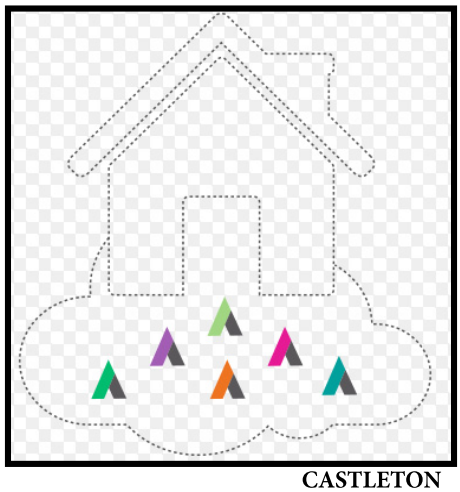
Oxford Technology 4 Venture Capital Trust Plc



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Annual Financial Statements
For the Year Ended 29 February 2016

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About Oxford Technology 4 VCT 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 VCT Plc (OT4) was listed on the London Stock Exchange in 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. It has built a balanced portfolio of investments with the following characteristics at the time of the initial investment:

- Unlisted, UK based, science, technology and engineering businesses; investee company Abzena has subsequently listed on AIM and during the year Impact Applications was bought by AIM listed Castleton Technology;
- 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 Oxford Technology 4 VCT is that it has focussed on investing in early stage and start-up technology companies. The returns from such investments when successful can be highly attractive but the associated risks are high.

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 2016	Year Ended 28 February 2015
Net Assets at Year End	**£7.69m**	**£7.63m**
Net Asset Value per Share	**66.8p**	**66.2p**
Cumulative Dividend	**37.0p**	**17.0p**
NAV + Cumulative Dividend Paid from Incorporation	**103.8p**	**83.2p**
Share Price at Year End	**52.0p**	**36.5p**
Earnings Per Share (Basic & Diluted)	**20.6p**	**(3.1)p**

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 Report contains the Chairman's Statement which looks at future prospects for the Company, a Business Review which includes analysis of the principal risks and an Investment Portfolio Review which looks at the performance of the Company's investments over the past year.

The Company's objective is to continue to work with its investee companies to help them succeed and to seek exits as and when appropriate. The aim is to provide a capital return to investors with dividend payments once exits have been achieved. The focus of the fund is on supporting existing investees.

Chairman's Statement

I am pleased to present to shareholders the annual report for the year to 29 February 2016.

Overview

There have been substantial changes within the portfolio during the year. Two companies were realised, and two companies failed. Several other companies have achieved significant milestones which should enhance value. Net asset value rose by a modest 0.6p during the year, although total return rose by 20.6p.

Portfolio Review

The net asset value per share on 29 February 2016 was 66.8p compared to 66.2p on 28 February 2015. Two dividends of 10p per share were paid in the year on 7 August 2015 and 19 February 2016. Total dividends paid are now 37p per share. Earnings per share in the year to 29 February 2016 were 20.6p. Total return as of 29 February 2016 stands at 103.8p.

The Company's portfolio still contains 19 holdings, which continue to develop at different rates. Whilst not all may ultimately be successful, some are reaching significant value inflection points which allows realisations to occur.

Two portfolio companies were realised in the year. In May 2015 Impact Applications was sold to AIM listed Castleton Technology Plc, and in November Telegesis was sold to Silicon Laboratories UK Ltd. However, two companies also failed. Oxtox reached a point where their technology was unable to match the technical performance required by the market, and MirriAd was unable to close a funding round. The MirriAd technology has been acquired by MirriAd Advertising, in which your company now has a holding.

Your company continues to invest in support of its portfolio as companies develop.

A further £200,000 has been invested into ImmBio to support the first in Human trial for its novel Pneumococcal Vaccine, PnuBioVax. The trial began in December 2015, and read out is expected in Q2 2016. If successful, this will be an extremely important milestone for the company.

Further investments were also made into Dynamic Extractions, Orthogem and ZuvaSyntha to support their growth.

Further details on the other major investments are contained within the Investment Manager's Portfolio Review, and on our website.

Last year, we flagged that we were assessing the opportunity for divestments so as to crystallise shareholder value as and when appropriate, and were delighted to announce the sale of Telegesis and Impact Applications. Whilst we continue to seek opportune moments to maximise value from our portfolio, we do not currently foresee any further major liquidity events in the near future.

Dividends

The ongoing strategy is to seek to crystallise value from the portfolio and distribute cash to shareholders via dividend payments. As already stated, dividends totalling 20p were paid during the year.

Management and Performance Fees

Shareholders will recall the changes announced during the year at the time of the announcement of the 2015 results. Management fees were reduced to 1% per annum with effect from the start of this financial year, with an annual cost cap of 3% (excluding directors' fees) to cover all of the running costs incurred by the VCT. The threshold at which a performance fee would also become payable escalates at 6% per annum from the 10th anniversary of the formation of the VCT. The threshold therefore now stands at a return to shareholders in cash of 104.7p per share. No payment has been made to date under this scheme.

Your directors continue to believe that this lower level of management fees, together with a performance fee incorporating a challenging hurdle and payable only once shareholders have received back more than their original investment prior to any additional tax reliefs, makes this management arrangement market-leading and continues the principle always adopted by the VCT to keep its costs as low as possible.

Board Structure and VCT Management

Lucius Cary did not stand for re-election as a Director at the AGM in 2015. He does however remain involved in the management of the VCT through Oxford Technology Management.

Shareholders will also be aware of the changes to the Board and Management arrangements that were implemented during the year, implementing a Common Board across the four Oxford Technology VCTs to coincide with the companies becoming 'self-managed'. I welcome Richard Roth, Alex Starling and Robin Goodfellow to the Board. Lucius Cary and his team continue to be involved with the portfolio as OT4 Managers Ltd (the Company's investment manager) sub-contracts services from Oxford Technology Management. The new Common Board structure has worked well since implementation.

VCT Regulation Changes

Shareholders may be aware of some significant changes to the VCT rules that have been introduced during the year. These changes have been introduced by the UK Government, but were directed by the EU to make VCTs conform to "State Aid" rules.

The rules introduce new restrictions on the type of investments which can be made by VCTs, specifically prohibiting VCT funds from being used to finance management buy-outs or for the acquisition of existing businesses.

The rules also impose a maximum lifetime amount a company can receive from VCTs, as well as imposing a maximum age for companies which receive VCT funding.

The new restrictions, which apply to non-qualifying holdings as well as VCT qualifying holdings, took effect for investments made on or after 18 November 2015. The potential penalty for breach of these regulations is withdrawal of VCT status.

The new legislation is designed to target more VCT money towards the sorts of companies that OT4 has always invested in, and is not expected to have a significant effect on your Company. The Directors will remain alert to the additional requirements of these latest rules with any further investments OT4 may make.

Change of Registrar

As part of our ongoing focus on costs, we appointed Neville Registrars in place of Capita as our Registrars. Details of the new contact details are set out on the back page of this report. We would also remind you that Annual Reports, notices of shareholder meetings and other documents that are required to be sent to Shareholders are published on our website at www.oxfordtechnology.com/vct4, as well as any other announcements made by the Company.

Share Buy Backs

The Company has the ability to buy back shares. To date this authority has never been exercised and the Directors have no current intention to do so, preferring instead to preserve resources to support our investees and pay dividends to all shareholders. It is, however, a useful facility to have available should circumstances change and the Company therefore wishes to maintain this capability. At the AGM, Shareholders will be asked to confirm their ongoing approval for the Company to be able to buy back its own shares.

AGM

Shareholders should note that the AGM for the Company will be held on Friday 8 July 2016 at the Magdalen Centre, Oxford Science Park, starting at 11am and will include presentations by Oxford Technology Management and some of the companies in which the Oxford Technology VCTs have invested. A formal Notice of the AGM has been enclosed with these Financial Statements together with a Form of Proxy for those not attending. We appreciate the input of our shareholders and look forward to welcoming as many of you as possible on the day.

Outlook

The Board's outlook has not changed from a year ago. The portfolio continues to develop, and individual investments will be realised at appropriate times. In 2015, we realised two investments with what appears to have been excellent timing, providing the ability to continue supporting the remaining portfolio and to pay dividends. We continue to work to maximise value for shareholders and will, as per our stated strategy, seek to crystallise this value and distribute to shareholders via dividend payments when valuations and liquidity allow.

David Livesley
Chairman
25 May 2016

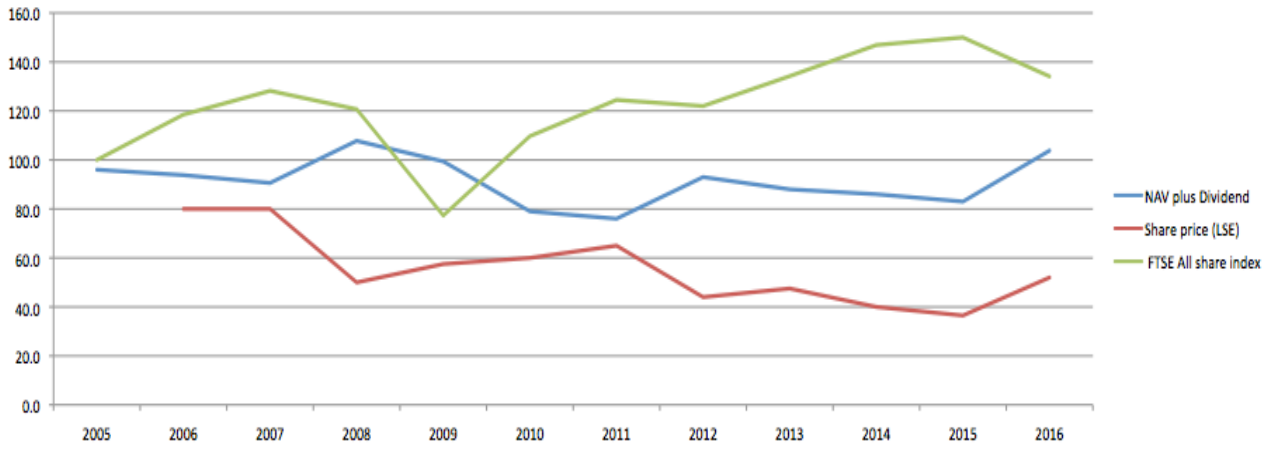
Business Review

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 Oxford Technology Management by the Company's Investment Manager, OT4 Managers Ltd.

There was a net profit for the period after taxation amounting to £2,366,000 (2015: loss of £352,000). The income statement comprises income of £94,000 (2015: £8,000) received from investee companies, gains from disposal of fixed assets £1,049,000 (2015: loss of £273,000), unrealised gains on fair value of investments of £1,355,000 (2015: gain of £118,000) less management and other expenses of £132,000 (2015: £205,000).

The graph below compares the NAV return of the Company from 2005 with the total return from the FTSE All-Share Index 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 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 above. This index has been adopted as an informal benchmark. The review of the investment portfolio on page 10 includes a review of the Company's activities and the Chairman's statement comments on future prospects.

Viability Statement

In accordance with provision C.2.2 of The UK Corporate Governance Code 2014 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 2019.

Risk Management Objectives and Policies

The Board carries out a regular review of the risk environment in which the Company operates.

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 sought to reduce this risk through careful selection of potential investee companies prior to investment; the Directors continue to carefully monitor 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 as amended by subsequent legislation. In particular, the Finance (No. 2) Act 2015 has placed additional restrictions on how funds can be deployed as mentioned in the Chairman's Statement. 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.

Financial risk – The Company is exposed to market price risks and to a limited extent to 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 direct 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. Breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report.

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 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 four male non-executive Directors of various ages, backgrounds and experience. The gender and diversity of the constitution of the Board will be reviewed on an annual basis.

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.

David Livesley
Chairman
25 May 2016

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 12 shows the companies remaining in the portfolio. A more detailed analysis is given of the top 5 investments.

One of the investees was Impact Applications which was sold to Castleton Technology Plc in May 2015. OT4's investment of £486,000 yielded an immediate cash payment of £1.6m to the fund and shares in AIM listed Castleton Technology Plc worth an additional £1.1m at the time of the acquisition. A small portion of these were subsequently sold yielding an additional £86k. A dividend of 10p per ordinary share was paid in July 2015 as a result of this exit.

A second dividend of 10p per ordinary share was paid in February 2016 following the sale of Telegesis, bringing the cumulative dividends paid to date to 37p. OT4 first invested in Telegesis in 2005, following on from OT3's first investment when the company started in 2003. Telegesis specialised exclusively in Zigbee, a strategy which proved to be very successful. When large companies wish to incorporate Zigbee communications (for example to enable smart electricity meters to send and receive data wirelessly) they frequently turned to Telegesis to do the detailed design and then to supply the Zigbee modules, which were manufactured in China. In November 2015, Telegesis was sold for £13m to Silicon Laboratories UK. OT4 received cash proceeds of £1.62m for its shares.

In February 2016 Select Technology paid out its first dividend following the cessation of its printer manufacturing activities (a strategic withdrawal from a difficult market that took place around the time of the recent economic downturn). Select Technology is now solely an international master distributor of its own and third party software. The management team at Select Technology is busy implementing a growth strategy with a view to further establishing itself as a key player in its markets.

The portfolio contains several other investees which are showing promise and which have the potential to deliver significant returns.

New Investments in the year

There were four follow on investments during the year of £200,000 into ImmBio, £20,000 into Orthogem, £225,000 into ZuvaSyntha and £200,000 into Dynamic Extractions. All new investments have complied with both EU State Aid rules and HMRC VCT rules.

Disposals during the year

There have been several disposals during this year. Impact Applications was sold in May yielding £1.59m to the fund with shares in Castleton Technology Plc as part of the deal, initially worth £1.1m, but valued at £1.8m on 29 February 2016.

Telegesis was also sold during the year and OT4 received £1.62m from its investment of £231,000. Some Abzena shares were sold yielding £21,657 and the final tranche of payments from the sale of Imagineer Systems were received for £16,139. OxTox Ltd was also sold to Alcolizer for £11,533.

Valuation Methodology

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

VCT Compliance

Compliance with the main VCT regulations as at 29 February 2016 and for the year then ended is summarised as follows:

Type of Investment By HMRC Valuation Rules	**Actual**	**Target**
VCT Qualifying Investments	92.6%	Minimum obligation of: 70.0%
Non-Qualifying Investments	7.4%	Maximum allowed: 30.0%
Total	100.0%	100.0%

At least 10% of each investment in a qualifying company is held 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) – Complied.

No investment made by the VCT has caused the company to receive more than £5m of State Aid investment in the year – Complied.

Table of Investments held by Company at 29 February 2016

Company	Description	Date of initial investment	Net cost of investment £'000	Carrying value at 29/02/16 £'000	Change in value for the year £'000	% equity held by OT4
Castleton Technology **Quoted on AIM**	Mobile software for contractors	Oct 2005	192	1,811	1,811	2.9
Glide Technologies	Needle free injectors	Feb 2005	975	1,439	-	5.8
Select Technology	Photocopier Interfaces	Aug 2006	237	941	355	18.4
Arecor	Protein stabilization	Jul 2007	291	445	-	6.2
Plasma Antennas	Solid state antennas	Mar 2005	448	427	(149)	24.9
Diamond Hard Surfaces	Diamond coatings	Jan 2005	640	385	-	49.9
ImmBio	Novel vaccines	Oct 2005	575	351	200	7.7
Dynamic Extractions	Separation technology	Aug 2005	377	313	200	23.8
Oxis Energy	Rechargeable batteries	Nov 2005	305	150	-	0.3
ZuvaSyntha	Microbial technology	Feb 2012	313	91	(7)	19.8
Novacta	Bioengineering and antibiotics	Apr 2005	347	63	-	2.4
Insense	Active wound healing dressings	Apr 2005	476	48	-	4.5
Abzena **Quoted on AIM**	Protein based peptide drugs	Jan 2012	33	48	(52)	0.1
Orthogem	Bone graft material	May 2007	130	35	20	3.3
Historic Futures	Traceability software	Aug 2005	420	32	-	6.2
MirriAd Advertising	Virtual product placement	May 2015	0	15	15	0.3
Naked Objects	Business software	Mar 2006	200	10	(1)	22.2

Company	Description	Date of initial investment	Net cost of investment £'000	Carrying value at 29/02/16 £'000	Change in value for the year £'000	% equity held by OT4
Metal Nanopowders	Production of nanopowders	Aug 2006	51	10	-	16.7
Superhard Materials	Very hard materials	Feb 2012	9	5	(4)	18.2
Totals			**6,019**	**6,619**	**2,386**	
Other Net Assets				1,074		
NET ASSETS				**7,693**		

Number of shares in issue: 11,516,946
Net Asset Value per share at 29 February 2016: 66.8p

Dividends paid to date: 37.0p

The table shows the current portfolio holdings. The investments in Bluewater Bio, Cutting the Wires, Dynamic Discovery, EKB, Ingenious, Inspiration Matters, Kinomi, MirriAd and Water Innovate have been written off. The investments in Dexela, Imagineer Systems, Impact Applications, Incentec, Mecira, OxTox, Pharma Engineering, Telegesis and Warwick Effect Polymers have been sold. Some shares in Abzena and Castleton have also been sold.

Castleton Technology

www.castletonplc.com

	First Investment	Net Cost	Carrying Value 29/02/2016	Change in Value for the Year	% Equity Held
Castleton Technology	October 2005	£191,994	£1,811,432	£1,811,432	2.9%

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. They provide 10 different software products and services covering a wide range of services from scheduling repairs, 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 Ian Smith who has successfully executed buy, build and sell strategies before in closely related fields.

OT4 acquired Castleton shares as the result of the acquisition by Castleton of Impact Applications Ltd. At the time of the acquisition OT4 were offered a mix of cash and shares and the opportunity to vary the mix. OT4 decided to take a greater portion of shares. It was felt at the time that there would be opportunity to cross sell Impact to existing Castleton customers and to introduce Castleton's other products to Impact's current users. This should lead to an increase in value of the company as a whole. This is now happening.

At the time of the transaction Castleton's shares were trading at an equivalent price of 45p after a share consolidation.

The bid price as at 29 February 2016 used for this Castleton valuation was 78p.

Glide Technologies

www.glide-technologies.com

	First Investment	Net Cost	Carrying Value 29/02/2016	Change in Value for the Year	% Equity Held
Glide Technologies	February 2005	£975,001	£1,438,604	-	5.8%

Glide has developed a novel device and drug delivery technology for the self-administration of injectable therapeutics and the delivery of vaccines in a solid dosage form. This enables an injection without a needle, and tests have shown that this is significantly preferred by patients when compared to a conventional needle and syringe. Drugs are also more stable in solid form, giving a longer shelf life and greater convenience for patients.

A clinical trial of Glide's technology has started in May 2016 and is expected to report before the end of August. If the results are positive, then Glide will raise additional capital to carry on with the development and launch of its technology.

The Company is currently working on several new development projects including:

1. Parathyroid hormone (PTH) which requires a daily self-injection and is for treatment of osteoporosis. In November 2012 the UK BioMedical Catalyst (managed jointly by the Medical Research Council and the Technology Strategy Board) awarded Glide £2.3m to support this development.

2. Anthrax vaccine. This is a development with Pfenex Inc, based in California, as a partner with funding from NIAID (National Institute for Allergy and Infectious Diseases) in the US. At present the US government stockpiles anthrax vaccine in liquid form but in the event of a major attack it will be very difficult to inject a large population (New York, say) with needle and syringe, especially considering all the support logistics of cold chain requirements and needle disposal. With the Glide SDI, the population may be vaccinated more easily and safely for healthcare personnel. Additionally, removal of the requirements for cold storage will greatly reduce the long term stockpile maintenance costs.

3. Glide flu vaccine. Feasibility studies are being undertaken on the use of solid dose flu vaccines.

The company is valued at the price of the last fundraising round, discounted by 10% to reflect the preferential rights of some other shareholders.

Select Technology

www.selectec.co.uk

	First Investment	Net Cost	Carrying Value 29/02/2016	Change in Value for the Year	% Equity Held
Select Technology	August 2006	£236,703	£941,399	£354,320	18.4%

Select Technology specialises in software for photocopiers (now known as MFDs – Multi-function devices – since they scan, fax, email and do other tasks in addition to photocopying). There are two strands to the business: (1) writing software which sits at the heart of MFDs and that greatly improves the user experience, enabling users to access all software programs to which they are entitled with a single sign on, and giving these programs the same 'look and feel', and (2) software distribution: Select Technology is the European master-distributor for PaperCut, a world-leading print-management software product.

As with computers, MFD hardware has become a commodity product with little to choose between the offerings of most companies. Increasingly, what makes customers choose one make in preference to another is the quality and ease of use of the many software programs which run on them. Most MFDs will be on networks, so that, for example, a user may scan a document in London and print it out in New York and Tokyo. The accounting software will need to determine how the cost of this is allocated. Different users will have different usage rights to the software. The MFDs will need to identify users and some will use cards, some PIN numbers, and others biometric scans. Getting everything to work together, and giving everyone a good user experience is non-trivial, which is why there is a need for Select Technology, which has specialised in this area for many years.

Select Technology has expanded in many ways. It has increased the number of products which it supports and distributes. It has increased its geographical coverage and it has increased the number of MFD manufacturers with which it works closely. Select Technology's staff has increased to 23, almost all of whom work remotely. It has staff in England, Wales, Australia and Cambodia.

It took a long time, but Select Technology's financial performance has improved steadily in recent years with sales growing from £210k in the year to 31 July 2010 to £4.7m in the year to 31 July 2015. OT4 received a dividend of £90k in February 2016.

Select Technology is valued using an earnings multiple.

Arecor

www.arecor.com

	First Investment	Net Cost	Carrying Value 29/02/2016	Change in Value for the Year	% Equity Held
Arecor	July 2007	£291,198	£445,375	-	6.2%

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 (proteins, peptides and vaccines) as aqueous compositions (liquids). Many proteins, peptides and vaccines are too unstable in liquid form and/or at high concentrations to develop ready-to-use drugs and Arecor has overcome these challenges to significantly enhance the delivery of therapeutic medicines to patients. It has built a successful revenue generating business since inception in 2007 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.

More recently, Arecor has taken the strategic decision to develop a portfolio of differentiated peptides through to clinical proof of concept, with an initial focus on diabetes as a therapeutic area. These products have been identified based on a fit with Arecor's formulation technology and expertise as well as a clear patient and market need for superior reformulated products. All of the products selected will be developed under the 505(b)(2) regulatory pathway, utilising already marketed peptide drug substances, and as such are considered to be low risk, as the safety and efficacy of these products is already proven.

Arecor is based at the Cambridge Science Park in the UK and has a highly talented scientific and management team.

Arecor is valued at the price of the last fundraising round.

Plasma Antennas

www.plasmaantennas.com

	First Investment	Net Cost	Carrying Value 29/02/2016	Change in Value for the Year	% Equity Held
Plasma Antennas	March 2005	£447,562	£427,344	(£149,351)	24.9%

Plasma Antennas has developed a range of next-generation smart selectable multi-beam antenna technologies for small cell backhaul, broadband wireless access, mesh network and other communications and sensing applications. Based on a set of patented beam forming technologies, these high-performance electronically-steerable antennas are extremely lightweight and compact.

The company has attracted growing levels of interest from global telecoms companies and its antennas are currently being tested all over the world, including in Japan, the US, India and the UK. There is potential for volume orders. Manufacturing is based in the UK and in China for volume applications.

The company also designs and manufactures high end antennas for security and defence applications. In April 2016, the company appointed a new CEO, who, it is hoped, will lead the company's next stage of growth.

The company is valued at the last fundraising share price which happened in April 2016, post year end and into which OT4 has invested a further £200,000.

Lucius Cary
Director
OT4 Managers Ltd
Investment Manager
25 May 2016

Board of Directors

David Livesley

David Livesley is the Chairman of OT4. 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, a Venture Capital Fund Manager where he specialised in investments in early stage technology companies. He currently works as an independent Non-Executive director for a number of early stage technology businesses. 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. 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 a regular commentator on VCT industry performance and current VCT company issues.

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

Alex Starling

Alex Starling is a Director of OT4. 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. Alex has an interest (as founder and shareholder) in several young growing 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. He is also a Director of OT1 Managers Ltd, OT2 Managers Ltd, Oxford Technology 2 VCT Plc, Oxford Technology 3 VCT Plc and is the Chairman of Oxford Technology VCT Plc.

Richard Roth

Richard is a Director of OT4 and Chairman of the Audit Committee. He is a Chartered Management Accountant. Having worked for 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 as CFO for an airline, and most recently as the Director of Performance Management and Turnaround for the Monarch Group. 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 over the last 15 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 also a Director of OT2 Managers Ltd, OT4 Managers Ltd, Oxford Technology VCT Plc, Oxford Technology 3 VCT Plc and is the Chairman of Oxford Technology 2 VCT Plc. He is also a Director of Hygea VCT Plc and a shareholder in Glide Technologies.

Directors' Report

The Directors present their report together with financial statements for the year ended 29 February 2016.

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.

Directors

The Directors of the Company are required to notify their interests under Disclosure and Transparency Rule 3.12R. The present and previous membership of the board and their beneficial interests in the ordinary shares of the company at 29 February 2016 and at 28 February 2015 are set out below:

Name	**2016**	**2015**
D Livesley	3,499	3,499
R Goodfellow*	20,000	N/A
R Roth*	44,310	N/A
A Starling *	Nil	N/A
L Cary**	N/A	55,661

* Appointed 3 July 2015
At 3 July 2015, the date of Robin Goodfellow's appointment he held no shares in OT4.
At 3 July 2015, the date of Richard Roth's appointment he held 44,310 shares in OT4.
** Resigned 26 August 2015

Under the Company's Articles of Association one third of the Directors are required to retire by rotation each year. David Livesley and Alex Starling will be nominated for re-appointment at the forthcoming AGM. The Board believes that both 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 David Livesley and Alex Starling at the forthcoming AGM.

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 Hygea VCT plc, a VCT investing in the Med Tech 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. David Livesley and Richard Roth, together with Lucius Cary are Directors in 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 Manager has arrangements in place in accordance with the UK Corporate Governance 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 Manager 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 Manager 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.oxfordtechnology.com/vct4).

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: The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA.

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 29 February 2016, the Company has been notified by Neville Registrars of one investor whose interest exceeds three percent of the Company's issued share capital (Oxfordshire County Council Pension Fund 8.87%).

Auditors

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

On behalf of the Board
David Livesley
Chairman
25 May 2016

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, James Cowper Kreston, is required to give its opinion on certain information included in this report. This report includes a statement regarding the Directors' Remuneration Policy. Resolutions to approve the Directors' Remuneration Report will be proposed at the Annual General Meeting on 8 July 2016.

The Remuneration Policy was approved at the AGM on 26 August 2015, together with the resolution regarding the Directors' Remuneration Report for the year ended 28 February 2015, on a unanimous show of hands, which reflected overwhelming support amongst proxies submitted.

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

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. Re-election will be recommended by the Board but is dependent upon shareholder vote. Directors who have been in office for more than nine years will stand for annual re-election in line with the AIC Code. 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 Board has not engaged any third party consultancy services, but did consult with the previous Chairmen, Michael O'Regan of Oxford Technology 2 VCT and Richard Vessey of Oxford Technology 3 VCT when the current levels were determined before the last AGM.

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. Based on the Company sharing a Common Board with the other Oxford Technology VCT funds the following Directors' fees are payable by the Company;

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

David Livesley chairs the Company. Richard Roth chairs the Audit Committee, with Robin Goodfellow as a member of the Committee. As the VCT is self-managed, the Audit Committee carries out a particularly important role for the VCT and has played a greater part in the production of the annual accounts compared to recent years.

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.

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

The performance incentive fee is described in the Chairman's Statement. As mentioned there, 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 2016 no performance fee was accrued for.

Should any performance fee be payable at the end of the year to 28 February 2017, Alex Starling, Robin Goodfellow, and Richard Roth would each receive 0.15% of any amount over the threshold and David Livesley 1.16%. No performance fee will be payable for the year ending 28 February 2017 unless original shareholders have received back at least 108.7p 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.

Directors' Emoluments

Directors' Fees	**Year End 28/02/17 (unaudited)**	**Year End 29/02/16 (audited)**	**Year End 28/02/15 (audited)**
David Livesley	£5,500	£6,167	£7,500
Richard Roth	£6,500	£4,333	-
Lucius Cary	-	£1,250	£2,500
Robin Goodfellow	£5,000	£3,333	-
Alex Starling	£3,500	£2,333	-
Total	**£20,500**	**£17,416**	**£10,000**

Prior to his appointment as a director of OT4, Richard Roth received an additional one off payment of £2,000 in the year to 29 February 2016 as compensation for executive work undertaken in relation to the setting up of the Common Board structure.

Corporate Governance Report

The Board considers that reporting against the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (the "AIC Code") and additionally where applicable by reference to the UK Corporate Governance Code (the "Code") will provide better information for shareholders than reporting against the Code alone.

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 Company has complied throughout the period with the provisions in Section 1 of the Code except that:-

1 The Board has no nominated Senior Independent Director (Code A4.1);

2 The Board as a whole performs the functions of the Nomination Committee (Code B.2.1) and no formal terms of reference for such a Committee have been adopted;

3 The Directors are not appointed for a specified term (Code B2.3);

4 The Board as a whole performs the functions of the Remuneration Committee (Code D2.1).

The Company is committed to maintaining high standards in corporate governance. 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 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 meets regularly – at least four times a year – and between these meetings maintains very regular contact with the Investment Manager. The following table sets out the Directors' attendance at the formal Board and Committee meetings held during the year.

Director Name	Board Meetings Attended 6 Held in year	Audit Committee Meetings Attended 2 Held in year
Robin Goodfellow	4	1
Alex Starling	4	-
Richard Roth	4	1
David Livesley	6	1
Lucius Cary	2	1

All Directors attended all Board and Audit Committee meetings during their terms of office.

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 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). 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.

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 (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.

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 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 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 and annual accounts. The 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.

Audit and Control

The 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 Committee has also reviewed the non audit services provided by the external auditor, James Cowper Kreston, and on both counts 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 Committee seeks to satisfy themselves 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 Manager.

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 Committee and the Auditors have identified the most significant risks as:

- Valuation of 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. The valuations are supported by investee company audited accounts and third party evidence. 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 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 with OT4 Managers Ltd, Oxford Technology Management and the Auditors 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 the Shareholders in respect of the audit of the financial statements for the year ended 29 February 2016.

Nomination Committee

The role of the Nomination Committee is discharged by the Board. The Board considers the selection and appointment of Directors and makes recommendations to the Board as to the level of Directors' fees. New Directors are selected as part of a rigorous selection process involving interviews with the existing board, the Investment Manager and shareholder representatives.

The Board's policy is to promote diversity (including, but not limited to, gender diversity).

Performance Evaluation

In accordance with the AIC Code and guidance each year a formal performance evaluation is undertaken of the Board as a whole, its 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.

Compliance Statement

The Listing Rules require the Board to report on compliance with the UK Corporate Governance Code provisions throughout the accounting year. The preamble to the Code does, however, acknowledge that some provisions may have less relevance for investment companies. The Company has complied throughout the year with the provisions set out in the Code, except as outlined above.

James Gordon
Company Secretary
25 May 2016

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 Investment Portfolio Review and Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

David Livesley
Chairman
25 May 2016

Report of the Independent Auditor

Independent Auditor's Report to the Members of Oxford Technology 4 VCT plc

We have audited the financial statements of Oxford Technology 4 VCT plc for the year ended 29 February 2016 which comprise the income statement, the statement of changes in equity, the balance sheet, the statement of cash flows and the related notes. 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'.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 website at www.frc.org.uk/auditscopeukprivate.

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 is undertaken by the Investment Manager. 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 £154,000, 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 income statement to be £2,000.

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 Financial Reporting Standard 102 and the 2014 Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts. Measurement of the value of an unquoted investment includes significant assumptions and judgements. We therefore identified the valuation of unquoted investments as the 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 the Directors, and reviewing and challenging the basis and reasonableness of the assumptions made by the Directors in conjunction with available supporting information. The Company's accounting policy on the valuation of unquoted investments is included in Note 1 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 Note 1 and its disclosures about income are included in Note 2.

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 Note 1.

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 relevant 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 29 February 2016 and of its 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.

Other Reporting Responsibilities

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the 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 information given in the Corporate Governance Report with respect to internal control and risk management systems in relation to financial reporting processes 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:

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

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

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' Statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy; or
- the section of the Corporate Governance Report describing the work of the Audit Committee does not appropriately address matters communicated to us by the Audit Committee.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Report has not been prepared by the Company

Under the Listing Rules we are required to review:

- the Directors' Report, set out on page 21, in relation to going concern; and
- the part of the Corporate Governance Report relating to the Company's compliance with the provisions of the 2014 UK Corporate Governance Code specified for our review; and
- certain elements of the report on Directors' remuneration.

Alan Poole BA (Hons) FCA
Senior Statutory Auditor
For and on behalf of James Cowper Kreston, Oxford
Chartered Accountants
25 May 2016

Income Statement

	Note Ref.	Year Ended 29 February 2016 Revenue £'000	Capital £'000	Total £'000	Year Ended 28 February 2015 Revenue £'000	Capital £'000	Total £'000
Gain/(Loss) on disposal of fixed asset investments		-	1,049	1,049	-	(273)	(273)
Unrealised gain on valuation of fixed asset investments		-	1,355	1,355	-	118	118
Other income	2	94	-	94	8	-	8
Investment management fees	3	(19)	(58)	(77)	-	(159)	(159)
Other expenses	4	(55)	-	(55)	(46)	-	(46)
Return on ordinary activities before tax		**20**	**2,346**	**2,366**	**(38)**	**(314)**	**(352)**
Taxation on return on ordinary activities	5	-	-	-	-	-	-
Return on ordinary activities after tax		**20**	**2,346**	**2,366**	**(38)**	**(314)**	**(352)**
Return on ordinary activities after tax attributable to equity shareholders		**20**	**2,346**	**2,366**	**(38)**	**(314)**	**(352)**
Earnings per share – basic and diluted	6	0.2p	20.4p	20.6p	(0.4)p	(2.7)p	(3.1)p

There was no other Comprehensive Income recognised during the year.

The 'Total' column of the income statement and statement of comprehensive income 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 accompanying notes are an integral part of the financial statements.

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.

Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Unrealised Capital Reserve £'000	Profit & Loss Reserve £'000	Total £'000
As at 1 March 2014	1,152	813	496	5,522	7,983
Revenue return on ordinary activities after tax	-	-	-	(38)	(38)
Expenses charged to capital				(159)	(159)
Current period gains on disposal	-	-		(273)	(273)
Current period gains on fair value of investments	-	-	118	-	118
Prior years' unrealised gains/losses now realised	-	-	(359)	359	-
Balance as at 28 February 2015	**1,152**	**813**	**255**	**5,411**	**7,631**
Revenue return on ordinary activities after tax	-	-	-	20	20
Expenses charged to capital				(58)	(58)
Current period gains on disposal	-	-	-	1,049	1,049
Current period gains on fair value of investments	-	-	1,355	-	1,355
Dividends paid				(2,304)	(2,304)
Prior years' unrealised gains now realised	-	-	(654)	654	-
Movement in reserves (Note 11)	-	-	(356)	356	-
Balance as at 29 February 2016	**1,152**	**813**	**600**	**5,128**	**7,693**

The accompanying notes are an integral part of the financial statements.

Balance Sheet

	Note Ref.	Year Ended 29 February 2016 £'000	Year Ended 29 February 2016 £'000	Year Ended 28 February 2015 £'000	Year Ended 28 February 2015 £'000
Fixed Asset Investments At Fair Value	7		6,619		6,860
Current Assets					
Debtors	8	26		158	
Cash At Bank		1,111		709	
Creditors: Amounts Falling Due Within 1 Year	9	(36)		(43)	
Net Current Assets			1,101		824
Creditors: Amounts Falling Due After 1 Year	9		(27)		(53)
Net Assets			**7,693**		**7,631**
Called Up Equity Share Capital	10		1,152		1,152
Share Premium			813		813
Unrealised Capital Reserve	11		600		255
Profit and Loss Account Reserve	11		5,128		5,411
Total Equity Shareholders' Funds	11		**7,693**		**7,631**
Net Asset Value Per Share			**66.8p**		**66.2p**

The accompanying notes are an integral part of the financial statements.

The statements were approved by the Directors and authorised for issue on 25 May 2016 and are signed on their behalf by:

David Livesley
Chairman

Statement of Cash Flows

	Year Ended 29 February 2016 £'000	Year Ended 28 February 2015 £'000
Cash flows from operating activities		
Return on ordinary activities before tax	2,366	(352)
Adjustments for:		
(Gain)/loss on disposal of investments	(1,049)	273
(Gain) on valuation of investments	(1,355)	(118)
Decrease in debtors	125	309
(Decrease)/increase in creditors	(33)	43
Movement in investment debtors and creditors	-	(167)
Inflow/(Outflow) from operating activities	**54**	**(12)**
Cash flows from investing activities		
Purchase of investments	(645)	(209)
Disposal of investments	3,297	458
Dividends paid	(2,304)	-
Increase in cash at bank	**402**	**237**
Opening cash and cash equivalents	**709**	**472**
Cash and cash equivalents at year end	**1,111**	**709**

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

This is the first year in which the financial statements have been prepared under Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'). The main changes are primarily presentational and related to the fixed asset investments' fair value hierarchy, and the primary statements and associated reconciliations. The accounting policies have not materially changed from last year.

A review of any required changes to comparative figures has taken place and it has been deemed that no such restatements are necessary.

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 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 2014)' issued by the AIC.

The principal accounting policies have remained materially unchanged from those set out in the Company's 2015 Annual Report and financial statements. There have been no changes to the measurement of the assets and liabilities as a result of the transition to FRS 102. A summary of the principal accounting policies is set out below.

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
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, although this does rely on subjective estimates such as appropriate sector earnings 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.

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 or 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 multiple, revenue multiple, discounted cash flows and net assets. These are consistent with the International Private Equity and Venture Capital (IPEVC) guidelines which can be found on their website at www.privateequityvaluation.com.

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 a: 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 b: 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 holds no such investments in the current or prior year.

For investments not quoted in an active market:
Level c: 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 (eg the price of recent transactions, earnings multiple, discounted cash flows and/or net assets) where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level c (i). If one or more of the significant inputs is not based on observable market data, the instrument is included in level c (ii).

There have been transfers between these classifications in the year when Castleton Technology (AIM listed) bought Impact Applications (unquoted), (2015: 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. Expenses are charged wholly to revenue with the exception of the investment management fee which has been charged 75% to capital and 25% to revenue. (In 2015 the Investment Management fees were all charged to capital.) Any applicable performance fee will be charged 100% to capital.

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 current 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 equity share capital – represents the nominal value of shares that have been issued.

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

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 Reserve as a movement in reserves.

The Profit and Loss Reserve 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 the Shareholders.

2. Income

	Year Ended 29 February 2016 £'000	Year Ended 28 February 2015 £'000
Bank interest received	-	1
Loan note interest received	4	7
Dividends received	90	-
Total	94	8

3. Investment Management Fees

Expenses are charged wholly to revenue with the exception of the investment management fee which has been charged 75% to capital in line with industry practice. In 2015, these fees were allocated all to capital.

	Year Ended 29 February 2016 £'000	Year Ended 28 February 2015 £'000
Investment management fee	77	159
Total	77	159

In the year to 29 February 2016 the manager received a fee of 1% of the net asset value as at the previous year end (2015: 2%). Oxford Technology Management is also entitled to certain monitoring fees from investee companies and the Board monitors the amounts.

Oxford Technology Management had previously agreed to defer 25% of the 2% management fee to which it was contractually entitled (ie 0.5% of net assets) until such a time when the finances of the Company made this payment more affordable. As part of the revised agreement with effect from 1 March 2015 the Board have agreed to pay the deferred balance over a 36 month period.

A performance fee is payable to the Investment Manager once original shareholders have received a specified threshold in cash for each 100p (gross) invested. As reported in last year's accounts, the original threshold of 100p has now 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 67.7p at 29 February 2016, corresponding to a total shareholder return of 104.7p after taking into account the 37p already paid out (37p + 67.7p = 104.7p). After this amount has been distributed to shareholders, each extra 100p distributed goes 80p to the shareholder 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 2016 £'000	Year Ended 28 February 2015 £'000
Directors' remuneration	17	10
Auditors' remuneration	6	7
Legal and professional expenses	16	10
Accounting and administration services	5	4
Other expenses	11	15
Total	55	46

5. Tax on Ordinary Activities

Corporation tax payable at 20% (2015: 21%) is applied to profits chargeable to corporation tax, if any. The corporation tax charge for the period was £nil (2015: £nil)

	Year Ended 29 February 2016 £'000	Year Ended 28 February 2015 £'000
Return on ordinary activities before tax	2,366	(352)
Current tax at standard rate of taxation	473	(74)
Unrecognised tax losses	(473)	74
Total current tax charge	-	-

Unrelieved management expenses of £1,891,985 (2015: £1,760,814) 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 profit of £2,366,000 (2015: loss of £352,000) attributable to shareholders divided by the weighted average number of shares 11,516,946 (2015: 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 a £'000	Unquoted investments Level c(ii) £'000	Total investments £'000
Valuation and net book amount:			
Book cost as at 28 February 2015	42	6,919	6,961
Cumulative revaluation	58	(159)	(101)
Valuation at 28 February 2015	100	6,760	6,860
Movement in the year:			
Purchases at cost	-	645	645
Disposals - costs	(17)	(1,569)	(1,586)
Disposals - revaluation	(21)	(633)	(654)
Transfer re Impact sale to Castleton	423	(423)	-
Revaluation in year	1,374	(19)	1,355
Valuation at 29 February 2016	**1,859**	**4,760**	**6,619**
Book cost at 29 February 2016	225	5,794	6,019
Cumulative revaluation to 29 February 2016	1,634	(1,034)	600
Valuation at 29 February 2016	**1,859**	**4,760**	**6,619**

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 2016 are as follows:

	Country of Registration	Nature of Business	Turnover	Retained profit/loss	Net Assets
OT4 Managers Ltd	England and Wales	Investment Manager	£50,871	£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 VCT plc, which the Directors also consider is the most useful presentation for Shareholders.

8. Debtors

	29 February 2016 £'000	28 February 2015 £'000
Prepayments, accrued income & other debtors	2	2
Deferred consideration from sale of investments	24	156
Total	**26**	**158**

9. Creditors – amounts falling due in less than 1 year

	29 February 2016 £'000	28 February 2015 £'000
Other creditors	9	16
Investment management fee accrual	27	27
Total	**36**	**43**

Creditors – amounts falling due in more than 1 year

	29 February 2016 £'000	28 February 2015 £'000
Investment management fee accrual	27	53
Total	**27**	**53**

The Investment Manager has previously deferred 25% of fees, as detailed in Note 3. These are now being paid between March 2015 and February 2018.

10. Share Capital

	29 February 2016 £'000	28 February 2015 £'000
Authorised: 15,000,000 ordinary shares of 10p each	1,500	1,500
Total Authorised	1,500	1,500
Allotted, called up and fully paid: 11,516,946 (2015: 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 Reserve as a movement in reserves.

The transfer between the unrealised capital reserve and the profit and loss reserve is the result of the correction of historic misclassifications between the two reserves. The historic misclassifications are immaterial as they had no impact on reported returns or net assets and had no bearing on any distributions.

Distributable reserves are £5,128,000 as at 29 February 2016.

Reconciliation of Movement in Shareholders' Funds

	29 February 2016 £'000	28 February 2015 £'000
Shareholders' funds at start of year	7,631	7,983
Return on ordinary activities after tax	2,366	(352)
Dividends paid	(2,304)	-
Shareholders' funds at end of year	7,693	7,631

The company paid a dividend of 10p per ordinary share on 7 August 2015 and a further dividend of 10p per share on 19 February 2016.

12. Financial Instruments and Risk Management

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 quoted and 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. The overall disposition of the Company's assets is regularly monitored by the Board.

13. Capital Commitments

The company had no commitments at 29 February 2016 or 28 February 2015.

14. 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, £50,871 was paid in respect of these fees. No amounts were outstanding at the year end.

15. Events after the Balance Sheet Date

Naked Objects has been sold at the book value of £10,000 – March 2016.

An additional investment of £98,000 has been made into ImmBio – March 2016.

An additional investment of £200,000 has also been made into Plasma Antennas – April 2016.

Oxford Technology 4 Venture Capital Trust
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 11am on Friday 8 July 2016 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 2016 be approved.

2. That the Directors' Remuneration Report be approved.

3. 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.

4. That Mr Alex Starling 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.

5. That James Cowper Kreston, Chartered Accountants, be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.

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"), that the Directors generally and unconditionally be 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 £1,500,000 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.

Special Resolutions

8. 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 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 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).

9. Subject to the passing of the resolution 7 and in accordance with section 570 of the 2006 Act, that 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 9, as if section 561(1) of the 2006 Act did not apply to any such allotment.

By Order of the Board
James Gordon
25 May 2016
Company Secretary

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 Registars, Neville House, 18 Laurel Lane, Halesowen B63 3DA,** at least 48 hours before the meeting. A proxy card for use by members is enclosed. Completion of this proxy card will not prevent a member from attending the meeting and voting in person.

2. Resolutions 1 to 7 will be proposed as ordinary resolutions. Resolutions 8 to 9 will be proposed as special resolutions.

Shareholder Information

Financial Calendar

The Company's financial calendar is as follows:

8 July 2016	- Annual General Meeting
November 2016	- Half-yearly results to 31 August 2016 published
June 2017	- Annual results for year to 28 February 2017 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.

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.oxfordtechnology.com.

Company Information – Directors and Advisers

Board of Directors
David Livesley (Chairman)
Alex Starling
Robin Goodfellow
Richard Roth

Company Number
5038854

Company Secretary
James Gordon
Gordons Partnership LLP
22 Great James Street
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OT4 Managers Ltd
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Accountants
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Independent Auditor
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