Oxford Technology 4
Venture Capital Trust plc

Financial Statements
For the year ended 28 February 2014
Financial highlights

<table>
<thead>
<tr>
<th>Year ended 28 February 2014</th>
<th>Year ended 28 February 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at year end</td>
<td>£7.98m</td>
</tr>
<tr>
<td>Net asset value per share at year end</td>
<td>69p</td>
</tr>
<tr>
<td>Cumulative Dividend (gross) from incorporation</td>
<td>17p</td>
</tr>
<tr>
<td>NAV plus cumulative dividends paid to year end</td>
<td>86p</td>
</tr>
<tr>
<td>(Loss) per share (basic &amp; diluted)</td>
<td>(0.4)p</td>
</tr>
<tr>
<td>Share price at year end</td>
<td>40p</td>
</tr>
</tbody>
</table>
Oxford Technology 4 Venture Capital Trust PLC

**Strategic Report**

The Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006 and best practice. 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 Report contains the Statement on behalf of the Board and a Review of the Investment Portfolio.

**Statement on behalf of the Board**

The net assets per share as at 28 February 2014 were 69p compared to 70p at 28 February 2013. The earnings per share for the year show a loss of 0.4p compared to a loss of 6.2p for the year to 28 February 2013. These figures result from the changes to the valuations of the investments during the year as shown in the table on page 5.

Some of the companies in the OT4 portfolio are making good progress and several continue to have the potential to deliver very good returns to shareholders. Others are having problems of one sort or another. Further details are given in the Review of the Investment Portfolio on page 7.

**Investment Policy & Fundraising**

The Company has built a balanced portfolio of investments with the following characteristics:

- unlisted, UK based, science, technology and engineering businesses
- investments typically in the range of £100,000 to £500,000
- generally located within approximately 60 miles of Oxford

**Business Review**

There was a loss for the period after taxation amounting to £46,000 (2013: £708,000). The profit and loss account comprises income of £14,000 (2013: £40,000) plus unrealised gain on fair value of investments of £377,000 (2013: loss of £557,000), less loss on disposal of investments held at fair value £237,000 (2013: gain of £59,000) less management and other expenses of £200,000 (2013: £250,000).

**Key Performance Indicators**

The Board has a number of performance measures to assess the company’s success in meeting its objectives. Performance, measured by the change in NAV and total return per share, is also measured against the FTSE All-Share index. This is shown in the graph on page 14 of the Directors’ Remuneration Report. This index has been adopted as an informal benchmark.

**Financial Risk Management Objectives and Policies**

**Investment risk** - The majority of investments are early stage unquoted companies which are VCT qualifying holdings. This inherently entails a higher level of risk and lower liquidity than investments in large quoted companies. The directors seek to reduce this risk by considered selection of new and continued monitoring of existing investee companies.

**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. The loss of such approval 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.
Financial risk - The company is exposed to market price risks, credit risk, liquidity risk, fair value and cash flow interest rate risks. All of the company’s income and expenditure is denominated in sterling and hence the company has no foreign currency risk. 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.

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 Manager and exit and dividend strategies.

Day to day operations are delegated under agreements with the Investment Manager 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 considered the need for an internal audit function but has decided that the size of the company does not justify it at present. However, it will keep the decision under annual review. The Board has reviewed, with its Investment Manager, 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 two male Non Executive Directors. The gender and diversity of the constitution of the Board will be reviewed on an annual basis.

Human Rights Issues

Due to the structure of the Company with no employees and only two Non Executive Directors, there are no Human Rights Issues to report.

Environment Policy and Greenhouse Gas Emissions

The Board has no specific environmental policy; however, the Company recognises the need to conduct its business in a manner responsible to the environment where possible. The Company does not produce any reportable emissions as the fund is managed by Oxford Technology Management, and so has no physical assets, property or employees, other than the Non Executive Directors.

AGM

Shareholders should note that the AGM for Oxford Technology 4 VCT (OT4) will be held on Wednesday 9 July 2014, at the Magdalen Centre, Oxford Science Park, starting at 12.00 noon and will include presentations by some of the companies in which the Oxford Technology VCTs have invested. A formal Notice of AGM has been included at the back of these Accounts together with a Form of Proxy for those not attending.

David Livesley - Chairman
22 May 2014
Table of investments held by company at 28 February 2014

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Date of initial investment</th>
<th>Net cost of investment £'000</th>
<th>Carrying value at 28/02/14 £'000</th>
<th>Change in value for the year £'000</th>
<th>% equity held by OT4VCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glide Pharma</td>
<td>Needle-free injector</td>
<td>Feb 05</td>
<td>975</td>
<td>1,439</td>
<td>0</td>
<td>5.8</td>
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<tr>
<td>MirriAd</td>
<td>Product placement</td>
<td>Feb 07</td>
<td>731</td>
<td>699</td>
<td>146</td>
<td>3.2</td>
</tr>
<tr>
<td>Diamond Hard Surfaces</td>
<td>Diamond coatings</td>
<td>Jan 05</td>
<td>570</td>
<td>273</td>
<td>48</td>
<td>49.9</td>
</tr>
<tr>
<td>Impact Applications</td>
<td>Mobile software</td>
<td>Oct 05</td>
<td>486</td>
<td>735</td>
<td>(75)</td>
<td>49.2</td>
</tr>
<tr>
<td>Insense</td>
<td>Wound healing</td>
<td>Apr 05</td>
<td>476</td>
<td>97</td>
<td>0</td>
<td>4.1</td>
</tr>
<tr>
<td>Historic Futures</td>
<td>Traceability software</td>
<td>Aug 05</td>
<td>420</td>
<td>86</td>
<td>(86)</td>
<td>6.2</td>
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<tr>
<td>ImmunoBiology</td>
<td>Novel vaccines</td>
<td>Oct 05</td>
<td>375</td>
<td>150</td>
<td>0</td>
<td>3.9</td>
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<tr>
<td>Plasma Antennas</td>
<td>Directional antennas</td>
<td>Mar 05</td>
<td>348</td>
<td>477</td>
<td>0</td>
<td>23.6</td>
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<tr>
<td>Novacta Holdings</td>
<td>Bioengineering</td>
<td>Apr 05</td>
<td>347</td>
<td>127</td>
<td>0</td>
<td>2.4</td>
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<tr>
<td>Oxis Energy</td>
<td>Rechargeable batteries</td>
<td>Nov 05</td>
<td>305</td>
<td>151</td>
<td>0</td>
<td>0.4</td>
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<tr>
<td>Arecor</td>
<td>Protein stabilisation</td>
<td>Jul 07</td>
<td>291</td>
<td>445</td>
<td>0</td>
<td>6.5</td>
</tr>
<tr>
<td>OxTox</td>
<td>Rapid drug testing</td>
<td>Dec 06</td>
<td>262</td>
<td>318</td>
<td>64</td>
<td>6.3</td>
</tr>
<tr>
<td>Select Technology</td>
<td>Photocopier interfaces</td>
<td>Aug 06</td>
<td>237</td>
<td>459</td>
<td>110</td>
<td>18.4</td>
</tr>
<tr>
<td>Telegesis</td>
<td>Zigbee technology</td>
<td>Dec 05</td>
<td>231</td>
<td>767</td>
<td>46</td>
<td>13.5</td>
</tr>
<tr>
<td>Imagineer Systems</td>
<td>Broadcast software</td>
<td>Jun 06</td>
<td>205</td>
<td>564</td>
<td>119</td>
<td>13.2</td>
</tr>
<tr>
<td>Naked Objects</td>
<td>Business software</td>
<td>Mar 06</td>
<td>200</td>
<td>11</td>
<td>0</td>
<td>22.2</td>
</tr>
<tr>
<td>Dynamic Extractions</td>
<td>Separation technology</td>
<td>Aug 05</td>
<td>176</td>
<td>113</td>
<td>0</td>
<td>27.6</td>
</tr>
<tr>
<td>Orthogem</td>
<td>Bone graft material</td>
<td>May 07</td>
<td>110</td>
<td>11</td>
<td>5</td>
<td>5.6</td>
</tr>
<tr>
<td>Biosyntha</td>
<td>Microbial technology</td>
<td>Feb 12</td>
<td>88</td>
<td>98</td>
<td>33</td>
<td>29.6</td>
</tr>
<tr>
<td>Metal Nanopowders</td>
<td>Metal nanopowders</td>
<td>Aug 06</td>
<td>52</td>
<td>11</td>
<td>(8)</td>
<td>16.7</td>
</tr>
<tr>
<td>Polytherics</td>
<td>Protein based drugs</td>
<td>Jan 12</td>
<td>42</td>
<td>44</td>
<td>24</td>
<td>0.3</td>
</tr>
<tr>
<td>Blue Water Bio</td>
<td>Water technologies</td>
<td>Apr 05</td>
<td>21</td>
<td>7</td>
<td>(18)</td>
<td>14.5</td>
</tr>
<tr>
<td>Superhard Materials</td>
<td>Superhard materials</td>
<td>Feb 12</td>
<td>9</td>
<td>9</td>
<td>0</td>
<td>18.2</td>
</tr>
<tr>
<td>Dynamic Discovery</td>
<td>E-mail archiving</td>
<td>Aug 11</td>
<td>-</td>
<td>5</td>
<td>0</td>
<td>5.6</td>
</tr>
</tbody>
</table>

**Totals**  
6,957  
7,096  
408

**NET ASSETS**  
887

7,983

Number of shares in issue: 11,516,946
Net Asset Value per share at 28 February 2014: 69p
This table shows the current portfolio holdings.

During the last financial year Inscentinel has been written down to zero and the company is in the process of being closed down. OT4’s holding in Pharma Engineering has been sold for £500k to be paid out over a 3 year period.
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Review of Investment Portfolio

OT4 has shareholdings in 24 investee companies many of which were start-ups at the time of the first investment from OT4 or one of the earlier OTVCTs. Some of these investees are making good progress and continue to have the potential to deliver significant returns to shareholders. Others are experiencing problems of one sort or another.

OT4 owns 5.8% of Glide Pharma which is developing a solid dose injector, a means of giving an injection in solid form and without the use of a needle. Although the technology has great potential, Glide has found large pharma companies unwilling to commit to using the Glide system for a real drug. Partly there is the fact that nobody else is using it and why take the risk of being first. Also there is uncertainty surrounding manufacturing at scale. While Glide can produce small volumes, will it be able to manufacture and maintain quality at scale?

At the end of February 2013, Glide completed a fundraising of £13.6m from Invesco Perpetual. This will fund the company for three years and should allow several programmes to proceed to the point at which one or more licensing/partnership deals will be secured. There have been substantial changes since then, the most obvious of which is that the founder has been replaced as CEO, by Mark Carnegie-Brown, who was formerly the CEO of Evolutec Group plc. Bryan Morton, founder of EUSA pharma, has become Chairman. This has resulted in a substantial cultural change. The company is now focussed of doing a proof of concept clinical study in 2015.

To achieve this it is conducting a device development programme, so that it will be able to manufacture the device itself. In parallel, it is developing an implant manufacturing development programme, and has recently acquired an expensive laser with which to cut the tips of the implants accurately and at high speed. It is also carrying out three programmes aimed at producing a pharmaceutical product suitable for being used in the POC trial.

The three programmes are PTH, (a treatment for osteoporosis which requires a daily self injection), Octreotide (a treatment for acromegaly) and a vaccine for flu or possibly for some other condition. In all cases the requirement is that the active ingredient needs to be able to withstand terminal sterilisation following manufacture and then needs to remain stable over time. Once implanted the implant needs to be able to dissolve at the rate required to give bioequivalence with a standard liquid injection. The aim will be to select the most promising of these for a POC clinical trial in 2015.

In addition to these programmes, Glide continues to work on an Anthrax vaccine programme with Pfenex based in California. This programme receives funding from NIAID (National Institute for Allergy and Infectious Diseases in the US). At the moment the US govt stockpiles an anthrax vaccine in liquid form but in the event of a major attack it would be very difficult to inject a large population (New York, say) with needle and syringe within 24 hours of the attack. And because the vaccine is in liquid form it has a shelf life of c18 months and then has to be renewed. In Glide format, the population could be vaccinated much more easily – Glide devices could be handed out in the street and people could self-inject – and in solid format the vaccine would have a much longer shelf life – maybe 5 years.

In summary, having raised a much larger investment than before, Glide has changed significantly during the last year. There are significant technical challenges to overcome, but the hope is that if Glide is able to conduct a successful clinical trial, the technology will then become widely adopted and might ultimately replace the needle and syringe.

OT4 owns 18.4% of Select Technology Ltd. Since 2005, Select has been working very closely with Ricoh, the world’s leading manufacturer of MFDs (Multi-Function Devices, formerly known as photocopiers, but which now do many other things as well, such as scanning, emailing, printing and faxing). Increasingly, as with computers 30 years ago, what persuades a customer to buy one model rather than another is not the hardware but the software which runs on the hardware, such as software to allocate the costs of using the MFDs on a global network to the appropriate departments. Ricoh are not themselves experts in this software. Select has developed software modules, now known as the m3i platform which can be embedded within Ricoh’s operating system and which transmit data about the state of affairs within
Oxford Technology 4 Venture Capital Trust PLC

the MFD to external software and which enables external software to control the MFD. So m3i acts as a bridge between Ricoh MFDS and external software. Select receives an average of £250 (at a high gross margin) every time m3i is used on a particular MFD. M3i also enables users to create their own applications and to modify the screen displays to suit their particular needs. Select is also the exclusive distributor of Papercut in Europe. Papercut is print management software, now used by 50,000 organisations worldwide.

Select's sales are now growing strongly and Select has become profitable and cash generating:

<table>
<thead>
<tr>
<th>Year to July</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>249</td>
</tr>
<tr>
<td>2011</td>
<td>541</td>
</tr>
<tr>
<td>2012</td>
<td>1,596</td>
</tr>
<tr>
<td>2013</td>
<td>2,274</td>
</tr>
</tbody>
</table>

To date, almost 90% of these sales have been in the UK with almost all the balance being in Europe. But Select has now appointed agents/distributors in the US and in China, and the first sales have been achieved in these countries. So the hope is that sales will continue to grow in the UK and Europe but will be further boosted by growing sales in the US and China, both significantly larger markets than the UK.

OT4 owns 13.5% of Telegesis. The company designs and manufacturers Zigbee modules. ZigBee, like Bluetooth, is a communications protocol and is for transmitting low volumes of data with very low energy consumption over distances of up to 1km. Crucially each ZigBee chip can communicate with up to 64,000 other ZigBee devices, and the chips automatically form themselves into a mesh network, ideal for communicating with multiple devices in the home or, for example, controlling multiple light fittings in commercial buildings. If one node goes down another route is established automatically. While many companies are involved with ZigBee, it is believed that Telegesis is the only company in the world which does nothing else apart from ZigBee. This has meant that Telegesis is rightly perceived as expert in this field and this has brought benefits as large companies have chosen to work with Telegesis rather than with others to develop their ZigBee applications.

Major uses for Telegesis modules have been for smart metering, for monitoring solar panels in real time so as to switch out panels which develop faults, and which would otherwise degrade the performance of the whole array, and for lighting. There is no longer a need for a wire to run from a switch in a wall to a light in the ceiling.

Telegesis continues to make steady progress and is now profitable, and generating cash. There are many customers who have indicated that they will be placing very much larger orders in future, so that a major increase in sales may occur at some point, but so far growth has been steady. Approximately 80% of sales are exports. Sales have grown from just under £1m in the year to March 2010 to just over £4m in the year to March 2014.

OT4 owns 49% of Impact Applications which specialises in software which enables local authorities and Housing Associations to maintain and repair their housing stock. One user, Southwark Council, owns 44,000 houses and employs hundreds of tradesmen to look after them. Each tradesman has a mobile device on which he receives his tasks for the day. The system knows the location, when he has arrived, when he completes the job and he can take a photo and collect a signature on screen. The software is able to do dynamic scheduling, enabling the most qualified and nearest tradesman to be sent to deal with an emergency, for example a gas leak.

Sales grew from £600k in the year to August 2010 to £1.3m in 2012 with the company making a small profit. In 2013 sales were at the same level while the company wrestled with problems of keeping the software updated and difficulties in recruiting suitably qualified staff. But good progress has been made and the company is optimistic that sales and profits will rise in future.
OT4 invested in **Diamond Hard Surfaces** when the company was formed in January 2005, and currently owns 49.9% of the equity. Having developed its process which creates a thick coating of amorphous diamond on a surface, which is both extremely hard and tough and also very low friction, DHS established a commercial plant near Oxford in 2009. DHS believes that its coating is superior to other DLCs (Diamond Like Coatings), which is why the company currently has contracts with about 27 companies, including some of the world's largest companies. DHS has 12 separate development programmes running with a large US company.

Although it took much longer than originally anticipated for these large companies to complete their testing programmes Diamond Hard Surfaces is now receiving regular orders for coating some production parts.

1. Sensors for use down oil wells.
   The DHS coating significantly prolongs the life of these delicate sensors which are used in the hot and harsh conditions down oil wells.

2. Mechanical seals.
   DHS coats the rings which rotate at high speed with a minute lubricated gap between the two rings. If the lubrication fails, uncoated rings fail catastrophically in about 30 seconds, and a gas pipeline may then need to shut down for many hours or days to repair. If coated they survive for up to 30 minutes, which gives time for an orderly shutdown and repair.

Among the applications still being explored are the following:
1. Coating cutting heads on oil drilling bits.
2. Coating large ball valves.
3. A large company is experimenting with the DHS coating on mobile phones for its toughness and beauty.
4. As well as being very hard, the DHS coating is also a good conductor of heat but an electrical insulator. It is also applied at a low deposition temperature. This means that there is a potential application to apply the coating to electronic circuit boards in order to remove heat from particular chips or other components.

Earlier this year DHS won a TSB grant to design and develop a production furnace to increase the efficiency of coating particular components. In summary, Diamond Hard Surfaces has been making steady progress.

OT4 owns 6.5% of **Arecor**, which has developed a proprietary formulation technology (Arestat™) that allows substantial improvement in the stability of biotherapeutics and vaccines. This allows the development of new products as well as improvement in existing pharmaceuticals and vaccines to benefit user convenience and provide market differentiation. Arecor’s technology can allow products currently only stable as powders to be developed as stable liquids to simplify administration. Products, such as vaccines, can be formulated to maintain stability without refrigeration. Arecor can enable very high concentrations of proteins such as antibodies offering the opportunity to convert long slow administration by infusion into simple injections. Arecor undertakes paid feasibility studies leading to licences with major pharmaceutical companies. Arecor’s partners include 10 out of the top 20 pharmaceutical companies. Arecor has an announced licence with GSK Bio and comprehensive product development agreements with Eli Lilly and Genzyme. The Company has steadily built its income toward a sustainable business. Arecor increased turnover from £600,568 in the year to May 2012 to £863,399 for the year to May 2013. Recently, Arecor signed substantial deals for development of two additional formulations with one of its major clients.

The Company currently has 11 licensable projects arising from feasibility studies with four separate companies. Four feasibility studies have been recently signed and seven are in active discussion. The Company recently was awarded a second large TSB grant totalling £995K for work with the University of Manchester on high throughput screening of excipients. This grant will allow Arecor to further develop its platform in the area of chemical degradation of proteins and peptides. A second patent on high viscosity proteins was filed which arose from the other major BioMedical Catalyst grant.
OT4 owns 3.2% of **MirrAd Ltd**, a company which enables broadcasters to include ‘virtual’ product placements within their programmes. For example the company's software enables a branded product, e.g. a can of Coca Cola, to be inserted into an episode of a soap opera, or into an amateur YouTube video, enabling the owners of video to earn revenue from advertisers. As more and more people use technology which enables them to skip ads, so it will become more important for advertisers to communicate by using product placement. MirriAd enables video owners to charge per showing and to insert brands after the video has been made.

OT4 owns 13.2% of **Imagineer Systems**. The original investment was made in June 2006 and subsequently MirriAd, in which OT4 is also an investee, was spun out of Imagineer. MirriAd was supposed to pay a licence fee of £1m to Imagineer when the companies split. This was disputed (there was disagreement about how much other companies were allowed to make use of the software). Finally they have agreed to pay half the sum and settlement has been reached. Imagineer has continued to make progress with turnover up 25% on the previous year and Ebitda at 30% of sales. A new product has just been released and is hoping to give a further boost to sales to their Academy award winning products.

OT4 owns 4.1% of **Insense** which developed a range of two-part, active wound-healing dressings; the two parts combine to produce a low dose of iodine which keeps the wound clean, and oxygen, which stimulates the natural wound-healing processes. These would healing dressings are now being produced and marketed by Crawford Woundcare Ltd. Insense received an initial payment and will receive further payments depending on sales. Insense is continuing to develop improved wound healing treatments and also topical treatments for other conditions including fungal nail disease.

OT4 originally invested in **Dynamic Extractions** in August 2005 when the company was a start-up, a spin-out from Brunel University. The company was formed to exploit HPCCC (High Performance Counter Current Chromatography) a better method of separating the mixture of chemicals which are formed in a typical chemical reaction. In HPCCC, two immiscible liquids are made to flow against each other down a tube. The tube is wound on two bobbins which rotate at high speed. Dynamic Extractions has made slow progress since the investment and has had many technical difficulties to overcome. However, it has persevered and has steadily overcome its problems.

OT4 owns 23.6% of **Plasma Antennas**. This company began by designing and supplying specialist antennae, which can be priced at up to £50,000 each for certain specialist applications. In the last few years, Plasma Antennas has been transitioning from an R&D company into an R&D and production company. More of its sales now go to civilian customers (mainly for mobile phone network applications). Before, most of the output was for government security applications. Margins on the civilian applications are lower, but the volumes are very much larger and manufacture is all outsourced.

Also, the company is continuing to work on its plasma antenna (the purpose of the original investment). It now has a working device which demonstrates the technology, but at the moment the insertion losses are too high to make this useful. But the company has what it believes will be a viable technical solution to this problem and will continue working on this. It also has potential customers waiting to use this antenna in their networks if its performance can be improved.

The next generation of communications are likely to be at 30GHz and above since higher frequencies carry more information and the current 3GHz networks are becoming overloaded. The atmosphere is quite opaque to signals at these frequencies so that communication has to be by means of beams (like a searchlight as opposed to a light bulb). At the moment this is achieved either by phased arrays (which are very expensive) or by metal reflectors (which are fixed). The plasma antenna will provide a steerable beam, whose direction can be changed in microseconds. So, for example, such an antenna could remain in communication with a car travelling down a motorway.

OT4 owns 6.3% of **OxTox** which is also making very good progress. The company is preparing for field trials in the summer and hopes to have the first product on the market before the end of 2014.
David Livesley, age 53, Chairman

David worked in the life science and pharmaceutical industries before joining Cambridge Consultants Ltd in 1987, where he was involved with teams working across a range of industrial sectors, developing new products, manufacturing processes and providing strategic consultancy.

He joined YFM Equity Partners in 1999 where he led or participated in over 40 investments, many of which have achieved successful realisations. He currently works as an independent Non-Executive director for a number of early stage technology businesses.

Lucius Cary OBE, age 67, Director

Lucius is the founder and managing director of Oxford Technology Management Ltd (OTM), which has specialised in making and managing investments in start-up technology-based businesses since 1983. He has a degree in engineering and economics from Oxford University, an MBA from Harvard Business School and was an engineering apprentice at the Atomic Energy Research Establishment, Harwell.

After forming and raising finance for his first business in 1972, he founded “Venture Capital Report” in 1978 and was its managing director for 17 years. In March 1996, he sold all his shares and became chairman so reducing his day-to-day involvement in order to concentrate more fully on OTM’s investment activities. By 2005, OTM had managed or advised ten seed capital funds, including the Oxford Technology VCTs which, between them, have made some 100 investments in early stage and start-up technology companies. In 2003, he was awarded an OBE for services to business and in 2004 was awarded the Judges Award at Investors Allstars for his contribution over many years to early stage investing.

Lucius Cary is an investor in Select Technology from the OT4 portfolio. He is also a Director of Oxford Technology VCT, Oxford Technology 2 VCT and Oxford Technology 3 VCT which are related companies. From the OT4 portfolio he is a Director of Superhard Materials Ltd and Diamond Hard Surfaces Ltd.

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 OTVCTs makes an investment in which another OTVCT 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.
Report of the Directors

The Directors present their report together with financial statements for the year ended 28 February 2014.

Principal Activity

The Company commenced business in May 2004. The Company invests in start-up and early stage technology companies in general located within 60 miles of Oxford.

Directors

The present membership of the Board, and their beneficial interests in the ordinary shares of the Company at 28 February 2014 and at 28 February 2013, are set out below:

<table>
<thead>
<tr>
<th>Name</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>D Livesley</td>
<td>3,499</td>
<td>3,499</td>
</tr>
<tr>
<td>J L A Cary</td>
<td>55,661</td>
<td>55,661</td>
</tr>
</tbody>
</table>

Except as disclosed in notes 2 & 3 and set out above, no director had, during the period or at the end of the period, a material interest in any contract which was significant in relation to the company’s business. No Director or their families have sold shares during the year.

Corporate Governance

The Company has complied throughout the period with the provisions in Section 1 of the Combined Code on Corporate Governance (the “Code”), except that the Board as a whole performs the functions of both the Audit Committee (Code B.2.1) and the Nomination Committee (Code A.3.3). The Directors do not have formalised service contracts with the Company, whereas the recommendation is for fixed term renewable contracts.

The Board confirms that procedures to implement the Turnbull guidance were in place throughout the year ended 28 February 2014. The Board acknowledges that it is responsible for the Company’s system of internal control and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board will now consist of two non-executive directors. Lucius Cary represents the Investment Manager and David Livesley is the independent Chairman. The Board has put in place corporate governance arrangements which it believes are appropriate to a Venture Capital Trust and which will enable the company to operate within the spirit of the Code.

The Board meets regularly, at least four times a year and between these meetings maintains contact with the Investment Manager. The Investment Manager 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 Board 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. The Articles of Association require that one third of the directors (or the number nearest one third) on a rotation basis will be subject to re-election procedures at subsequent Annual General Meetings.
Oxford Technology 4 Venture Capital Trust PLC

Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as described in Section 418 of the Companies Act 2006) of which the company’s auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company’s auditors are aware of that information.

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.

Whistleblowing

The Board has been informed that the Manager has arrangements in place in accordance with the UK Corporate Governance Code’s recommendations by which staff of the Manager or 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 Manager has established policies and procedures to prevent bribery within its organisation. The Directors are closely involved in the day-to-day management of the Company, thus ensuring that they learn of any questionable practices as and when they arise.

Relations with Shareholders

The company values the views of its shareholders and recognises their interest in the company’s strategy and performance. Board membership and quality of management. The company’s website provides information on all of the company’s investments, as well as other information of relevance to shareholders (www.oxfordtechnology.com).

Going Concern

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.

Substantial Shareholders

At 28 February 2014, the company has been notified of one investor whose interest exceeds three percent of the company’s issued share capital – Oxfordshire County Council Pension Fund (8.9%). The company has several investors, all individuals, who with their families have invested £100,000 or more in the shares of the company. The Directors shareholdings are listed above.

Auditors

James Cowper LLP offer themselves for reappointment in accordance with Section 489 of the Companies Act 2006.

On behalf of the Board
JLA Cary
Director
22 May 2014
Directors’ Remuneration Report

The Board has prepared this report in accordance with the requirements of Schedule 7A to the Companies Act 2006. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting. The law requires the company’s auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such.

Directors’ Fees and the Company’s Policy on such Fees

The Board consists solely of two non-executive directors. Lucius Cary represents the Investment Manager and David Livesley is the independent chairman. Since the company is a Venture Capital Trust with no executive directors, there are certain relaxations of the Code permitted to the company under the Listing Rules of the Financial Services Authority. Accordingly, there is no separate remuneration committee and the Board performs collectively the duties of the committee. The Board’s policy is that the remuneration of non-executive Directors should be sufficient to reflect the duties and responsibilities of the Directors and the amount of time committed to the company’s affairs. The Articles of Association of the company state that no Director can be paid more than £50,000 without an ordinary resolution of the shareholders.

The company’s investment manager is Oxford Technology Management Ltd, a company of which Lucius Cary is a Director and the controlling shareholder. The Investment Management fee is laid out in the prospectuses dated 28 May 2004 and 2 February 2006 and the fee payments for the years ended 28 February 2013 and 29 February 2012 are laid out in note 2 to the financial statements.

As detailed in the Company prospectuses dated 28 May 2004 and 2 February 2006 and in the more recent Investment Memorandums, once investors have received a return of 100% of the gross sums invested by way of dividends and capital distributions, a performance incentive fee (expressed as a percentage of all distributions thereafter) will be payable as to 15 per cent of such distributions to the Investment Manager collectively and 5 per cent of such distributions to the Directors independent of the Investment Manager collectively.

Directors’ Rights of Tenure

No Director has a service contract with the company. At each AGM one of the Directors is obliged to retire and offer themselves for re-election by shareholders. At the AGM for the current year, David Livesley will retire and offer himself for re-election. There is no notice period and no provision for compensation upon early termination of the appointment of any director.

Company’s Performance Compared to a Suitable Index

The Board is responsible for the Company’s investment strategy and performance, although the creation, management and monitoring of the investment portfolio is delegated to the Investment Manager, as described in the prospectuses dated 28 May 2004 and 2 February 2006.

The graph below compares the performance of the company with the performance of the FTSE All-Share index over the period from 28 February 2005 to 28 February 2014. It shows the change over the period in the total return to ordinary shareholders (assuming all dividends are reinvested) compared to the change over the period in total shareholder return on a notional investment of the same composition as the FTSE All-Share Index.

This index was chosen as it represents a comparable broad equity market index. The net asset value per share (NAV) of the company has been selected as the most appropriate performance measure, as this best reflects progress of the investments made by the company; shareholders will ultimately realise value on disposal of these investments. All measures are rebased to 100 at the start date of the period. An explanation of the performance of the company is given in the Statement on behalf of the Board.
Directors’ emoluments for the year

The information in this part of the report has been audited by the company’s auditors.

The Directors’ fees for the year were £10,000 (2013: £10,000):

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>David Livesley (Chairman)</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>JLA Cary</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

The Directors are not eligible for pension benefits, share options or other benefits.
Audit Committee Report

This report is submitted in accordance with The UK Corporate Governance Code and describes the work of the Audit Committee in discharging its responsibilities. The Audit Committee has identified and considered the key areas of risk in relation to the business activities and financial statements of the company, reviewing and making recommendations to the Board. Any issues arising are discussed with the Manager and the auditor.

The Audit Committee’s terms of reference include the following responsibilities:

• reviewing and making recommendations to the Board in relation to the Company’s published financial statements.
• to challenge where necessary, the actions and judgments of management in relation to the company’s financial statements, operating and financial review, interim reports, preliminary announcements and related formal statements
• to monitor the integrity of the company’s internal financial controls
• to ensure that the auditors have direct access to the Board Chairman and Audit Committee
• to consider and make recommendations on the appointment, reappointment and removal of the external auditor; to approve the terms of engagement and the remuneration to be paid to the external auditor in respect of audit services provided and to assess the effectiveness of the audit

As part of the process of working with the Board to maximise effectiveness, meetings of the Committee usually take place immediately prior to the Board meeting and a report is provided on relevant matters to enable the Board to carry out their duties.

Reviewing the Audit plan during this financial year the Committee has reviewed the non audit services provided by the external auditor, James Cowper LLP and is happy to recommend their reappointment. Once the Committee has made a recommendation to the Board in relation to the appointment of the external auditor, this is then ratified at the AGM through an Ordinary Resolution.

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 Committee considers annually whether there is a need for such a function and if so would recommend this to the Board.

The Audit Committee has reviewed the Manager’s statement of internal controls in relation to the Company’s business and assessing the effectiveness of those controls in minimising the impact of key risks. The Compliance Procedure of the Company is also reviewed on a quarterly basis. In light of the fact that there is only has one independent non-executive Director, the committee also takes advice from external sources. Methuen Consulting is used as an advisor for Financial Services Compliance. Beaumont Cornish is used as Corporate and Regulatory advisor for the London Stock Exchange and a Chartered Management Accountant team at Positive Outlook for financial advice.

The Directors have met quarterly to assess the appropriateness of the estimates and judgements made by the Manager in the investment valuations. The Company’s investments are predominantly in unlisted securities which can be difficult to value and requires the application of skill, knowledge and judgement by the Board and Audit Committee. The methodologies used are those set out in the international Private Equity and Venture Capital Valuation guidelines. It is recommended that the Manager now prepares a document confirming that all VCT rules are met before making any new investments.

The Committee have considered the whole report and accounts for the year ended 28 February 2014 and have reported to the Board that they consider them to be fair, balanced and understandable providing the information necessary for shareholders to assess the Company’s performance.

David Livesley
Audit Committee Chairman
Directors’ Responsibilities for the Financial Statements

Company law in the UK requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the entity and to 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 ensuring that the Strategic Report, The Director’s Report, The Remuneration Report and Financial Statements are prepared in accordance with company law in the United Kingdom. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions. They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Conduct Authority.

The maintenance and integrity of the web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the web site.

On behalf of the Board
David Livesley
Chairman
22 May 2014
Report of the Independent Auditors

We have audited the financial statements of Oxford Technology 4 Venture Capital Trust Plc for the year ended 28 February 2014 which comprise the profit and loss account, balance sheet, cash flow statement, accounting policies and related notes. We have also audited the information set out in the Directors’ Remuneration Report that is described as having been audited. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of Directors and Auditors

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

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the APB’s web-site at www.frc.org.uk/apb/scope/ukp.

Auditor Commentary

An Overview of the Scope of our Audit

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and the third-party service providers, and inspecting records and documents held by the third-party service providers. We undertook 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 over individual systems and the management of specific risks.

Our Application of Materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission.

We also determine a level of performance materiality which we use to determine the 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 established materiality for the financial statements as a whole to be £160,000, which is 2% of the value of the Company's net assets. For income and expenditure items we determined that misstatements of lesser amounts than materiality for the financial statements as a whole would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. Accordingly, we established materiality for revenue items within the profit and loss account to be £3,000.

**Our Assessment of Risk**

Without modifying our opinion, we highlight the following matters that are, in our judgement, likely to be most important to users' understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual transactions, balances or disclosures.

**Valuation of Unquoted Investments**

Investments are the largest asset in the financial statements, and they are designated as being at fair value through profit or loss in accordance with FRS 26, "Financial instruments: recognition and measurement". Measurement of the value of an unquoted investment includes significant assumptions and judgements. We therefore identified the valuation of unquoted investments as a risk that has the greatest effect on the overall audit strategy.

Our audit work included, but was not restricted to, obtaining an understanding of how the valuations were performed, consideration of whether they were made in accordance with published guidance, discussions with Oxford Technology Management, and reviewing and challenging the basis and reasonableness of the assumptions made by OTM and the Directors in conjunction with available supporting information. The Company's accounting policy on the valuation of unquoted investments and its disclosures about unquoted investments held at the year end are included in note 7.

**Revenue Recognition**

Investment income is the Company's main source of revenue and is recognised when the Company's right to the return is established in accordance with the Statement of Recommended Practice.

Our audit work included, but was not restricted to a detailed review of those sources of income recorded in the financial statements and further consideration of other potential sources of income. The Company's accounting policy on income is included in the statement of principal accounting policies and its disclosures about income are included in note 1.

**Management Override of Financial Controls**

The Company operates a system of financial controls to mitigate its vulnerability to fraud and its financial statements to material error and is reliant upon the efficacy of these controls to ensure that its financial statements present a true and fair view.

The financial statements contain a number of significant accounting estimates that require an element of judgement on behalf of management and that are, therefore, potentially open to manipulation.

Our audit work included, but was not restricted to, a review of all significant management estimates and detailed consideration of all material judgements applied during the completion of the financial statements. We also reviewed material journal entries processed by management during the period. The Company's principal accounting policies are included in a statement on page 20.
Compliance with Laws and Regulations

The company is required to observe the conditions laid down by the Income Tax Act 2007 for the maintenance of approved VCT status. Our audit work included but was not restricted to a review of those rules central to the Company's ongoing status as a VCT and review of all correspondence with HMRC.

Opinion on Financial Statements

In our opinion the financial statements:
• give a true and fair view of the state of the Company's affairs as at 28 February 2014 and of its loss for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion:
• the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
• the information given in the Strategic Report, comprising the Statement on behalf of the Board and the Review of the Investment Portfolio and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the information given in the Corporate Governance statement with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
• adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
• the financial statements and the part of the Directors’ Remuneration Report to be audited are not in agreement with the accounting records and returns; or
• certain disclosures of director’s remuneration specified by law are not made; or
• we have not received all the information and explanations we require for our audit.

Under the listing rules we are required to review:
• the information given in the Report of the Directors in relation to going concern; and
• the part of the Corporate Governance statement relating to the Company’s compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Alan Poole BA(Hons) FCA  Senior Statutory Auditor
For and on behalf of
James Cowper LLP
Chartered Accountants and Statutory Auditors
Oxford
Principal Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments. The financial statements have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice ‘Financial statements of investment trust companies’ issued in 2009. The principal accounting policies of the Company are set out below.

Investments

The Company invests in financial assets with a view to profiting from their total return through income and capital growth. These investments are managed and their performance is evaluated on a fair value basis. Accordingly as permitted by Financial Reporting Standard 26 (FRS 26) the investments are designated as fair value through profit and loss. Unrealised gains or losses on valuation are recognised through the profit and loss account.

Valuation of Investments

Quoted investments are stated at the bid price. Unquoted investments are stated at fair value, where fair value is estimated after following the guidelines laid down by the International Private Equity and Venture Capital Guidelines. The Directors’ policy is to initially state investments at cost and then to review the valuation every three months. The Directors’ may then apply an appropriate methodology which, as far as possible, draws on external, objective market data such as where fair value is indicated by:

- a material arms length transaction by a third party in the shares of the company, with discounting for more junior asset classes, and reviewed for impairment; or
- a suitable revenue or earnings multiple where the company is well established and generating maintainable profits. The multiple will be based on comparable listed companies but may be discounted to reflect a lack of marketability; or
- the net assets of the business.

Where such objective data is not available the Directors’ may choose to maintain the value of the company as previously stated or to discount this where indicated by underperformance against plan.

During the year ended 28 February 2006 the directors revoked the Investment Company status to enable distributions of capital profits to shareholders. Consequently the accounts have been prepared to include a statutory profit and loss account and a note of historical profits and losses in accordance with schedule 4 of the Companies Act 2006 and Financial Reporting Standard 3 (FRS 3).

The Directors consider that this basis of valuation of unquoted investments is consistent with the International Private Equity and Venture Capital Guidelines.

Income

Income represents realised gains on the disposal of investments along with interest receivable on cash deposits. Dividends receivable on unquoted equity shares are brought into account when the company’s right to receive payment is established and there is no reasonable doubt that payment will be received. Dividends receivable on quoted equity shares are brought into account on the ex-dividend date.
Fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares, provided there is no reasonable doubt that payment will be received in due course. Interest receivable from cash and short term deposits are accrued to the end of the year.

**Expenses**

All expenses are accounted for on an accruals basis. All expenses are charged through the profit and loss account 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.

**Deferred Tax**

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as a Venture Capital Trust. The HMRC has approved the company as a Venture Capital Trust for the purpose of Section 259 of the Income Tax Act 2007. The approval was given in the financial period ended 28 February 2011 and the company has subsequently directed its affairs so as to enable it to continue to be so approved.

**Earnings per Share**

The calculation of earnings per share for the period is based on the profit attributable to shareholders divided by the weighted average number of shares in issue during the period.
Oxford Technology 4 Venture Capital Trust PLC

Profit and Loss Account
for the year ended 28 February 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>Year ended 28 February 2014</th>
<th>Year ended 28 February 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>(Loss)/gain on disposal of investments held at fair value</td>
<td>1</td>
<td>(237)</td>
</tr>
<tr>
<td>Unrealised gain/(loss) on fair value of investments</td>
<td>7,11</td>
<td>377</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>Investment management fees</td>
<td>2</td>
<td>(161)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3</td>
<td>(39)</td>
</tr>
<tr>
<td>(Loss) on ordinary activities before tax</td>
<td>4</td>
<td>(46)</td>
</tr>
<tr>
<td>Taxation on (loss) on ordinary activities</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>(Loss) on ordinary activities after tax</td>
<td></td>
<td>(46)</td>
</tr>
<tr>
<td>(Loss) per share (basic and diluted)</td>
<td>6</td>
<td>(0.4)p</td>
</tr>
</tbody>
</table>

Historic Cost Profits and Losses Note

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>(Loss) for the year</td>
<td>(46)</td>
<td>(708)</td>
</tr>
<tr>
<td>Unrealised (gain)/loss on fair value of investments</td>
<td>(377)</td>
<td>557</td>
</tr>
<tr>
<td>Loss/(profit) on disposal of investments held at fair value</td>
<td>237</td>
<td>(59)</td>
</tr>
<tr>
<td>Profit on disposal of investments held at historical value</td>
<td>204</td>
<td>59</td>
</tr>
<tr>
<td>Historical cost profit/(loss) before tax</td>
<td>18</td>
<td>(151)</td>
</tr>
<tr>
<td>Historical cost profit/(loss) after tax</td>
<td>18</td>
<td>(151)</td>
</tr>
</tbody>
</table>
Oxford Technology 4 Venture Capital Trust PLC

Balance Sheet at 28 February 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>28 February 2014</th>
<th>28 February 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments at fair value</td>
<td>7</td>
<td>7,096</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other debtors &amp; prepayments</td>
<td>8</td>
<td>468</td>
</tr>
<tr>
<td>Cash at bank</td>
<td></td>
<td>472</td>
</tr>
<tr>
<td></td>
<td></td>
<td>940</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>9</td>
<td>(53)</td>
</tr>
<tr>
<td>Net current assets</td>
<td></td>
<td>887</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td>7,983</td>
</tr>
<tr>
<td>Capital and reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>10</td>
<td>1,152</td>
</tr>
<tr>
<td>Share premium</td>
<td>11</td>
<td>813</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>11</td>
<td>5,522</td>
</tr>
<tr>
<td>Unrealised capital reserve</td>
<td>11</td>
<td>496</td>
</tr>
<tr>
<td>Shareholders’ funds</td>
<td>12</td>
<td>7,983</td>
</tr>
<tr>
<td>Net asset value per share</td>
<td></td>
<td>69p</td>
</tr>
</tbody>
</table>

These financial statements were approved by the directors on 22 May 2014.

JLA Cary
Director
22 May 2014
# Cash Flow Statement
for the period ended 28 February 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash inflow/(outflow) from operating activities</td>
<td>13</td>
<td>(137)</td>
</tr>
</tbody>
</table>

**Capital expenditure and financial investment**

<table>
<thead>
<tr>
<th></th>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of investments</td>
<td>(105)</td>
<td>(529)</td>
</tr>
<tr>
<td>Sale of investments</td>
<td>308</td>
<td>26</td>
</tr>
</tbody>
</table>

Net cash inflow/(outflow) from capital expenditure and financial investment | 203 | (503) |

Net cash inflow before financing | 66 | 1,666 |

Dividends paid | - | (1,612) |

Increase in cash | 66 | 54 |

The accompanying accounting policies and notes form an integral part of these financial statements.

# Notes to the Financial Statements
for the year ended 28 February 2014

<table>
<thead>
<tr>
<th>1 Income</th>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest receivable</td>
<td>14</td>
<td>40</td>
</tr>
<tr>
<td>(Loss)/profit on disposal of investments</td>
<td>(237)</td>
<td>59</td>
</tr>
</tbody>
</table>

(223) | 99 |
2 Investment Management Fees

<table>
<thead>
<tr>
<th></th>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment management fee (see below)</td>
<td>161</td>
<td>207</td>
</tr>
<tr>
<td></td>
<td>161</td>
<td>207</td>
</tr>
<tr>
<td></td>
<td>=====</td>
<td>=====</td>
</tr>
</tbody>
</table>

Related Party disclosure - JLA Cary is a director of Oxford Technology Management Ltd and of Oxford Technology 4 Venture Capital Trust Plc. OTM is the Investment Manager to the company. During the year OTM charged management fees of £161,000. Under the original agreement, OTM is entitled to charge a fee of 2% of net assets for managing the fund. This is the £161,000 figure. However, OTM has voluntarily deferred 0.5% (£40,143) to be paid at some future date as investments are realised. There were no employees during the year except for the directors.

3 Other Expenses

<table>
<thead>
<tr>
<th></th>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors’ remuneration (see report on page 13)</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Auditors’ remuneration: audit services</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Other expenses</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>39</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>=====</td>
<td>=====</td>
</tr>
</tbody>
</table>

4 Operating Loss

<table>
<thead>
<tr>
<th></th>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditors’ remuneration - audit services</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Directors’ remuneration</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>=====</td>
<td>=====</td>
</tr>
</tbody>
</table>

5 Tax

No liability to UK corporation tax arose during the year.

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Corporation tax</td>
<td>-</td>
</tr>
</tbody>
</table>
The tax charge for the year is different to the small companies rate of corporation taxation in the UK of 20.0% (2012: 20.0%). The differences are explained below:

\[
\begin{array}{lrr}
\text{(Loss)/profit on ordinary activities before taxation} & \£000 & \£000 \\
\text{At standard rate of taxation} & (46) & (708) \\
\text{Costs/(income) not chargeable to corporation tax} & 9 & 142 \\
\text{Current tax credit for year} & \_ & \_ \\
\end{array}
\]

Unrelieved management expenses of £1,562,940 (2013: £1,379,467) remain available for offset against future taxable profits.

6 Earnings Per Share

The calculation of loss per share (basic and diluted) is based on the loss for the financial period of £46,000 (2013: £708,000) divided by the weighted average number of shares of 11,516,946 (2013: 11,516,946) in issue during the year. There are no potentially dilutive capital instruments in issue and therefore no diluted return per share figures are relevant. The basic and diluted earnings per share are therefore identical.

7 Investments

\[
\begin{array}{lrr}
\text{Cost} & \text{2014} & \text{2013} \\
\text{As at 1 March 2013} & 7,162 & 6,658 \\
\text{Purchases at cost} & 105 & 530 \\
\text{Redeemed / disposed during the year} & (311) & (26) \\
\text{As at 28 February 2014} & 6,956 & 7,162 \\
\end{array}
\]

Revaluation

\[
\begin{array}{lrr}
\text{As at 1 March 2013} & 204 & 762 \\
\text{Revaluation movement} & (64) & (558) \\
\text{140} & 204 \\
\end{array}
\]
Oxford Technology 4 Venture Capital Trust PLC

**Net book value**

As at 1 March 2013 7,366 7,420

As at 28 February 2014 7,096 7,366

Details of unlisted investments in which OT4 owns more than 20% are set out below with reference to their most recent published accounts. All companies are incorporated and operate in the UK.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Class of shares held</th>
<th>% of voting rights held by company</th>
<th>% of voting rights held by other OT Funds</th>
<th>Capital and Reserves £000</th>
<th>Retained profit/(loss) for year £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biosyntha</td>
<td>Ords</td>
<td>29.6</td>
<td>-</td>
<td>225</td>
<td>9</td>
</tr>
<tr>
<td>Diamond Hard Surfaces</td>
<td>Ords</td>
<td>49.9</td>
<td>-</td>
<td>151</td>
<td>(70)</td>
</tr>
<tr>
<td>Dynamic Extractions</td>
<td>Ords</td>
<td>27.6</td>
<td>-</td>
<td>263</td>
<td>(86)</td>
</tr>
<tr>
<td>Impact Applications</td>
<td>Ords</td>
<td>49.2</td>
<td>-</td>
<td>648</td>
<td>50</td>
</tr>
<tr>
<td>Naked Objects</td>
<td>Ords</td>
<td>22.2</td>
<td>-</td>
<td>55</td>
<td>(8)</td>
</tr>
<tr>
<td>Plasma Antennas</td>
<td>Ords &amp; Pref</td>
<td>23.6</td>
<td>10.7</td>
<td>(200)</td>
<td>(8)</td>
</tr>
</tbody>
</table>

As shown above, certain of the company’s unlisted investments entitle the company to more than 20% of the voting rights in the investee company. The Board does not consider that these investments fall within the definition of associated undertakings since the company does not exercise significant influence over the operating and financial policies of the investee companies.

**Most recent published accounts:**

1. For the year ended 30 June 2013
2. For the year ended 31 December 2012
3. For the year ended 31 March 2013
4. For the year ended 31 August 2013
5. For the year ended 31 December 2013

8 **Debtors**

<table>
<thead>
<tr>
<th></th>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments and accrued income</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>Deferred consideration from sale of investments</td>
<td>465</td>
<td>258</td>
</tr>
</tbody>
</table>

Deferred consideration from sale of investments includes £365,000 (2013: £198,000) that is due in more than one year.

9 **Creditors: Amounts Falling Due Within One Year**

<table>
<thead>
<tr>
<th></th>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other creditors</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>Investment Management Fee Accrual</td>
<td>39</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>53</td>
<td>17</td>
</tr>
</tbody>
</table>
10 Share Capital

<table>
<thead>
<tr>
<th>Authorised</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000,000 ordinary shares of 10p each</td>
<td>1,500</td>
<td>1,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Allotted, called up and fully paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,516,946 (2013: 11,516,946) ordinary shares of 10p each</td>
</tr>
</tbody>
</table>

11 Reserves

<table>
<thead>
<tr>
<th>Share Premium Account £000</th>
<th>Unrealised Capital reserve £000</th>
<th>Profit and Loss Account £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 March 2013</td>
<td>813</td>
<td>561</td>
</tr>
<tr>
<td>(Loss) for the period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrealised (losses)/gains</td>
<td>-</td>
<td>377</td>
</tr>
<tr>
<td>Transfer between reserves</td>
<td>-</td>
<td>(442)</td>
</tr>
</tbody>
</table>

As at 28 February 2014

<table>
<thead>
<tr>
<th>Share Premium Account £000</th>
<th>Unrealised Capital reserve £000</th>
<th>Profit and Loss Account £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>813</td>
<td>496</td>
<td>5,522</td>
</tr>
</tbody>
</table>

12 Reconciliation of movements in shareholders’ funds

<table>
<thead>
<tr>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result for the period</td>
<td>(46)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
</tr>
</tbody>
</table>

Net (decrease) in shareholders’ funds (46) (2,320)
Shareholders’ funds at beginning of year 8,029 10,349
Shareholders’ funds at end of year 7,983 8,029
13 Reconciliation of net (loss)/profit before taxation to net cash outflow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2014 £000</th>
<th>2013 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (loss) before taxation</td>
<td>(46)</td>
<td>(708)</td>
</tr>
<tr>
<td>Unrealised (gain)/loss on investments</td>
<td>(377)</td>
<td>557</td>
</tr>
<tr>
<td>Realised loss/(gain) on investments</td>
<td>237</td>
<td>(59)</td>
</tr>
<tr>
<td>Increase in creditors</td>
<td>36</td>
<td>3</td>
</tr>
<tr>
<td>(Increase)/decrease in debtors</td>
<td>(194)</td>
<td>2,318</td>
</tr>
<tr>
<td>Movement in investment debtors and creditors</td>
<td>207</td>
<td>57</td>
</tr>
<tr>
<td>Net cash (outflow)/inflow from operating activities for the year</td>
<td>(137)</td>
<td>2,169</td>
</tr>
</tbody>
</table>

14 Financial Instruments

Other than its investments in unquoted companies, the company has cash and a small amount of debtors and creditors through which it finances its activities. 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 face value. There is no difference between these values and the fair values of the financial instruments.

15 Capital Commitments

The company had no commitments at 28 February 2014 or 28 February 2013.

16 Contingent Liabilities

The company had no contingent liabilities at 28 February 2014 or 29 February 2013.

17 Post Balance Sheet Events

There have been no post balance sheet events.
Oxford Technology 4 Venture Capital Trust 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 12.00 noon on Wednesday 9th July 2014 for the following purposes:

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

(1) That the report and accounts for the period to 28 February 2014 be approved.

(2) That Mr David Livesley who retires at the Annual General Meeting by rotation in accordance with Article 139 of the Company’s Articles of Association, be re-appointed as a Director.

(3) That James Cowper LLP, Chartered Accountants, be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.

(4) That the Directors’ remuneration report be approved.

(5) 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 500,000 (representing approximately 4.5 per cent 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 110% of the latest published NAV per share (exclusive of expenses).

This authority shall expire at the Company’s annual general meeting in 2015. Pursuant to s701(6) of the Act, the Company may make contracts for the purchase of Shares which would or might be executed wholly or partly after the expiry of the time limit referred to above.

(6) That the Company continue in being as a Venture Capital Trust.

(7) In accordance with section 551 of the Companies Act 2006 (the "2006 Act"), to authorise the Directors generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £1,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the date of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act.

(8) Subject to the passing of the resolution 7 and in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution 7, as if section 561(1) of the 2006 Act did not apply to any such allotment.

By Order of the Board
James Gordon

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, Capita Registrars plc, c/o Oxford Technology 4 VCT plc, Magdalen Centre, Oxford Science Park, Oxford OX4 4GA 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) No director has a contract of service with the Company.

(3) Resolutions 1,2,3,4,6 & 7 will be proposed as ordinary resolutions. Resolutions 5 & 8 will be proposed as special resolutions.
Form of Proxy
for the Annual General Meeting convened
for 12.00 noon on Wednesday 9 July 2013

I/We ..........................................................................................................................................................................

(BLOCK LETTERS)

being a member of Oxford Technology 4 Venture Capital Trust plc (“the Company”) hereby appoint the Chairman of
the meeting or (note 2) ................................................................................. as my proxy to vote for me/us on my/our behalf at the
annual general meeting of the Company to be held on Wednesday 9 July 2014 and at any adjournment thereof.

I/We direct my/our proxy to vote as follows in respect of the ordinary resolutions set out in notice of meeting (note
1):

<table>
<thead>
<tr>
<th>Resolution No.</th>
<th>For</th>
<th>Against</th>
<th>Withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Date this ......................................................day of........................................, 2014

Signature.................................................................................................................................................................

Notes
1. Please indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to use your vote on any
particular matter, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting.
The proxy will act as he thinks fit in relation to any other business arising from the meeting (including any resolution to adjourn
the meeting).
2. If you prefer to appoint some other person or persons as your proxy, strike out the words “the Chairman of the Meeting or “,
and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the
Company.
3. The ‘Vote Withheld’ option is to enable you to abstain on any particular resolution. Such a vote is not a vote in law and will
not be counted in the votes ‘For’ and ‘Against’ a resolution.
4. If the member is a corporation, this Form of Proxy must be executed either under its common seal or under the hand of an
officer or attorney duly authorised in writing.
5. To be effective, this Form of Proxy must be completed, signed and must be lodged (together with any power of attorney or duly
certified copy thereof under which this Form of Proxy is signed) with the Company’s registrars, Capita Registrars plc, c/o Oxford
Technology 4 Venture Capital Trust plc, Magdalen Centre, Oxford Science Park, Oxford OX4 4GA, not less than 48 hours before
the time appointed for the meeting.
Company Information

Directors
David Livesley (Chairman)
Lucius Cary

Investment Manager
Oxford Technology Management Ltd
Magdalen Centre
Oxford Science Park
Oxford OX4 4GA

Secretary
James Gordon

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

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

Auditors
James Cowper LLP
2 Chawley Park
Cumnor Hill
Cumnor
Oxford OX2 9GG

Company Registration Number: 5038854
Registered Office: Magdalen Centre, Oxford Science Park, Oxford OX4 4GA