which is also self-managed and has a number of investments in common with the Oxford Technology VCTs.

Whilst great care is taken to safeguard the interests of the shareholders of each separate company, there is an element of overlap in the workload of each Director across the four OT funds due to the way the VCTs are managed. The Directors note that the workload related to the four OT funds is less than it would be for four totally separate and larger funds and are satisfied that Richard Roth has the time to focus on the requirements of each OT fund.

Investment Management Fees

OT4 Managers Ltd, the Company's wholly owned subsidiary, has an agreement to provide investment management services to the Company for a fee of 1% of net assets per annum. OT4 Managers Ltd subcontracts these services to OTM on a pass through basis. David Livesley and Richard Roth together with Lucius Cary are Directors of OT4 Managers Ltd.

Directors' and Officers' Insurance

The Company has maintained insurance cover on behalf of the Directors, indemnifying them against certain liabilities which may be incurred by them in relation to their duties as Directors of the Company.

Ongoing Review

The Board has reviewed and continues to review all aspects of internal governance to mitigate the risk of breaches of VCT rules or company law.

Whistleblowing

The Board has been informed that the Investment Adviser has arrangements in place in accordance with the UK Code's recommendations by which staff of Oxford Technology Management or the Secretary of the Company may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters.

Bribery Act 2010

The Company is committed to carrying out business fairly, honestly and openly. The Investment Adviser has established policies and procedures to prevent bribery within its organisation. The Company has adopted a zero tolerance approach to bribery and will not tolerate bribery under any circumstance in any transaction the Company is involved in. The Company has instructed the Investment Adviser to adopt the same approach with investee companies.

Relations with Shareholders

The Company values the views of its shareholders and recognises their interest in the Company. The Company's website provides information on all of the Company's investments, as well as other information of relevance to shareholders (www.oxfordtechnologyvct.com/vct4.html)

Shareholders have the opportunity to meet the Board at the Annual General Meeting. In addition to the formal business of the AGM the Board is available to answer any questions a shareholder may have.

The Board is also happy to respond to any written queries made by shareholders during the course of the year and can be contacted at the Company's registered office: Magdalen Centre, Oxford Science Park, Oxford OX4 4GA. Alternatively your question can be emailed to: vcts@oxfordtechnology.com.

Going Concern

The assets of the Company consist mainly of securities, two of which are AIM quoted, quite liquid and readily accessible, as well as cash. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the Financial Statements.

Share Capital

As disclosed on page 81, the Board has authority to make market purchases of the Company's own shares. No shares were purchased by the Company during the year.

The Board has authority to allot up to 575,847 shares (representing approximately 5% of the ordinary share capital as at 21 May 2019). No shares were allotted by the Company during the year.

The total number of Ordinary Shares of 10p each in issue at 29 February 2020 was 11,516,946 (2019: 11,516,946) with each share having one vote. There are no other share classes in issue.

As discussed in the Chairman's Statement, whilst the VCT remains in good structural shape, it seems prudent to take some precautionary measures and the Board is proposing a resolution for shareholders to enable the Directors to raise a further 20% of shares without pre-emption rights this year, following guidance from the FRC Pre-emption Group.

This will provide additional flexibility, if ever required, to raise money more cheaply and at shorter notice. This would enable the Company to support investee companies (within the VCT rules) and, exceptionally, take advantage of other opportunities arising from other investees in the OT VCT stable. At the moment we have no plans to raise additional capital or to conduct a possible placing, but it seems prudent in these uncertain times to have the capability in case the Board wishes to act quickly.

As in previous years, the Board are also proposing a resolution which would enable the Company to buy back up to 10% of its own share capital. To date, the Company has never bought back any of its shares, and the Board have no current plans to use this authority in the course of the next year. The Board is also cognisant that some shareholders do not support this proposal. However, it is good practice for the Company to retain the flexibility to be able to buy back shares should the Directors think it is in shareholders' best interests.

In accordance with Schedule 7 of the Large and Medium Size Companies and Groups (Accounts and Reports) Regulations 2008, as amended, the Directors disclose the following information:

- The Company’s capital structure and voting rights are summarised above, and there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- There exist no securities carrying special rights with regard to the control of the Company;
- The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back the Company’s shares are contained in the Articles of Association of the Company and the Companies Act 2006;
- The Company does not have any employee share scheme;
- There exist no agreements to which the Company is party that may affect its control following a takeover bid; and
- There exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur following a takeover bid or for any other reason

Substantial Shareholders

At 29 February 2020, the Company has been notified of the following investors whose interest exceeds three percent of the Company’s issued share capital: State Street Nominees Limited, 8.87% (representing the beneficial interest of Oxfordshire County Council Pension Fund) and Hargreaves Lansdown Nominees Limited, 4.71%. The holding in Hargreaves Lansdown Nominees Limited includes part of the beneficial interests of Ms Shivani Palakpari Shree Parikh, who has a declared holding of 4.0%

Auditors

UHY Hacker Young LLP offer themselves for re-appointment as the independent auditors in accordance with Section 489 of the Companies Act 2006.

Adoption of New Articles of Association

At the AGM, we are also seeking to adopt new articles (“New Articles”) in substitution for the current articles. The New Articles are in a form which is appropriate for a premium listed Main Market traded VCT and in conformity with the Companies Act 2006. The New Articles also include the rights attaching to a second class of shares (B Shares) to facilitate the potential to raise equity (if required) with a new manager at some point in the future. Another change proposed which reduces the nominal value of each share from 10p per share to 1p per share is a pre-cursor to enable the creation of additional distributable reserves in the future, which may allow the Company to pay out more to shareholders in time. A more detailed summary of the key differences between the current articles of the Company and the New Articles which, in the opinion of the Directors, are relevant for shareholders, is set on the Company’s website (www.oxfordtechnologyvct.com/vct4.html), as are the New Articles themselves.

A copy of the proposed New Articles is also available for inspection from the date of this Annual Report at the registered office of the Company and for at least 15 minutes prior to and during the Annual General Meeting at the place of the Annual General Meeting, Magdalen Centre, Oxford Science Park, Oxford OX4 4GA.

A handwritten signature in black ink, appearing to read "David Livesley".

On behalf of the Board
David Livesley
Chairman
19 May 2020

Directors' Remuneration Report

Introduction

This report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006. The Company's independent auditor, UHY Hacker Young LLP, is required to give its opinion on certain information included in this report. This report includes a statement regarding the Directors' Remuneration Policy. This report sets out the Company's Directors' Remuneration Policy and the Annual Remuneration Report which describes how this policy has been applied during the year.

The Directors' Remuneration Policy was last approved by shareholders at the AGM on 12 July 2018. It needs to be put to a shareholder vote every three years, and shareholders will be asked to approve it again at the Annual General Meeting in 2021.

Shareholders also need to approve the Directors' Remuneration Report every year. It was last approved at the AGM on 3 July 2019 on a unanimous show of hands and 99% of proxies voted in favour. A Resolution to approve the Directors' Remuneration Report for the year ended 29 February 2020 will be proposed at the Annual General Meeting on 9 July 2020.

Directors' Terms of Appointment

The Board consists entirely of non-executive Directors who meet at least four times a year and on other occasions as necessary to deal with important aspects of the Company's affairs. Directors are appointed with the expectation that they will serve for at least three years and are expected to devote the time necessary to perform their duties. All Directors retire at the first general meeting after election and thereafter every third year, with at least one Director standing for election or re-election each year. In line with best practice, all Directors will offer themselves for re-election this year. David Livesley has been in office for more than nine years and this is highlighted in line with the 2019 AIC Code. Re-election will be recommended by the Board, but is dependent upon shareholder vote. There are no service contracts in place, but Directors have a letter of appointment.

Directors' Remuneration Policy

The Board acts as the Remuneration Committee and meets annually to review Directors' pay to ensure it remains appropriate given the need to attract and retain candidates of sufficient calibre and ensure they are able to devote the time necessary to lead the Company in achieving its strategy.

The articles of association of the company state that the aggregate of the remuneration (by way of fee) of all the Directors shall not exceed £50,000 per annum unless otherwise approved by Ordinary Resolution of the Company. At this year's AGM, shareholders are being asked to approve the adoption of New Articles (see page 36), which include a proposal to increase this limit to £75,000 per annum. This revised level would be more suitable to remunerate Directors at an appropriate level for a growing fund with an additional share class, should the members of the Board not also be Directors of other funds and should the Company be successful in significantly increasing its asset base.

The following Directors' fees are payable by the Company:

	<u>per annum</u>
Director Base Fee	£3,500
Chairman's Supplement	£2,000
Audit Committee Chairman	£3,000
Audit Committee Member	£1,500

The OT4 Director Fees are amongst the lowest of any VCT.

David Livesley chairs the Company. Richard Roth chairs the Audit Committee with Robin Goodfellow as the other member of the committee. As the VCT is self-managed, the Audit Committee carries out a particularly important role for the VCT and plays a significant part in the sign off of quarterly management accounts, and the production of the half year and annual statutory accounts.

Fees are currently paid annually. The fees are not specifically related to the Directors' performance, either individually or collectively. No expenses are paid to the Directors. There are no share option schemes or pension schemes in place, but Directors are entitled to a share of the carried interest as detailed below. The Directors may at their discretion pay additional sums in respect of specific tasks carried out by individual Directors on behalf of the Company.

David Livesley and Richard Roth receive no remuneration in respect of their directorships of OT4 Managers Ltd, the Company's Investment Manager.

The performance fee is detailed in note 3. Current Directors are entitled to benefit from any payment made, subject to a formula driven by relative lengths of service. The performance fee becomes payable if a certain cash return threshold to shareholders is exceeded – the excess is then subject to a 20% carry that is distributed to Oxford Technology Management, past Directors and current Directors; the remaining 80% is returned to shareholders. At 29 February 2020 no performance fee was due.

Should any performance fee be payable at the end of the year to 28 February 2021, Alex Starling, Robin Goodfellow, and Richard Roth would each receive 0.30% of any amount over the threshold and David Livesley 1.17%. No performance fee will be payable for the year ending 28 February 2021 unless original shareholders have received back at least 126.8p in cash for each 100p (gross) invested.

Relative Spend on Directors' Fees

The Company has no employees, so no consultation with employees or comparison measurements with employee remuneration are appropriate.

Loss of Office

In the event of anyone ceasing to be a Director, for any reason, no loss of office payments will be made. There are no contractual arrangements entitling any Director to any such payment.

Annual Remuneration Report

Directors' Fees	Year End 28/02/21 (unaudited)	Year End 29/02/20 (audited)	Year End 28/02/19 (audited)
David Livesley	£5,500	£5,500	£5,500
Alex Starling	£3,500	£3,500	£3,500
Richard Roth	£6,500	£6,500	£6,500
Robin Goodfellow	£5,000	£5,000	£5,000
Total	£20,500	£20,500	£20,500

Corporate Governance Report

The Board has considered the principles and recommendations of the 2019 AIC Code as applied to companies reporting as at 29 February 2020.

The 2019 AIC Code addresses the Principles and Provisions set out in the UK Code as well as setting out additional Provisions on issues that are of specific relevance to Oxford Technology 4 VCT Plc.

The Board considers that reporting against the Principles and Provisions of the 2019 AIC Code, which has been endorsed by the Financial Reporting Council (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules) provides more relevant information to shareholders.

The 2019 AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the 2019 AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Company is committed to maintaining a high standard in corporate governance and has complied with the Principles and Provisions of the 2019 AIC Code, except as set out below. For the reasons set out in the AIC Code and as envisaged in the Code, the Board considers certain provisions as not being relevant to the position of the Company as it is an investment company. The Company has no executive directors or employees. The Company has therefore not reported further in respect of these matters. The Directors strongly believe that achieving the Company's corporate governance objectives contributes to its long-term sustainable success.

Independence of Directors

The Board consists of four independent non-executive Directors. The Board has put in place corporate governance arrangements which it believes are appropriate for a Venture Capital Trust and that will enable the Company to operate within the spirit of the Code.

The Board regularly reviews the independence of its members and is satisfied that the Company's Directors are independent in character and judgment and that there are no relationships or circumstances which could affect their objectivity.

The Board has determined a policy of tenure for the Chairman and believe that this – together with the annual re-election of all directors – is an essential ingredient to balancing the requirements of effective business continuity, whilst also providing the opportunity for regular refreshment and increasing diversity of the Board.

Directors are appointed with the expectation that they will serve for a period of at least three years and all Directors will retire at the first general meeting after election and thereafter every third year, with at least one Director standing for election or re-election each year. In line with best practice recommended in the 2019 AIC Code, all Directors will offer themselves for re-election this year.

It is the Company's policy of tenure to review individual appointments every year, with increased scrutiny after nine years of service to consider whether the Director is still independent and still fulfils the role. David Livesley has been on the Board since 2004.

However, in accordance with the principles of the 2019 AIC Code, we do not consider it necessary to mandatorily replace a Director, including the Chairman, after a predetermined period of tenure. A more flexible approach to Chairman tenure will help the Company manage succession planning in the context of the business needs of the Company, whilst at the same time still addressing the need for regular refreshment and diversity. The Company's report on Gender and Diversity is on page 19.

As set in the Directors' Remuneration Report on page 39, Directors are entitled to a proportion of any performance fee that may become payable. Having regard for the historic nature and circumstances under which the performance incentive fees were agreed, the Board does not believe that the performance incentive fees in any way impact or hinder the Directors' independence or present a conflict of interest which could compromise or override independent judgment of the Directors.

Board Committees

The Board does not have a separate Remuneration Committee, as the Company has no employees or executive directors. Detailed information relating to the remuneration of Directors is given in the Directors' Remuneration Report on page 38.

The Board as a whole considers the selection and appointment of Directors and reviews Directors' remuneration on an annual basis. The Board considers the Company's size to be such that it is unnecessary to form a separate committee for the purposes of nomination. When making an appointment, the Board draws on its members' extensive business experience and range of contacts to identify suitable candidates. To date formal advertisements and external search consultants have not been used. However, the Board would consider their use as and when appropriate. New Directors are selected as part of a rigorous selection process involving interviews with the existing board, the manager and shareholder representatives. The Board speaks regularly about Board composition and succession planning in order to identify and address any issues that may arise. The Board's policy is to promote diversity (including, but not limited to, gender diversity).

The Board has appointed an Audit Committee to make recommendations to the Board in line with its terms of reference. The committee is chaired by Richard Roth and Robin Goodfellow is the other member. The Audit Committee believes Richard Roth possesses appropriate and relevant financial experience as per the requirements of the 2019 AIC Code. The Board considers that the members of the Audit Committee have collectively the skills and experience required to discharge their duties effectively. Given the size of the Company the Board considers that an Audit Committee of two is sufficient.

Attendance at Board and Committee meetings

The Board meets regularly – at least four times a year – and between these meetings maintains very regular contact with the Investment Adviser. The following table sets out the Directors' attendance at the formal Board and Audit Committee meetings held during the year.

Director Name	Board Meetings Attended (6 Held in year)	Audit Committee Meetings Attended (2 Held in year)
David Livesley	6	N/A
Alex Starling	6	N/A
Richard Roth	6	2
Robin Goodfellow	6	2

In addition to formal Board meetings, the Board communicates on a regular basis in carrying out its responsibilities in managing the Company.

The Investment Adviser prepares a written report on the performance of the fund in advance of Board meetings and this is circulated to all members of the Board. In addition, the Directors are free to seek any further information they consider necessary. All Directors have access to the Company Secretary and independent professionals at the Company's expense. The Code states that the Board should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Company is firmly in its hands.

This is achieved by a management agreement between the Company and its Investment Manager which sets out the matters over which the Investment Manager has authority and the limits above which Board approval must be sought. All other matters are reserved for the approval of the Board.

The Audit Committee ensures the independence and objectivity of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the Company, seeking to balance objectivity and value for money. None of the Directors has a service contract with the Company, but they do have letters of appointment (copies of which may be obtained by shareholders on request).

Conflicts of Interest

The Board has always considered carefully all cases of possible conflicts of interest as and when they arise. For example, every time one of the Oxford Technology VCTs (OT VCTs) makes an investment in which another OT VCT is an investor, there is a potential conflict of interest. The general policy is that there is complete transparency and all interests in every situation are declared and known to all, so that practical and sensible decisions can be taken.

Internal Control

The Directors have overall responsibility for keeping under review the effectiveness of the Company's systems of internal controls. The purpose of these controls is to ensure that proper accounting records are maintained, the Company's assets are safeguarded and the financial information used within the business and for publication is accurate and reliable; such a system can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve the business objectives.

The Board continually reviews financial results and investment performance. The Board also monitors and evaluates external service providers and maintains regular discussions with the Investment Adviser about the services provided.

The Investment Adviser reviews the service contracts on an annual basis and discusses any recommendations with the Board as relevant.

The Directors confirm that they have established a continuing process throughout the year and up to the date of this report for identifying, evaluating and managing the significant potential risks faced by the Company and have reviewed the effectiveness of the internal control systems. As part of this process an annual review of the internal control systems is carried out in accordance with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The risk management and internal control systems include the production and review of monthly bank statements and quarterly management accounts. All outflows made from the Company's accounts require the authority of signatories from the Board. The Company is subject to a full annual audit. Further to this, the Audit Partner has open access to the Directors of the Company.

Audit Committee

The role of the Audit Committee is discharged by Richard Roth (chairman) and Robin Goodfellow. The Audit Committee is responsible for:

- monitoring the Company's financial reporting;
- reviewing internal controls and risk management systems; and
- matters regarding audit and external auditors.

Financial Reporting

The Audit Committee is responsible for reviewing, and agreeing, the half-yearly and annual accounts (including those figures presented within) before they are presented to the Board for final approval. In particular, the Audit Committee reviews, challenges (where appropriate) and agrees the basis for the carrying value of the unquoted investments, as prepared by the Investment Manager, for presentation within the half-yearly interim and full year annual accounts.

The Audit Committee also takes into careful consideration comments on matters regarding valuation, revenue recognition and disclosures arising from the external auditors' report to the Audit Committee as part of the finalisation process for the Annual Accounts. Specifically, the Audit Committee advises the Board on whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and whether they provide the necessary information to shareholders to assess performance, business model and strategy.

Audit and Control

The Audit Committee reviews and agrees the audit strategy and plan in advance of the audit, and has assessed the effectiveness of the audit after its conclusion.

The Board appointed UHY Hacker Young LLP in 2018 and is happy to recommend UHY Hacker Young LLP for reappointment at the AGM.

In line with requirements, the Audit Committee have ensured UHY Hacker Young LLP do not provide any non-audit services. The Company does not have an independent internal audit function as it is not deemed appropriate given the size of the Company and the nature of the Company's business. However, the Audit Committee considers annually whether there is a need for such a function and if so would recommend this to the Board. The Audit Committee seeks to satisfy itself that there is a proper system and allocation of responsibilities for the day-to-day monitoring of financial controls by receiving representations and information either upon request or voluntarily from the Investment Adviser.

Significant Risks

The Audit Committee is responsible for considering and reporting on any significant risks that arise in relation to the audit of the Financial Statements. The Audit Committee and the Auditors have identified the most significant risks as:

- Valuation and verification of the investment portfolio: the Auditors give special audit consideration to the valuation of investments and the supporting data provided by the Investment Manager. The impact of this risk could be a large movement in the Company's net asset value. Guidelines, discussions, reviewing and challenging the basis and reasonableness of assumptions made in conjunction with available supporting information goes into the valuation process. The valuations are supported by investee company audited accounts and/or third party evidence where possible. Otherwise valuations are supported by the share price of the most recent fundraising and/or management information. The holdings are also cross checked to records held at Companies House. These give comfort to the Audit Committee.
- Management override of financial controls: the Auditors specifically review all significant accounting estimates that form part of the Financial Statements and consider any material judgements applied by management during the preparation of the Financial Statements.
- Compliance with HMRC conditions and EU State Aid rules for maintenance of approved VCT status: the Auditors review this as part of their work.
- Recognition of revenue from investments: investment income is the Company's main source of revenue. Revenue is recognised when the Company's right to the return is established in accordance with the Statement of Recommended Practice. The Company has few revenue paying companies and the Audit Committee pays close attention to these.

These issues were discussed between the Investment Manager, Investment Adviser, the Auditors and the Audit Committee at the conclusion of the audit of the Financial Statements.

The Audit Committee is also responsible for considering and reporting on any significant issues that arise in relation to the audit of the Financial Statements. The Audit Committee can confirm that there were no significant issues to report to shareholders in respect of the audit of the Financial Statements for the year ended 29 February 2020.

The Company is exposed to risks arising from its operational and investment activities. Further details can be found in note 15 to the Financial Statements.

Performance Evaluation

In accordance with the AIC Code and guidance each year a formal performance evaluation is undertaken of the Board as a whole, the Committees and the Directors in the form of one-to-one meetings between the Chairman and each Director. The performance of the Chairman was evaluated by the other Directors.

The Board considers the size of the Company, the number of independent non-executive Directors on the Board and the robustness of the reviews to be such that an external Board evaluation is unnecessary. Annual evaluations of the Board consider its composition, diversity, succession planning and how effectively members work together to achieve objectives as well as individual contributions. The Chairman provides a summary of the findings to the Board, which are discussed at the next meeting and an action plan agreed.

The Board has not appointed a Senior Independent Director, as it does not believe that such an appointment is necessary when the Board is comprised solely of non-executive Directors. As suggested in the 2019 AIC Code, this role can be, and in this instance is, fulfilled by the Chairman of the Audit Committee, Richard Roth.

The Board is satisfied with the performance of the Chairman and Directors and recommends their reappointment. The Board is also satisfied with the performance and constitution of the Audit Committee.

The Board sets out the assessment of its members and explains why its members are and continue to be of importance to the long-term sustainable success of the business on pages 30 and 31.

The Board reviews the performance of the Investment Manager and Investment Adviser on an ongoing basis, both formally and outside of Board meetings with regard to its appointment, evaluation, removal and remuneration. The Board considers the Company's size to be such that it would be unnecessarily burdensome to establish a separate management engagement committee to perform this role.

The Board is satisfied that it is in shareholders' best interests that the Investment Manager and Investment Adviser continue to be retained on the current remuneration terms.

International Financial Reporting Standards

As the Company is not part of a group it is not mandatory for it to comply with International Financial Reporting Standards ("IFRS"). The Company does not anticipate that it will voluntarily adopt IFRS. The Company has adopted Financial Reporting Standard 102 – The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland.

The Board has considered the principles and recommendations of the 2019 AIC Code as applied to companies reporting as at 29 February 2020.

The 2019 AIC Code addresses the Principles and Provisions set out in the UK Code, as well as setting out additional Provisions on issues that are of specific relevance to Oxford Technology 4 Venture Capital Trust Plc.

The Board considers that reporting against the Principles and Provisions of the 2019 AIC Code, which has been endorsed by the Financial Reporting Council (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules) provides more relevant information to shareholders.

The Company is committed to maintaining high standards in corporate governance and has complied with the Principles and Provisions of the 2019 AIC Code, except as set out below. The Company strongly believes that achieving our corporate governance objectives contributes to the long-term sustainable success of the Company.

Relations with Shareholders

There was no resolution proposed at the last AGM which received 20% or more of votes cast against it for the purposes of disclosure under Provision 4 of the UK Code.

Compliance Statement

As previously indicated, the Board considers that reporting against the principles and recommendations of the 2019 AIC Code will provide better information to shareholders.

The Company has complied with the recommendations of the 2019 AIC Code and the relevant provisions of the UK Code except as set out below:

- The Company does not have a Chief Executive Officer or a Senior Independent Director. The Board does not consider this necessary as it does not have any executive directors.
- New Directors do not receive a formal induction on joining the Board, though they did receive one tailored to them on an individual basis.
- The Company conducts a formal review as to whether there is a need for an internal audit function. However, the Directors do not consider that an internal audit would be an appropriate control for this VCT at this time.
- The Company does not have a Remuneration Committee as these matters are dealt with by the Board.
- The Company does not have a Nomination Committee as these matters are dealt with by the Board.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers the above provisions are not relevant to the position of the Company, being an investment company run by the Board and managed by the Investment Adviser. In particular, all of the Company's day-to-day administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations.

By Order of the Board
James Gordon
Company Secretary
19 May 2020

Statement of Directors' Responsibilities

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

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss 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 judgements 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; and
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Each of the Directors confirms that, to the best of their knowledge:

- there is no relevant audit information of which the Company's auditor is unaware;
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;
- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

David Livesley
Chairman
19 May 2020

Report of the Independent Auditor

Independent Auditor's Report to the Members of Oxford Technology 4 Venture Capital Trust Plc

Opinion

We have audited the Financial Statements of Oxford Technology 4 Venture Capital Trust Plc for the year ended 29 February 2020 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting standard applicable in the UK and Republic of Ireland”.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company’s affairs as at 29 February 2020 and of the Company’s return 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual Report set out on page 14 to 15 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors’ confirmation set out on page 13 in the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors’ statement set out on page 35 in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements and the Directors’ identification of any material uncertainties to the Company’s ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements;

- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 13 in the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
<p>Valuation of Investments and recognition of realised gains and losses</p> <p>The investment portfolio and associated realised and unrealised gains and losses is the key driver to the financial performance of the Company. Due to the nature of the Company's business there is an inherent risk that if incorrectly valued this will have the greatest impact on both the income statement and balance sheet.</p> <p>The investment portfolio at the year-end had a carrying value of £3,891,391.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • For quoted shares, we tested the value of the year-end investments by reference to market price information at the year-end. • Measurement of the value of unquoted investments included significant assumptions and judgement by management. We obtained an understanding of how the valuations were performed, consideration of whether they were made in accordance with published guidance, discussions with management, and reviewing and challenging the basis and reasonableness of assumptions made by management in conjunction with available supporting information. • We agreed the purchase and sale of investments to contract notes and cash movements on a sample basis and recalculated the realised gains and losses on the sale of investments for both the individual transactions on a sample basis and for the total portfolio. • Checking the movement in unrealised gains and losses for arithmetical accuracy and validated by reviewing the opening costs to prior year balances on a sample basis. <p>The Company's accounting policy on fixed asset investments held at fair value through profit and loss is shown in note 1 to the Financial Statement and related disclosures are included in note 7.</p> <p>Key observations</p> <p>Our testing did not identify any material misstatements in the valuation of the Company's investment portfolio as at the year end.</p>

<p>Compliance with the VCT rules</p> <p>Compliance with the VCT rules is necessary to maintain the VCT status and associated tax benefits.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • Testing the twelve conditions for maintaining approval as a VCT as set out by HMRC. Each of the conditions was reviewed in turn in order to assess whether it had been met as at the year-end. <p>Key observations</p> <p>Our testing did not identify any breaches of the VCT rules. We also reviewed correspondence and Board minutes regarding compliance with the VCT rules and did not identify any instances of non-compliance.</p>
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Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the Financial Statements. We define financial statement materiality as the magnitude by which misstatements, including omissions, could change or influence the economic decisions taken on the basis of the Financial Statements by reasonable knowledgeable users.

We also determine a level of performance materiality which we use to determine the nature, timing and extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the Financial Statements as a whole.

We determined materiality for the Financial Statements as a whole to be £83,000. In determining this we based our assessment on a key indicator, being 2% of gross assets of the Company. This benchmark is considered the most appropriate because, gross assets, which primarily comprise the Company's investment portfolio, are considered to be the key driver of the Company's total return performance and form part of the net asset value calculation being the performance measure investors use to assess the Company's performance.

On the basis of our risk assessment, together with our assessment of the Company's control environment, our judgement is that performance materiality for the Financial Statements should be 75% of materiality, being £62,250.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £4,150, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We evaluate any uncorrected misstatements against both quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Financial Statements.

In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the Financial Statements as a whole, taking into account an understanding of the structure of the Company, its activities, the accounting processes and controls including, understanding management's process to value investments, investment income recognition and journal entries posting, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement. During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risks.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identified during the audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the Financial Statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the Financial Statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and industry in which it operates. We determined that the following laws and regulations were most significant: FRS102, Companies Act 2006, UK Corporate Governance Code, taxation laws and VCT Rules.
- We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to the Investment Adviser and Audit Committee. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee.
- We assessed the susceptibility of the Company Financial Statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;

- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related Financial Statement item.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, set out on pages 4 to 49, including the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the Corporate Governance Report, other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 32 – the statement given by the Directors that they consider the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit Committee reporting set out on pages 44 to 45 – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 47 – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R (2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

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

- 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 Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been reviewed from branches not visited by us; or
- the Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 48, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditors/audit-assurance. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by Oxford Technology 4 Venture Capital Trust Plc on 26 October 2018. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Hutson (Senior Statutory Auditor)

For and on behalf of

UHY Hacker Young

Chartered Accountants

Statutory Auditors

Quadrant House

4 Thomas More Square

London, E1W 1YW

19 May 2020

Income Statement

	Note Ref.	Year Ended 29 February 2020			Year Ended 28 February 2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Loss)/gain on disposal of fixed asset investments		-	(198)	(198)	-	185	185
Unrealised (loss)/gain on valuation of fixed asset investments		-	(852)	(852)	-	617	617
Investment income	2	19	-	19	11	-	11
Investment management fees	3	(56)	-	(56)	(13)	(40)	(53)
Other expenses	4	(54)	-	(54)	(56)	-	(56)
Return on ordinary activities before tax		(91)	(1,050)	(1,141)	(58)	762	704
Taxation on return on ordinary activities	5	-	-	-	-	-	-
Return on ordinary activities after tax		(91)	(1,050)	(1,141)	(58)	762	704
Return on ordinary activities after tax attributable to equity shareholders		(91)	(1,050)	(1,141)	(58)	762	704
Earnings per share – basic and diluted	6	(0.8)p	(9.1)p	(9.9)p	(0.5)p	6.6p	6.1p

There was no other Comprehensive Income recognised during the year.

The 'Total' column of the Income Statement is the Profit and Loss Account of the Company, the supplementary Revenue and Capital return columns have been prepared under guidance published by the Association of Investment Companies.

All Revenue and Capital items in the above statement derive from continuing operations.

The Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds.

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

Balance Sheet

	Note Ref.	Year Ended 29 February 2020		Year Ended 28 February 2019	
		£'000	£'000	£'000	£'000
Fixed Asset Investments at Fair Value	7		3,891		5,366
Debtors	8	10		2	
Cash at Bank		262		284	
Creditors	9	(10)		(13)	
Net Current Assets			262		273
Net Assets			4,153		5,639
Called Up Share Capital	10		1,152		1,152
Share Premium Reserve			813		813
Unrealised Capital Reserve	11		(770)		7
Profit and Loss Account	11		2,958		3,667
Total Equity Shareholders' Funds	11		4,153		5,639
Net Asset Value Per Share			36.1p		49.0p

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

The statements were approved by the Directors and authorised for issue on 19 May 2020 and are signed on their behalf by:



David Livesley
Chairman

Statement of Changes in Equity

	Called up Share Capital £'000	Share Premium Reserve £'000	Unrealised Capital Reserve £'000	Profit & Loss Account £'000	Total £'000
As at 1 March 2018	1,152	813	(1,457)	4,772	5,280
Revenue return on ordinary activities after tax	-	-	-	(58)	(58)
Expenses charged to capital	-	-	-	(40)	(40)
Current period gains on disposal	-	-	-	185	185
Current period gains on fair value of investments	-	-	617	-	617
Prior years' unrealised losses now realised	-	-	847	(847)	-
Dividends paid	-	-	-	(345)	(345)
Balance as at 28 February 2019	1,152	813	7	3,667	5,639
Revenue return on ordinary activities after tax	-	-	-	(91)	(91)
Current period losses on disposal	-	-	-	(198)	(198)
Current period losses on fair value of investments	-	-	(852)	-	(852)
Prior years' unrealised losses now realised	-	-	75	(75)	-
Dividends paid	-	-	-	(345)	(345)
Balance as at 29 February 2020	1,152	813	(770)	2,958	4,153

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

Statement of Cash Flows

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Cash flows from operating activities		
Return on ordinary activities before tax	(1,141)	704
Adjustments for:		
Loss/(gain) on disposal of investments	198	(185)
Loss/(gain) on valuation of investments	852	(617)
(Decrease)/increase in creditors	(3)	3
Increase in debtors	(7)	-
Cash outflow from operating activities	(101)	(95)
Cash flows from investing activities		
Purchase of investments	(67)	(265)
Disposal of investments	491	842
Cash inflow from investing activities	424	577
Cash flow from financing activities		
Dividends paid	(345)	(345)
Cash outflow from financing activities	(345)	(345)
(Decrease)/increase in cash at bank	(22)	137
Opening cash and cash equivalents	284	147
Cash and cash equivalents at year end	262	284

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

Notes to the Financial Statements

Oxford Technology 4 Venture Capital Trust Plc is a public company and is limited by shares.

1. Principal Accounting Policies

Basis of Preparation

The Financial Statements have been prepared under the historical cost convention, except for the measurement at fair value of certain financial instruments, and in accordance with UK Generally Accepted Accounting Practice (“GAAP”), including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’) and with the Companies Act 2006 and the Statement of Recommended Practice (SORP) ‘Financial Statements of Investment Trust Companies and Venture Capital Trusts (revised 2018)’ issued by the AIC.

The principal accounting policies have remained materially unchanged from those set out in the Company’s 2019 Annual Report and Financial Statements (the only change relating to investment management fees no longer being partially allocated to capital, as explained below). A summary of the principal accounting policies follows.

FRS 102 sections 11 and 12 have been adopted with regard to the Company’s financial instruments. The Company held all fixed asset investments at fair value through profit or loss. Accordingly, all interest income, fee income, expenses and gains and losses on investments are attributable to assets held at fair value through profit or loss.

The most important policies affecting the Company’s financial position are those related to investment valuation and require the application of subjective and complex judgements, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. These are discussed in more detail below.

Going Concern

The assets of the Company consist mainly of securities, two of which are AIM quoted, quite liquid and readily accessible, as well as cash. After reviewing the Company’s forecasts and expectations, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

Key Judgements and Estimates

The preparation of the Financial Statements requires the Board to make judgements and estimates regarding the application of policies and affecting the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions mainly relate to the fair valuation of the fixed asset investments particularly unquoted investments. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions are under continuous review with particular attention paid to the carrying value of the investments.

Investments are regularly reviewed to ensure that the fair values are appropriately stated. Unquoted investments are valued in accordance with current IPEVC Valuation Guidelines, which can be found on their website at www.privateequityvaluation.com, although this does rely on subjective estimates such as appropriate sector earnings or revenue multiples, forecast results of investee companies, asset values of investee companies and liquidity or marketability of the investments held.

Although the Directors believe that the assumptions concerning the business environment and estimate of future cash flows are appropriate, changes in estimates and assumptions could result in changes in the stated values. This could lead to additional changes in fair value in the future, and in particular this could be the case in the short term if the Covid-19 lockdown is extended.

The material factors affecting the returns and net assets attributable to shareholders are the valuations of the investments and ongoing general expenses.

Functional and Presentational Currency

The Financial Statements are presented in Sterling (£). The functional currency is also Sterling (£).

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and also include bank overdrafts.

Fixed Asset Investments

The Company's principal financial assets are its investments and the policies in relation to those assets are set out below.

Purchases and sales of investments are recognised in the Financial Statements at the date of the transaction (trade date).

These investments will be managed and their performance evaluated on a fair value basis and information about them is provided internally on that basis to the Board. Accordingly, as permitted by FRS 102, the investments are measured as being fair value through profit and loss on the basis that they qualify as a group of assets managed, and whose performance is evaluated, on a fair value basis in accordance with a documented investment strategy. The Company's investments are measured at subsequent reporting dates at fair value.

In the case of investments quoted on a recognised stock exchange, fair value is established by reference to the closing bid price on the relevant date or the last traded price, depending upon convention of the exchange on which the investment is quoted. In the case of AIM quoted investments this is the closing bid price.

In the case of unquoted investments, fair value is established by using measures of value such as the price of recent transactions, earnings or revenue multiples, discounted cash flows and net assets. These are consistent with the IPEVC Valuation Guidelines.

Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the Unrealised Capital Reserve.

In the preparation of the valuations of assets the Directors are required to make judgements and estimates that are reasonable and incorporate their knowledge of the performance of the investee companies.

Fair Value Hierarchy

Paragraph 34.22 of FRS 102 regarding financial instruments that are measured in the Balance Sheet at fair value requires disclosure of fair value measurements dependent on whether the stock is quoted and the level of the accuracy in the ability to determine its fair value. The fair value measurement hierarchy is as follows:

For Quoted Investments:

Level 1: quoted prices in active markets for an identical asset. The fair value of financial instruments traded in active markets is based on quoted market prices at the Balance Sheet date. A market is regarded as active if quoted prices are readily and regularly available, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held is the bid price at the Balance Sheet date.

Level 2: where quoted prices are not available (or where a stock is normally quoted on a recognised stock exchange that no quoted price is available), the price of a recent transaction for an identical asset, providing there has been no significant change in economic circumstances or a significant lapse in time since the transaction took place. The Company held no such investments in the current or prior year.

For investments not quoted in an active market:

Level 3: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

These valuation techniques maximise the use of observable data (e.g. the price of recent transactions, earnings/revenue multiple, discounted cash flows and/or net assets) where it is available and rely as little as possible on entity specific estimates.

There have been no transfers between these classifications in the year (2019: none). The change in fair value for the current and previous year is recognised in the Income Statement.

Income

Investment income includes interest earned on bank balances and from unquoted loan note securities, and dividends. Fixed returns on debt are recognised on a time apportionment basis so as to reflect the effective yield, provided it is probable that payment will be received in due course. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, normally the ex dividend date.

Expenses

All expenses are accounted for on an accruals basis and are charged wholly to revenue. Historically investment management fees were charged 75% to capital and 25% to revenue. However, the Directors have determined that a more appropriate current split is to charge these fees 100% to revenue since the company is a small late life VCT no longer raising new capital. This modification to the policy has been applied this year. There is no change to the total return, nor to distributable reserves. Any applicable performance fee will continue to be charged 100% to capital. Due to the small amounts involved we have not restated the previous year.

Revenue and Capital

The revenue column of the Income Statement includes all income and revenue expenses of the Company. The capital column includes gains and losses on disposal and holding gains and losses on investments. Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the appropriate capital reserve on the basis of whether they are realised or unrealised at the Balance Sheet date.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the applicable tax rate. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue return on the "marginal" basis as recommended in the SORP.

Deferred tax is recognised on an undiscounted basis in respect of all timing differences that have originated, but not reversed, at the balance sheet date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Financial Instruments

The Company's principal financial assets are its investments and the policies in relation to those assets are set out above. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument.

The Company does not have any externally imposed capital requirements.

Reserves

Called up Share Capital – represents the nominal value of shares that have been issued.

Share Premium Reserve – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the Share Premium Reserve.

Unrealised Capital Reserve arises when the Company revalues the investments still held during the period and any gains or losses arising are credited/charged to the Unrealised Capital Reserve. When an investment is sold, any balance held on the Unrealised Capital Reserve is transferred to the Profit and Loss Account as a movement in reserves.

The Profit and Loss Account represents the aggregate of accumulated realised profits, less losses and dividends.

Dividends Payable

Dividends payable are recognised as distributions in the Financial Statements when the Company's liability to make payment has been established. This liability is established for interim dividends when they are declared by the Board, and for final dividends when they are approved by shareholders.

2. Investment Income

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Dividends received	19	11
Total	19	11

All of the Company's income has been generated in the United Kingdom from its investment portfolio.

3. Investment Management Fees

Investment Management Fees are accounted for on an accruals basis and are charged wholly to revenue. In the previous year, the investment management fee was charged 75% to capital.

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Investment management fee	56	53
Total	56	53

In the year to 29 February 2020 the manager received a fee of 1% of the net asset value as at the previous year end (2019: 1%). Oxford Technology Management is also entitled to certain monitoring fees from investee companies and the Board reviews the amounts.

A performance fee is payable to the Investment Manager once original shareholders have received a specified threshold in cash for each 100p (gross) invested. The original threshold of 100p has been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2015, resulting in the remaining required threshold rising to 79.0p at 29 February 2020, corresponding to a total shareholder return of 122.0p after taking into account the 43.0p already paid out (43.0p + 79.0p = 122.0p).

After this amount has been distributed to shareholders, each extra 100p distributed goes 80p to the shareholders and 20p to the beneficiaries of the performance incentive fee, of which Oxford Technology Management receives 15p.

No performance fee has become due or been paid to date. Any applicable performance fee will be charged 100% to capital.

Expenses are capped at 3%, including the management fee, but excluding Directors' fees and any performance fee.

4. Other Expenses

All expenses are accounted for on an accruals basis. All expenses are charged through the income statement except as follows:

- those expenses which are incidental to the acquisition of an investment are included within the cost of the investment;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Directors' remuneration	21	21
Auditors' remuneration	9	8
London Stock Exchange Fees	10	9
FCA Fees	6	6
Other expenses	8	12
Total	54	56

5. Tax on Ordinary Activities

Corporation tax payable at 19.0% (2019: 19.0%) is applied to profits chargeable to corporation tax, if any. The corporation tax charge for the period was £ nil (2019: £ nil).

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Return on ordinary activities before tax	(1,141)	704
Current tax at standard rate of taxation	(217)	134
UK dividends not taxable	(4)	(2)
Unrealised losses/(gains) not taxable	162	(117)
Realised losses/(gains) not taxable	38	(35)
Excess management expenses carried forward	21	20
Total current tax charge	-	-

Unrelieved management expenses of £2,352,365 (2019: £2,242,461) remain available for offset against future taxable profits.

6. Earnings per Share

The calculation of earnings per share (basic and diluted) for the period is based on the net loss of £1,141,000 (2019: profit of £704,000) attributable to shareholders divided by the daily weighted average number of shares 11,516,946 (2019: 11,516,946) in issue during the period.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted returns per share figures are relevant. The basic and diluted earnings per share are therefore identical.

7. Investments

	AIM quoted investments Level 1 £'000	Unquoted investments Level 3 £'000	Total investments £'000
Valuation and net book amount:			
Book cost as at 28 February 2019	115	5,244	5,359
Cumulative revaluation to 28 February 2019	1,135	(1,128)	7
Valuation at 28 February 2019	1,250	4,116	5,366
Movement in the year:			
Purchases at cost	-	67	67
Disposals - cost	(43)	(722)	(765)
Disposals – revaluation	(420)	495	75
Revaluation in year	(160)	(692)	(852)
Valuation at 29 February 2020	627	3,264	3,891
Book cost at 29 February 2020	72	4,589	4,661
Cumulative revaluation to 29 February 2020	555	(1,325)	(770)
Valuation at 29 February 2020	627	3,264	3,891

All investments are initially measured at their transaction price. Subsequently, at each reporting date, the investments are valued at fair value through profit and loss, and all capital gains or losses on investments are so measured.

The changes in fair value of such investments recognised in these Financial Statements are treated as unrealised holding gains or losses.

Subsidiary Company

The Company also holds 100% of the issued share capital of OT4 Managers Ltd at a cost of £1.

Results of the subsidiary undertaking for the year ended 29 February 2020 are as follows:

	Country of Registration	Nature of Business	Turnover	Retained profit/loss	Net Assets
OT4 Managers Ltd	England and Wales	Investment Manager	£56,393	£0	£1

Consolidated group Financial Statements have not been prepared as the subsidiary undertaking is not considered to be material for the purpose of giving a true and fair view. The Financial Statements therefore present only the results of Oxford Technology 4 Venture Capital Trust plc, which the Directors also consider is the most useful presentation for shareholders.

8. Debtors

	29 February 2020 £'000	28 February 2019 £'000
Prepayments, accrued income & other debtors	10	2
Total	10	2

9. Creditors

	29 February 2020 £'000	28 February 2019 £'000
Creditors and accruals	10	13
Total	10	13

10. Share Capital

	29 February 2020 £'000	28 February 2019 £'000
Allotted, called up and fully paid: 11,516,946 (2019: 11,516,946) ordinary shares of 10p each	1,152	1,152

11. Reserves

When the Company revalues its investments during the period, any gains or losses arising are credited/charged to the Income Statement. Changes in fair value of investments are then transferred to the Unrealised Capital Reserve. When an investment is sold any balance held on the Unrealised Capital Reserve is transferred to the Profit and Loss Account as a movement in reserves.

Distributable reserves are £2,188,000 as at 29 February 2020 (2019: £3,667,000).

Reconciliation of Movement in Shareholders' Funds

	29 February 2020 £'000	28 February 2019 £'000
Shareholders' funds at start of year	5,639	5,280
Return on ordinary activities after tax	(1,141)	704
Dividends paid	(345)	(345)
Shareholders' funds at end of year	4,153	5,639

12. Capital Commitments

The Company had no commitments at 29 February 2020 or 28 February 2019.

13. Related Party Transactions

OT4 Managers Ltd, a wholly owned subsidiary, provides investment management services to the Company with effect from 1 July 2015 for a fee of 1% of net assets per annum. During the year, £56,393 was paid in respect of these fees (2019: £52,809). No amounts were outstanding at the year end.

14. Financial Instruments

The Company's financial instruments comprise equity and loan note investments, cash balances and debtors and creditors. The Company holds financial assets in accordance with its investment policy of investing mainly in a portfolio of VCT – qualifying unquoted securities whilst holding a proportion of its assets in cash or near cash investments in order to provide a reserve of liquidity. The risk faced by these instruments, such as interest rate risk or liquidity risk is considered to be minimal due to their nature. All of these are carried in the accounts at fair value.

The Company's strategy for managing investment risk is determined with regard to the Company's investment objective. The management of market risk is part of the investment management process and is a central feature of venture capital investment. The Company's portfolio is managed with regard to the possible effects of adverse price movements and with the objective of maximising overall returns to shareholders.

Investments in unquoted companies, by their nature, usually involve a higher degree of risk than investments in companies quoted on a recognised stock exchange, though the risk can be mitigated to a certain extent by diversifying the portfolio across business sectors and asset classes, though VCT rules limit the extent to which suitable Qualifying investments can be bought or sold.

The Company's portfolio is concentrated for various reasons, including the age of the VCT, exits within the portfolio and the Company's policy of seeking to return excess capital to shareholders. No new funds have been raised since 2010. No investments in new portfolio companies have been made since 2015. The overall disposition of the Company's assets is regularly monitored by the Board.

Classification of financial instruments

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 29 February 2020 and 28 February 2019:

	29 February 2020 £'000	28 February 2019 £'000
Financial assets at fair value through profit or loss		
Fixed asset investments	3,891	5,366
Total	3,891	5,366
Financial assets measured at amortised cost		
Cash at bank and in hand	262	284
Debtors	10	2
Total	272	286
Financial liabilities measured at amortised cost		
Creditors	-	-
Accruals	10	13
Total	10	13

Fixed asset investments (see note 7) are valued at fair value. Unquoted investments are carried at fair value as determined by the Directors in accordance with current venture capital industry guidelines. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet. The Directors believe that the fair value of the assets held at the year-end is equal to their book value.

The Company's creditors and debtors are initially recognised at fair value, which is usually the transaction price, and then thereafter at amortised cost.

15. Financial Risk Management

In carrying on its investment activities, the Company is exposed to various types of risk associated with the financial instruments and markets in which it invests. The most significant types of financial risk facing the Company are market risk, credit risk and liquidity risk.

The Company's approach to managing these risks is set out below together with a description of the nature and amount of the financial instruments held at the Balance Sheet date. In addition, the Board considers that the impact of Covid-19 presents an additional risk that is worth flagging separately.

Market risk

The Company's strategy for managing investment risk is determined with regard to the Company's investment objective, as outlined on page 5. The management of market risk is part of the investment management process. The Company's portfolio is managed with regard to the possible effects of adverse price movements and with the objective of maximising overall returns to shareholders in the medium term. Investments in unquoted companies, by their nature, usually involve a higher degree of risk than investments in companies quoted on a recognised stock exchange, though the risk can be mitigated to a certain extent by diversifying the portfolio across business sectors and asset classes. The overall disposition of the Company's assets is regularly monitored by the Board.

Details of the Company's investment portfolio at the Balance Sheet date are set out on pages 20 to 28.

78.6% (2019: 72.9%) by value of the Company's net assets comprise investments in unquoted companies held at fair value. The valuation methods used by the Company include the price of recent transactions, earnings or revenue multiples, discounted cashflows and net assets. A 10% overall increase in the valuation of the unquoted investments at 29 February 2020 (28 February 2019) would have increased net assets and the total return for the year by £326,000 (2019: £411,000) disregarding the impact of the performance fee; an equivalent change in the opposite direction would have reduced net assets and the total return for the year by the same amount.

15.1% (2019: 22.2%) by value of the Company's net assets comprises equity securities quoted on AIM. A 10% increase in the bid price of these securities as at 29 February 2020 (28 February 2019) would have increased net assets and the total return for the year by £62,000 (2019: £125,000) disregarding the impact of the performance fee; a corresponding fall would have reduced net assets and the total return for the year by the same amount.

Credit risk

There were no significant concentrations of credit risk to counterparties at 29 February 2020 or 28 February 2019.

Credit risk 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 Board carries out a regular review of counterparty risk. The carrying values of financial assets represent the maximum credit risk exposure at the Balance Sheet date.

Liquidity risk

The Company's financial assets include investments in unquoted equity securities which are not traded on a recognised stock exchange and which generally are illiquid.

They also include investments in AIM-quoted companies, which, by their nature, involve a higher degree of risk than investments on the main market. As a result, the Company may not be able to realise some of its investments in these instruments quickly at an amount close to their fair value in order to meet its liquidity requirements.

The Company's liquidity risk is managed and monitored on a continuing basis by the Board in accordance with policies and procedures laid down by the Board.

Covid-19 risk

At the time of writing there remains significant uncertainty with regard to the lasting effects on the world economy of Covid-19 although it is clear that UK economic growth will fall this year. The worst hit sectors have been airlines, travel, hospitality, oil and non-essential retail, while on the upside some biotech companies have found new opportunities. Investee companies have been creative in finding short term solutions but delays in restarting the economy will be very hard to accommodate without major pain.

16. Control

Oxford Technology 4 Venture Capital Trust Plc is not under the control of any one party or individual.

17. Events after the Balance Sheet Date

As referred to in the Chairman's Statement, the financial implications of the Covid 19 pandemic only really started to become apparent post the Balance Sheet date. Under the valuation rules we are required to produce valuations based on all the information that was known or should have been known to the Directors at 29 February 2020. Hence the valuations used to assess the Company's NAV at 29 February 2020 did not take into account the implications of any possible lock down, nor the global oil market collapse that again only manifested itself in March 2020.

The Board and Investment Adviser have sought to assess the impact on valuations at mid-May. Using latest bid prices, and the Directors' normal determinants of fair value, we estimate that the NAV per share has reduced to an unaudited 34.3p (a drop of 5%) as at mid-May, mainly due to falls in the valuation of Select Technology and ImmBio offset by an increase in Castleton as explained below. This change has been treated as an unadjusting Event after the Balance Sheet Date, since the major impacts of Covid-19 on UK lockdown and worldwide airline transport disruption happened after period end.

On the 15 April 2020, following the year end Castleton, received a recommended cash offer to acquire its shares at 95p per Castleton share from MRI Software LLC. This is a 33% increase on the bid price used for valuation at the year end which was at 71p per Castleton share.

As highlighted on page 27, ImmBio had made 3 vaccine grant applications at the end of 2019: in two of them, active discussions with the grant award bodies have continued post year end. Unfortunately, in May 2020, ImmBio were advised that they had been unsuccessful in accessing one of the remaining two grants. Dialogue continues regarding the third application. Separately, they have also decided to launch the development of a vaccine against Covid-19. Both of these have been treated as a non-adjusting post Balance Sheet events.

Oxford Technology 4 VCT Plc: Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Oxford Technology 4 Venture Capital Trust Plc will be held at the Magdalen Centre, Oxford Science Park, Oxford OX4 4GA at 2pm on Thursday 9 July 2020.

If due to current Government Guidelines pertaining to the Covid-19 Crisis remain in place in July then a Zoom Web Conference will be set up and details to access this will be on the website: <https://www.oxfordtechnologyvct.com>. In this eventuality, shareholders will not be allowed to attend in person. This will be held at the same date and time as the original AGM was scheduled.

The AGM will be for the following purposes:

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

Ordinary Resolutions

1. That the Annual Report and Accounts for the period to 29 February 2020 be approved.
2. That the Directors' Remuneration Report be approved.
3. That Mr David Livesley, who retires at the Annual General Meeting in accordance with the AIC 2019 Corporate Governance guidelines be re-appointed as a Director.
4. That Mr Alex Starling, who retires at the Annual General Meeting in accordance with the AIC 2019 Corporate Governance guidelines be re-appointed as a Director.
5. That Mr Richard Roth, who retires at the Annual General Meeting in accordance with the AIC 2019 Corporate Governance guidelines, be re-appointed as a Director.
6. That Mr Robin Goodfellow, who retires at the Annual General Meeting in accordance with the AIC 2019 Corporate Governance guidelines and who was born in 1947 be re-appointed as a Director.
7. That UHY Hacker Young LLP, Chartered Accountants, be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.
8. That the Company continue in being as a Venture Capital Trust.

Special Business

9. AUTHORITY TO BUY BACK SHARES

That the Company is generally and unconditionally authorised (pursuant to Article 23 of the Company's Articles of Association) to make market purchases (within the meaning of s693(4) of the Companies Act 2006 ("the Act") of ordinary shares of 10 pence each in the share capital of the Company ("Shares") provided that:

- a. the maximum number of Shares hereby authorised to be purchased is 1,151,694 (representing approximately 10 percent of the issued number of Shares),
- b. the minimum price which may be paid for a Share is 10 pence (which amount shall be exclusive of expenses); and
- c. the maximum price which may be paid for a Share is 5% above the average market value of the Company's equity shares for the 5 business days prior to the day purchase is made (exclusive of expenses).

The authority conferred by this Resolution shall expire on 31 October 2021 or, if earlier, at the conclusion of the Company's next Annual General Meeting save that the Company may, before the expiry of the authority granted by this Resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

10. AUTHORITY TO ALLOT SHARES IN THE COMPANY

That the Directors be and are generally and unconditionally authorised in accordance with s551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company up to a maximum nominal amount of £230,336 (representing approximately 20% of the Ordinary share capital in issue at today's date such authority to expire at the later of the conclusion of the Company's Annual General Meeting next following the passing of this Resolution and the expiry of 15 months from the passing of the relevant Resolution (unless previously revoked, varied or extended by the Company in a general meeting, but so that such authority allows the Company to make offers or agreements before the expiry thereof, which would or might require relevant securities to be allotted after the expiry of such authority).

11. AUTHORITY TO ALLOT SHARES ON A NON-RIGHTS ISSUE BASIS

That the Directors be empowered to allot or make offers or agreements to allot equity securities (as defined in s560(1) of the said Act) for cash pursuant to the authority referred to in Resolution 10 as if s561(1) of the Act did not apply to any such allotments and so that:

- a. reference to allotment in this Resolution shall be construed in accordance with s560(2) of the Act; and
- b. the power conferred by this Resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power.

And this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this Resolution or, if earlier, on the expiry of 15 months from the passing of this Resolution.

12. ADOPTION OF NEW ARTICLES OF ASSOCIATION

That the new articles of association produced to the meeting and signed by the Chairman for the purposes of identification (the **New Articles**) be adopted in substitution for and to the exclusion of the Company's existing articles of association.

By Order of the Board
James Gordon
Company Secretary
19 May 2020

Notes:

1. A member who is entitled to vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. Such a proxy need not also be a member of the Company. To be valid, a proxy card must be lodged with the Company's Registrar, **Neville Registrars, Neville House, Steelpark Road, Halesowen B62 8HD**, at least 48 hours before the meeting. A proxy card for use by members is attached. Completion of this proxy card will not prevent a member from attending the meeting and voting in person.
2. Resolutions 1 to 10 will be proposed as Ordinary Resolutions. Resolutions 11 to 12 will be proposed as Special Resolutions.

PLEASE VOTE NOW – IT IS IMPORTANT THAT YOUR PROXY VOTE IS REGISTERED WITH NEVILLE REGISTRARS. EVERY VOTE COUNTS.

Oxford Technology 4 Venture Capital Trust Plc Proxy Form

Annual General Meeting – 9 July 2020 at 2pm

I/We

Telephone

Of (address).....

.....

Being a member of Oxford Technology 4 VCT Plc, hereby appoint the Chairman of the meeting,
or,

Name of Proxy

No of Shares

As my/our proxy and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 9 July 2020, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting.

Please indicate by ticking the box if this proxy appointment is one of multiple appointments being made. For the appointment of one or more proxy, please refer to explanatory note 4.

	For	Against	Withheld
1. To approve the Annual Report and Accounts			
2. To approve the Directors' Remuneration Report			
3. To re-elect David Livesley as a Director			
4. To re-elect Alex Starling as a Director			
5. To re-elect Richard Roth as a Director			
6. To re-elect Robin Goodfellow as a Director			
7. To approve the re-appointment of UHY Hacker Young LLP as auditors and authorisation of Directors to fix remuneration			
8. To approve that the Company continue as a VCT			
9. To approve the Company's authority to make purchases of its own shares			
10. To approve the Directors' authority to allot shares			
11. To approve the allotment of shares on a non-rights issue basis			
12. To adopt the Company's new articles of association			

Signature:

Date:

Proxy Form - Notes

Annual General Meeting – 9 July 2020 at 2pm

1. **To be valid, the proxy form must be received by the Registrars of Oxford Technology 4 Venture Capital Trust Plc at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, no later than 48 hours before the commencement of the meeting.**
2. Where this form of proxy is executed by a corporation it must be either under its seal or under the hand of an officer or attorney duly authorised.
3. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided. If the proxy is being appointed in relation to less than your full voting entitlement, please enter next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account.)
4. To appoint more than one proxy, you may photocopy this form. Please indicate next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
5. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
6. If the proxy form is signed and returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to whether and how he/she votes.
7. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast there at will be determined by reference to the Register of Members of the Company at 6pm on the day which is two days before the day of the meeting or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. The address on the envelope containing this notice is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0121 585 1131.
9. The completion and return of this form will not preclude a member from attending the meeting and voting in person.

Shareholder Information

Financial Calendar

The Company's financial calendar is as follows:

9 July 2020	- Annual General Meeting
July 2020	- Quarterly Update
November 2020	- Half-yearly results to 31 August 2020 published
January 2021	- Quarterly Update
May 2021	- Annual results for year to 28 February 2021 announced

Dividends

Dividends will be paid by the Registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Queries relating to dividends, shareholdings and requests for mandate forms should be directed to the Company's Registrar, Neville Registrars Limited.

Share Price

The Company's share price is published daily on the London Stock Exchange's website (www.londonstockexchange.com) using code OXF.

Buying and selling shares

The Company's Ordinary shares, which are listed on the London Stock Exchange, can be bought and sold in the same way as any other company quoted on a recognised stock exchange via a stockbroker. Whilst the Company has a buy back policy, it is not actively used, and so if you wish to trade in the secondary market and do not have a stockbroking relationship, you may wish to contact:

Redmayne Bentley – York Office 0800-5420055 / 01904-646362

Paul Lumley paul.lumley@redmayne.co.uk

Chris Steward chris.steward@redmayne.co.uk

If you do contact Redmayne Bentley, you will require your National Insurance Number and a valid share certificate if selling. There may be tax implications in respect of all or part of your holdings, so shareholders should contact their independent financial adviser if they have any queries.

Shareholder Scams

We are aware that some of our shareholders are receiving unsolicited phone calls or correspondence concerning investment matters. These are usually from overseas based 'brokers' who target UK shareholders, offering to buy VCT shares off them at an inflated price in return for upfront payment. Alternatively, they may offer to sell shares that turn out to be worthless or non-existent. Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares. You can check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA. For further information on share fraud and boiler room scams or to report a fraudulent call, please visit the FCA website at www.fca.org.uk/scamsmart/how-avoid-investment-scams.

Notification of change of address

Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrar, Neville Registrars Limited, under the signature of the registered holder.

Other information for Shareholders

Previously published Annual Reports and Half-yearly Reports are available for viewing on the Company's website at www.oxfordtechnologyvct.com/vct4.html as well as RNS histories and investee summaries.

Company Information – Directors and Advisers

Board of Directors

David Livesley (Chairman)
Alex Starling
Robin Goodfellow
Richard Roth

Accountants

Wenn Townsend
30 St Giles
Oxford OX1 3LE

Investment Manager & Registered Office

OT4 Managers Ltd
Magdalen Centre
Oxford Science Park
Oxford OX4 4GA

Independent Auditor

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

Investment Adviser

Oxford Technology Management
Tel: 01865 784466
Email : vcts@oxfordtechnology.com

Registrars

Neville Registrars
Steelpark Road
Halesowen B62 8HD
Tel: 0121 585 1131

Company Secretary

James Gordon
Gordons Partnership LLP
22 Great James Street
London WC1N 3ES

Bankers

Natwest Bank
121 High Street
Oxford OX1 4DD

Company Registration Number

5038854

Legal Entity Identifier

21380009M2EQZD452H80

Financial Adviser & LSE Sponsor

Beaumont Cornish Ltd
10th Floor
30 Crown Place
London EC2A 4EB

Website

www.oxfordtechnologyvct.com/vct4.html

Compliance & FCA Adviser

Methuen Consulting LLP
26-27 Oxendon Street
London SW1Y 4EL



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