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Oxford Technology 4
Venture Capital Trust plc

Financial Statements

For the year ended 28 February 2013

Contents

Financial highlights

	Year ended 28 February 2013	Year ended 29 February 2012
Net assets at year end	**£8.0m**	**£10.3m**
Net asset value per share at year end	**70p**	**90p**
Cumulative Dividend (gross) from incorporation	**17p**	**3p**
(Loss)/Earnings per share (basic & diluted)	**(6.2)p**	**17p**
Share price at year end	**47.5p**	**44p**

Statement on behalf of the Board

The net assets per share as at 28 February 2013 were 70p compared to 90p at 29 February 2012. Most of this fall is explained by the payment of a dividend of 14p per share which was paid in April 2012 following the sale of Mecina. The earnings per share for the year to 28 February 2013 showed a loss of 6 2p compared to a profit of 17p for the year to 29 February 2012

Some of the companies in the OT4 portfolio are making good progress and several continue to have the potential to deliver very good returns to shareholders Others are having problems of one sort or another Further details are given on page 5

Investment Policy & Fundraising

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

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

Results for the year

The loss for the year was £708,000 (2012 profit of £1,986,000) and earnings per share for the year showed a loss of 6.2p (2012 profit of 17p). Interest on bank deposits and investee loans produced gross income of £40,000 (2012 £4,000) in the year The graph on page 15 shows the historical Net Current Assets and other investments per share Together, these two figures make up the total Net Asset Value per share

AGM

Shareholders should note that the AGM for Oxford Technology 4 VCT (OT4) will be held on Wednesday 3 July 2013, at the Magdalen Centre, Oxford Science Park, starting at 12.00 noon and will include presentations by some of the companies in which the Oxford Technology VCTs have invested

A formal Notice of AGM has been included at the back of these Accounts together with a Form of Proxy for those not attending.

David Livesley
Chairman
20 May 2013

D J Livesley

Oxford Technology 4 Venture Capital Trust PLC

Table of investments held by company at 28 February 2013

Company	Description	Date of initial investment	Net cost of investment £'000	Carrying value at 28/02/13 £'000	Change in value for the year £'000	% equity held by OTVCT
Glide Pharma	Needle-free injector	Feb 05	975	1,439	306	5 8
MirriAd	Product placement	Feb 07	731	553	203	3 2
Impact Applications	Mobile software for contractors	Oct 05	561	810	165	49 2
DHS	Diamond coatings	Jan 05	522	225	(480)	49 5
Insense	Wound healing	Apr 05	475	97	(21)	5 1
Historic Futures	Traceability software	Aug 05	420	172	(303)	6 2
ImmunoBiology	Novel vaccines	Oct 05	375	150	(415)	3 9
Plasma Antennas	Directional antennas	Mar 05	348	477	75	23 6
Novacta Holdings	Bioengineering	Apr 05	347	127	(127)	2 4
Oxis Energy	Rechargeable batteries	Nov 05	305	151	20	1 0
Arecor	Protein stabilisation	Jul 07	291	445	100	6 7
OxTox	Rapid drug testing	Dec 06	262	254	(64)	9 0
Select Technology	Photocopier interfaces	Aug 06	237	349	122	18 4
Telegesis	Zigbee technology	Dec 05	231	721	338	13 5
Imagineer Systems	Broadcast software	Jun 06	205	445	192	13 2
Naked Objects	Business software	Mar 06	200	11	(14)	22 2
Dynamic Extractions	Separation technology	Aug 05	176	113	-	27 6
Inscentinel	Vapour detection	Feb 05	172	106	-	22 3
Orthogem	Bone graft material	May 07	105	6	(7)	5 1
Pharma Engineering	Tablet deblistering	Feb 07	64	572	(187)	46 2
Biosyntha	Microbial technology	Feb 12	55	65	65	
Metal Nanopowders	Metal nanopowders	Aug 06	52	19	-	16 7
Polytherics	Protein based drugs	Jan 12	23	20	3	0 3
Blue Water Bio	Water technologies	Apr 05	21	25	(25)	14 5
Superhard Materials	Superhard materials	Feb 12	9	9	-	18 2
Dynamic Discovery	E-mail archiving	Aug 11	-	5	-	5 6
Totals			**7,162**	**7,366**	**(54)**	
Other Net Assets				**663**		
NET ASSETS				**8,029**		

Number of shares in issue 11,516,946
Net Asset Value per share at 28 February 2013 70p
This table shows the current portfolio holdings

Review of Investment Portfolio

OT4 owns 5 8% of **Glide Pharma,** which is developing a novel technology for injecting drugs in a solid dosage form without the need for a needle The Company has demonstrated in the clinic that volunteers prefer an injection with the Glide SDI (solid dose injector) to a standard needle and syringe The technology offers additional benefits over needle and syringe such as improved stability of the drug in a solid form and ease of use for patients in a home environment

In February 2013 Glide secured an investment of approx £14 million, led by Invesco Perpetual This will enable the Company to scale up the manufacturing processes for both the novel dosages and the injector so that the first Glide products can be commercialised Glide is currently working on several 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 In addition, the vaccine in liquid form only has a shelf life of c18-24 months before it has to be remanufactured With the Glide SDI, the population may be vaccinated more easily and in solid format the vaccine should have a longer shelf life

3 Epinephrine (also known as adrenaline) is prescribed to patients who suffer severe allergies In case of emergencies patients need to have an 'EpiPen' immediately available at all times However, the epinephrine is in a liquid form and has a relatively short shelf life plus current injectors are threatening and not pleasant to use A Glide epinephrine product should be easier to use and should also provide a longer shelf life for the product

In parallel to progressing its own product pipeline Glide will be looking to attract new pharmaceutical companies who want to develop proprietary drugs and vaccines in the Glide SDI

In summary, Glide has made good progress in the last year

OT4 owns 5 1% of **Insense** which has developed a range of two-part active wound-healing dressings; the two parts combine at the wound surface to produce a low flux of iodine, which keeps the wound clean, and oxygen, which stimulates the natural wound-healing processes. The NHS currently purchases c £14,000 per month of these dressings At the time of writing, Insense is seeking a commercial partner with whom to exploit the commercial potential

OT4 owns 18 4% of **Select Technology Ltd.** Select Technology specialises in software which makes modern photocopiers perform better for their users Photocopiers are now known as MFDs - Multi Functional Devices - since as well as copying they are online and can scan, fax, and email documents as well as copy, and can also interface with complex paper management and cost-reduction systems.

As with computers 30 years ago, what makes a company choose one MFD in preference to another is not the hardware, but the software Select's software acts as a bridge between the internal operating system which controls the MFD and the many different software programs, usually written by external companies which users wish to run on their MFDs Select's software enables users to access this software with a single sign-on, provides a uniform 'look and feel' (making it much easier for office staff to use with minimal training) and also enables dealers to customize the screens to the users' particular requirements

Select has also become the UK and now main European distributor for Papercut, a document management system used on MFDs whose sales and market share has been growing strongly in recent years

It has taken an agonisingly long time, but Select's financial performance has been improving

Year to July	Sales £000	Gross Profit	Net Profit
2010	249	122	-124
2011	541	210	-63
2012	1,596	623	233

OT4 owns 13 5% of **Telegesis** which supplies Zigbee modules ZigBee, like Bluetooth, is a communications protocol and is for transmitting low volumes of data with very low energy consumption over distances of up to 1km Crucially each ZigBee chip can communicate with up to 64,000 other ZigBee devices, and the chips automatically form themselves into a mesh network, ideal for communicating with multiple devices in the home or, for example, controlling multiple light fittings in commercial buildings If one node goes down another route is established automatically While many companies are involved with ZigBee, it is believed that Telegesis is the only company in the world which does nothing else apart from ZigBee This has meant that Telegesis is rightly perceived as expert in this field and this has brought benefits as large companies have chosen to work with Telegesis rather than with others to develop their ZigBee applications

Telegesis continues to make steady progress and is now profitable, and generating cash There are many customers who have indicated that they will be placing very much larger orders in future, so that a major increase in sales may occur at some point, but so far growth has been steady

Year to March	Sales £000	Gross Profit	Net Profit
2010	899	542	2
2011	2,098	1,136	319
2012	2,441	1,196	336

Sales growth has continued and sales are likely to be around £4m in the year to March 2013 Sales are divided between many applications with smart meters, solar panels and intelligent lighting being major application areas Approximately 80% of sales are exports

OT4 owns 22 3% of **Inscentinel**, which uses the exquisitely sensitive olfactory sense of bees to detect trace vapours Sniffer dogs are widely used, can cost more than £40,000 and take 3-6 months to train Inscentinel believes that bees, which cost 10p, and take 20 minutes to train, after which they have a Pavlovian Proboscis Extension Reflex (PER) in the presence of the odour to which they have been trained, have the same olfactory ability as dogs Thus far, Inscentinel has survived on a succession of grants and development contracts and with some investment from OT4 and other shareholders But its technology has not so far been used in any commercial application

In Spring 2012 Inscentinel concluded a deal with a global company to develop a particular application, which, if successful would then be deployed in many countries. The application is secret, but developing the science associated with each application is not trivial For example, if the application were to detect lung cancer from human breath, one would first need to identify a particular odour (or maybe a mixture of two odours in a particular ratio) which was present in the large cocktail of odours present in breath and which is associated with lung cancer and not with anything else The bees would then be conditioned to respond to that odour.

However, after nine months of work, funded by the large company, the results are variable Sometimes the bees respond well, but sometimes they do not The project has not gone as well as hoped and at the time of writing, the global company is conducting a review and may decide not to continue While Inscentinel has other programmes running, some of which are security related, secret, and funded by grants, the fact remains that Inscentinel's technology is still not being used in a real application If this continues, it will become difficult to justify further investment in the company

OT4 invested in **Diamond Hard Surfaces** when the company was formed in January 2005, and currently owns 49.5% of the equity. During the year, the existing shareholders of DHS, including OT4 purchased the shares of a corporate investor which changed its corporate policy about owning minority stakes in technology companies. To be conservative, DHS has been valued at the price at which these shares were purchased.

Having developed its process which creates a thick coating of amorphous diamond on a surface, which is both extremely hard and tough and also very low friction, DHS established a commercial plant near Oxford in 2009. DHS believes that its coating is superior to other DLCs (Diamond Like Coatings), which is why the company currently has contracts with about 27 companies, including the world's two largest companies, Apple and ExxonMobil. DHS has 12 separate development programmes running with another large US company.

Although it took much longer than originally anticipated for these large companies to complete their testing programmes, during the last six months DHS has begun to supply parts to companies which will be used in earnest in production applications.

Among the production parts now being supplied regularly are the following.

1. Sensors for use down oil wells
   The DHS coating significantly prolongs the life of these delicate sensors which are used in the hot and harsh conditions down oil wells.
2. Mechanical seals
   DHS coats the rings which rotate at high speed with a minute lubricated gap between the two rings. If the lubrication fails, the rings, if uncoated, fail catastrophically in about 30 seconds, and a gas pipeline may then need to shut down for many hours or days to repair. If coated they survive for up to 30 minutes, which gives time for an orderly shutdown and repair.
3. Cutting heads for drill bits
4. Large ball valves for use in oil and gas applications

Among the applications still being explored are the following.

1. A large company is experimenting with the DHS coating on mobile phones for its toughness and beauty.
2. As well as being very hard, the DHS coating is also a good conductor of heat but an electrical insulator. It is also applied at a low deposition temperature. This means that there is a potential application to apply the coating to electronic circuit boards in order to remove heat from particular chips or other components.

In summary, Diamond Hard Surfaces has been making steady progress.

OT4 owns 3.2% of **MirriAd Ltd**, a company which enables broadcasters to include 'virtual' product placements within their programmes. For example the company's software enables a branded product, e.g. a can of Coca Cola, to be inserted into an episode of a soap opera, or into an amateur YouTube video, enabling the owners of video to earn revenue from advertisers. As more and more people use technology which enables them to skip ads, so it will become more important for advertisers to communicate by using product placement. Mirriad enables video owners to charge per showing and to insert brands after the video has been made.

In March 2013 MirriAd completed a £3.64 million fundraising, with £3 million invested by Asia Today Limited, a vehicle controlled by Subhash Chandra. Chandra's Zee Group is one of the largest broadcasters in India, with media operations around the globe. Alongside the investment, there is an agreement for Zee to use MirriAd for product placement on an exclusive basis in the Indian market.

MirriAd continues to work with a range of broadcasters in Europe and worldwide to insert brands in video content as a new advertising revenue stream Progress has been slower than hoped, but revenues have grown quarter by quarter The company has also agreed heads of terms with a large music company to embed brands in music videos

OT4 owns 49 2% of **Impact Applications** The company supplies software for managing the tradesmen who repair and maintain large numbers of houses, either for local authorities or housing associations

During the last two years Impact has won business with both Housing Associations and Contractors, where an HA contracts a third party to repair and maintain its housing stock Contractors see Impact as critical to their competitiveness in a very competitive market and provide on-going revenue as they win new business and so expand their use of Impact.

Sales have increased from £577k in the year to August 2010 to £1,372k in the year to August 2012, with a net profit of £159k The company moved to new premises to accommodate extra staff, and is building its product portfolio to capitalise on its success in the sector In summary, Impact is making steady if not spectacular progress

OT4 owns 8% of **Historic Futures** which has designed and developed 'String', a secure, online platform for business networks to manage and share product and process information, from raw material to finished product In theory, String can provide full traceability to retailers, enabling them to know, for example, that the suppliers involved in making any given product did not use child labour String is designed to work for any product and for all the elements that go to make up the final product, back to source

Brands and retailers clearly must ensure the quality of the products they sell, and can suffer when faults in the supply chain are found – as exemplified by the recent horsemeat-sold-as-beef scandal. But although the major brands and retailers would like this assurance, the cost of obtaining the information is relatively high - largely due to the significant change programme required - and they are reluctant to pay for it So although HF has delivered successful pilot projects with with several major retailers including Walmart, Tesco, Gap and Levi's, and conducted a significant trial with Marks and Spencer to provide full 'raw material to store' traceability on every item of clothing and home product the retailer sells, HF has not yet achieved major take-up of String

In October 2012 HF signed a partnership deal with the Forest Stewardship Council™ (FSC) to migrate their traceability mechanisms to an online platform, in order to ensure the highest level of integrity throughout the their community of over 20,000 certificate holders Since FSC certificate holders already record the information required to support traceability, and the FSC is in a position to mandate the use of String as part of their standard, it is expected that this will produce a large community of active String users more quickly than the retailer-led approach This is the largest project HF has ever undertaken and, crucially, HF's income from the project is not directly tied to user adoption The project is on track and has just successfully passed the first major milestone

Meanwhile, HF continues to work with brands and retailers to identify the most compelling business cases and to improve the String platform to reduce the costs of acquiring the required supply-chain data

Board of Directors

David Livesley, age 52, Chairman

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

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

Lucius Cary OBE, age 66, Director

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

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

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

Conflicts of Interest

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

Report of the Directors

The directors present their report together with financial statements for the year ended 28 February 2013

Principal activity

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

Business review

There was a loss for the period after taxation amounting to £708,000 (2012. profit of £1,986,000) The profit and loss account comprises income of £40,000 (2012 £4,000) less unrealised loss on fair value of investments of £557,000 (2012: loss of £106,000), plus gains on disposal of investments held at fair value £59,000 (2012 gain of £2,297,000) less management and other expenses of £250,000 (2012· £209,000).

Directors

The present membership of the board, and their beneficial interests in the ordinary shares of the company at 28 February 2013 and at 29 February 2012, are set out below

Name	2013	2012
D Livesley	3,499	3,499
J L A Cary	55,661	55,661

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

Corporate governance

The company has complied throughout the period with the provisions in Section 1 of the Combined Code on Corporate Governance (the "Code"), except that the Board as a whole performs the functions of both the Audit Committee (Code B 2 1) and the Nomination Committee (Code A 3 3) The Directors do not have formalised service contracts with the company, whereas the recommendation is for fixed term renewable contracts

The Board confirms that procedures to implement the Turnbull guidance were in place throughout the year ended 28 February 2013 The Board acknowledges that it is responsible for the Company's system of internal control and for reviewing its effectiveness Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss The Board will now consist of two non-executive directors JLA Cary represents the Investment Manager and David Livesley is the independent Chairman The Board has put in place corporate governance arrangements which it believes are appropriate to a Venture Capital Trust and which will enable the company to operate within the spirit of the Code

The Board meets regularly, at least four times a year and between these meetings maintains contact with the Investment Manager The Investment Manager prepares a written report on the performance of the fund in advance of Board meetings and this is circulated to all members of the Board In addition, the directors are free to seek any further information they consider necessary All directors have access to the Company Secretary and independent professionals at the Company's expense The Code states that the Board should have a formal schedule of matters specifically reserved to it for decision, to ensure that the direction and control of the company is firmly in its hands This is achieved by a management agreement between the company and its Investment Manager which sets out the matters over which the Investment Manager has authority and the limits above which Board approval must be sought All other matters are reserved for the approval of the Board The Board ensures the independence and objectivity of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the company, seeking to balance objectivity and value for money None of the directors has a service contract with the company The Articles of Association require that one third of the directors (or the number nearest one third) on a rotation basis will be subject to re-election procedures at subsequent Annual General Meetings

Key Performance Indicators

The Board has a number of performance measures to assess the company's success in meeting its objectives Performance, measured by the change in NAV and total return per share, is also measured against the FTSE All-Share index This is shown in the graph on page 15 of the Directors' Remuneration Report This index has been adopted as an informal benchmark

Financial Risk Management Objectives and Policies

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

Financial risk - The company is exposed to market price risks, credit risk, liquidity risk, fair value and cash flow interest rate risks All of the company's income and expenditure is denominated in sterling and hence the company has no foreign currency risk The company does not use derivative financial instruments

Regulatory risk - The Company is required to comply with the Companies Act, the rules of the UK Listing Authority and United Kingdom Accounting Standards

Internal control

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

Day to day operations are delegated under agreements with the Investment Manager who has established clearly defined policies and standards These include procedures for the monitoring and safeguarding of the company's investments and regular reconciliation of investment holdings. This system of internal control, which includes procedures such as physical controls, segregation of duties, authorisation limits and comprehensive financial reporting to the Board, is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has considered the need for an internal audit function but has decided that the size of the company does not justify it at present. However, it will keep the decision under annual review. The Board has reviewed, with its Investment Manager, the operation and effectiveness of the company's system of internal control for the financial period and the period up to the date of approval of the financial statements

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

Statement as to Disclosure of Information to Auditors

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

Relations with shareholders

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

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future For this reason they have adopted the going concern basis in preparing the financial statements

Substantial shareholders

At 29 February 2012, the company has been notified of one investor whose interest exceeds three percent of the company's issued share capital – Oxfordshire County Council Pension Fund (8 9%) The company has several investors, all individuals, who with their families have invested £100,000 or more in the shares of the company The Directors shareholdings are listed above

Policy for Payment of Creditors

The company's policy is to pay creditors within the normal terms of the invoice, which usually means immediately

Auditors

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

On behalf of the Board
JLA Cary
Director
20 May 2013

Directors' responsibilities for the financial statements

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

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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the entity and to enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Services Authority

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

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions

Directors' remuneration report

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

Directors' fees and the company's policy on such fees

The Board consists solely of two non-executive directors JLA Cary represents the Investment Manager and David Livesley is the independent chairman Since the company is a Venture Capital Trust with no executive directors, there are certain relaxations of the Code permitted to the company under the Listing Rules of the Financial Services Authority Accordingly, there is no separate remuneration committee and the Board performs collectively the duties of the committee The Board's policy is that the remuneration of non-executive Directors should be sufficient to reflect the duties and responsibilities of the Directors and the amount of time committed to the company's affairs The Articles of Association of the company state that no Director can be paid more than £50,000 without an ordinary resolution of the shareholders
The company's investment manager is Oxford Technology Management Ltd, a company of which JLA Cary is a director and the controlling shareholder The Investment Management fee is laid out in the prospectuses dated 28 May 2004 and 2 February 2006 and the fee payments for the years ended 28 February 2013 and 29 February 2012 are laid out in note 2 to the financial statements

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

Directors' rights of tenure

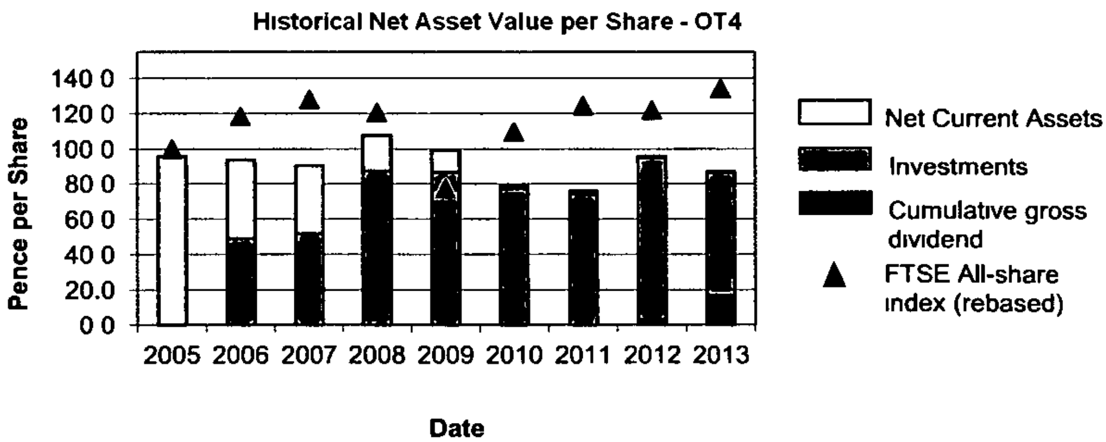
No director has a service contract with the company At each AGM one of the directors is obliged to retire and offer themselves for re-election by shareholders At the AGM for the current year, Lucius Cary will retire and offer himself for re-election There is no notice period and no provision for compensation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

Company's performance compared to a suitable index

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

The graph below compares the performance of the company with the performance of the FTSE All-Share index over the period from 28 February 2005 to 28 February 2013 It shows the change over the period in the total return to ordinary shareholders (assuming all dividends are reinvested) compared to the change over the period in total shareholder return on a notional investment of the same composition as the FTSE All-Share Index

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



Directors' emoluments for the year

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

The Directors' fees for the year were £10,000 (2012 £10,000)

	2013 £000	2012 £000
David Livesley (Chairman)	7 5	7 5
JLA Cary	2 5	2 5
	10	10

The directors are not eligible for pension benefits, share options or other benefits

D J Livesley

On behalf of the Board
David Livesley
Chairman
20 May 2013

Report of the independent auditors

We have audited the financial statements of Oxford Technology 4 Venture Capital Trust Plc for the year ended 28 February 2013 which comprise the profit and loss statement, balance sheet, cash flow statement, accounting policies and related notes We have also audited the information set out in the Directors' Remuneration Report that is described as having been audited The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of Directors and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 28 February 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion.

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

Matters on which we are required to report by exception

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

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

Under the listing rules we are required to review

- the information given in the Report of the Directors in relation to going concern, and
- the part of the Corporate Governance statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review

James Cowper LLP

Mr Alan Poole BA(Hons) FCA
Senior Statutory Auditor
For and on behalf of
James Cowper LLP
Chartered Accountants and Statutory Auditors
Oxford
20 May 2013

Principal accounting policies

Basis of Preparation

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

Investments

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

Valuation of Investments

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

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

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

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

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

Income

Income represents realised gains on the disposal of investments along with interest receivable on cash deposits Dividends receivable on unquoted equity shares are brought into account when the company's right to receive payment is established and there is no reasonable doubt that payment will be received Dividends receivable on quoted equity shares are brought into account on the ex-dividend date

Fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares, provided there is no reasonable doubt that payment will be received in due course Interest receivable from cash and short term deposits are accrued to the end of the year

Expenses

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

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

Deferred Tax

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the company meets (and intends to continue for the forseeable future to meet) the conditions for approval as a Venture Capital Trust The HMRC has approved the company as a Venture Capital Trust for the purpose of Section 247 of the Income and Corporation Taxes Act 2007 The approval was given in the financial period ended 28 February 2011 and the company has subsequently directed its affairs so as to enable it to continue to be so approved

Earnings per Share

The calculation of earnings per share for the period is based on the profit attributable to shareholders divided by the weighted average number of shares in issue during the period.

Profit and loss account for the year ended 28 February 2013

	Note	Year ended 28 February 2013 £'000	Year ended 29 February 2012 £'000
Gain on disposal of investments held at fair value	1	59	2,297
Unrealised (loss) on fair value of investments	7,11	(557)	(106)
Other income	1	40	4
Investment management fees	2	(207)	(168)
Other expenses	3	(43)	(41)
(Loss)/profit on ordinary activities before tax	4	(708)	1,986
Taxation on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit on ordinary activities after tax		(708)	1,986
(Loss)/earnings per share (basic and diluted)	6	(6 2)p	17p

Historic cost profits and losses note

	2013 £000	2012 £000
(Loss)/profit for the year	(708)	1,986
Unrealised loss on fair value of investments	557	106
Profit on disposal of investments held at fair value	(59)	(2,297)
Profit on disposal of investments held at historical value	59	1,669
Historical cost (loss)/profit before tax	(151)	1,464
Historical cost (loss)/profit after tax	(151)	1,464

Balance sheet at 28 February 2013

		28 February 2013		29 February 2012	
	Note	£000	£000	£000	£000
Fixed assets					
Investments at fair value	7		7,366		7,420
Current assets					
Other debtors & prepayments	8	274		2,592	
Cash at bank		406		352	
		680		2,944	
Creditors: amounts falling due within one year	9	(17)		(15)	
Net current assets			663		2,929
Net assets			8,029		10,349
Capital and reserves					
Called up share capital	10		1,152		1,152
Share premium	11		813		813
Profit and loss account	11		5,503		7,266
Unrealised capital reserve	11		561		1,118
Shareholders' funds	12		8,029		10,349
Net asset value per share			70p		90p

These financial statements were approved by the directors on 28 May 2013

JLA Cary - Director

20 May 2013

JLA Cary
12/06/2013

Cash flow statement
for the period ended 28 February 2013

	Note	2013 £000	2012 £000
Net cash inflow/(outflow) from operating activities	13	2,169	(211)
Capital expenditure and financial investment			
Purchase of investments		(529)	(210)
Disposal of investments		26	602
Net cash (outflow)/inflow from capital expenditure and financial investment		(503)	392
Net cash inflow before financing		1,666	181
Financing			
Issue of shares		-	297
Expenses paid in connection with share issue		-	(15)
Net cash inflow from financing		-	282
Dividends paid		(1,612)	(346)
Increase in cash		54	117

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

Notes to the financial statements
for the year ended 28 February 2013

1 Income

	2013	2012
	£000	£000
Interest receivable	40	4
Profit on disposal of investments	59	2,297
	99	2,301

2 Investment Management Fees

	2013	2012
	£000	£000
Investment management fee (see below)	207	168
	207	168

Related Party disclosure - JLA Cary is a director of Oxford Technology Management Ltd and of Oxford Technology 4 Venture Capital Trust Plc OTM is the Investment Manager to the company During the year OTM charged management fees of £207,000 There were no employees during the year except for the directors

3 Other Expenses

	2013	2012
	£000	£000
Directors' remuneration (see report on page 13)	10	10
Auditors' remuneration audit services	5	5
Other expenses	28	26
	43	41

4 Operating Loss

		2013	2012
		£000	£000
The operating loss is stated after charging			
Auditors' remuneration - audit services		5	5
Directors'remuneration	10	10	
		15	15

5 Tax

No liability to UK corporation tax arose during the year

	£000	£000
UK Corporation tax	-	-

The tax charge for the year is different to the small profits rate of corporation taxation in the UK of 20 0% (2012 20 0%) The differences are explained below

	£000	£000
(Loss)/profit on ordinary activities before taxation	(708)	1,986
At standard rate of taxation	(142)	397
Costs/(income) not chargeable to corporation tax	142	(397)
Current tax credit for year	–	–

Unrelieved management expenses of £1,379,467 (2012 £1,169,454) remain available for offset against future taxable profits

6 Earnings Per Share

The calculation of earnings per share (basic and diluted) is based on the loss for the financial period of £708,000 (2012 loss of £1,986,000) divided by the weighted average number of shares of 11,516,946 (2012 11,450,498) in issue during the year There are no potentially dilutive capital instruments in issue and therefore no diluted return per share figures are relevant The basic and diluted earnings per share are therefore identical

7 Investments

Cost	**2013 £000**	**2012 £000**
As at 1 March 2012	6,658	7,980
Purchases at cost	530	222
Redeemed / disposed during the year	(26)	(1,544)
As at 28 February 2013	7,162	6,658

Revaluation

As at 1 March 2012	762	240
Revaluation movement	(558)	522
	204	762

Net book value

As at 1 March 2012	7,420	8,220
As at 28 February 2013	7,366	7,420

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

Company Name	Class of shares held	% of voting rights held by company	% of voting rights held by other OT Funds	Capital and Reserves £000	Retained profit/(loss) for year £000
Diamond Hard Surfaces[1]	Ords	49 5	-	123	36
Dynamic Extractions[5]	Ords	27 6	-	200	5
Impact Applications[2]	Ords	49 2	-	584	151
Inscentinel[3]	Ords	22 3	27 6	1	(32)
Naked Objects[4]	Ords	22 2	-	63	19
Pharma Engineering[1]	Ords	46 2	-	311	142
Plasma Antennas[6]	Ords & Pref	23 6	10 7	(379)	(115)

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

Most recent published accounts:

1. For the year ended 31 December 2011
2. For the year ended 31 August 2012
3. For the year ended 31 May 2012
4. For the year ended 31 December 2011
5. For the year ended 31 March 2012
6. For the year ended 31 March 2011

8 Debtors

	2013	2012
	£000	£000
Prepayments and accrued income	16	2,255
Deferred consideration from sale of investments	258	337
	274	2,592

9 Creditors: Amounts Falling Due Within One Year

	£000	£000
Other creditors	17	15

10 Share Capital

	£000	£000
Authorised		
15,000,000 ordinary shares of 10p each	1,500	1,500
Allotted, called up and fully paid		
11,516,946 (2012 11,516,946) ordinary shares of 10p each	1,152	1,152

11 Reserves

	Share Premium Account £000	Unrealised Capital reserve £000	Profit and Loss Account £000
At 1 March 2012	813	1,118	7,266
(Loss) for the period			(708)
Unrealised (losses)/gains		(557)	557
Dividends			(1,612)
As at 28 February 2013	813	561	5,503

12 Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Result for the period	(708)	1,986
Issue of share capital	-	297
Cost of share issue	-	(15)
Dividends paid	(1,612)	(346)
Net (decrease)/increase in shareholders' funds	(2,320)	1,922
Shareholders' funds at beginning of year	10,349	8,427
Shareholders' funds at end of year	8,029	10,349

13 Reconciliation of net (loss)/profit before taxation to net cash outflow from operating activities

	2013 £000	2012 £000
Net (loss)/revenue before taxation	(708)	1,986
Unrealised loss on investments	557	106
Realised (gain) on investments	(59)	(2,297)
Increase/(decrease) in creditors	3	(59)
Decrease/(increase) in debtors	2,318	(2,546)
Movement in investment debtors and creditors	57	2,599
Net cash inflow/(outflow) from operating activities for the year	2,169	(211)

14 Financial Instruments

Other than its investments in unquoted companies, the company has cash and a small amount of debtors and creditors through which it finances its activities The risk faced by these instruments, such as interest rate risk or liquidity risk is considered to be minimal due to their nature All of these are carried in the accounts at face value There is no difference between these values and the fair values of the financial instruments

15 Capital Commitments

The company had no commitments at 28 February 2013 or 29 February 2012

16 Contingent Liabilities

The company had no contingent liabilities at 28 February 2013 or 29 February 2012

17 Post Balance Sheet Events

There have been no post balance sheet events

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Oxford Technology 4 Venture Capital Trust plc will be held at the Magdalen Centre, Oxford Science Park, Oxford OX4 4GA at 12 00 noon on Wednesday 3rd July 2013 for the following purposes

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

(1) That the report and accounts for the period to 28 February 2013 be approved

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

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

(4) That the Directors' remuneration report be approved

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

- (a) the maximum number of Shares hereby authorised to be purchased is 500,000 (representing approximately 4 5 per cent of the issued number of Shares),
- (b) the minimum price which may be paid for a Share is 10 pence (which amount shall be exclusive of expenses), and
- (c) the maximum price which may be paid for a Share is 110% of the latest published NAV per share (exclusive of expenses)

This authority shall expire at the Company's annual general meeting in 2014 Pursuant to s701(6) of the Act, the Company may make contracts for the purchase of Shares which would or might be executed wholly or partly after the expiry of the time limit referred to above

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

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

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

By Order of the Board
James Gordon

Notes

(1) A member who is entitled to vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf Such a proxy need not also be a member of the Company To be valid, a proxy card must be lodged with the Company's Registrar, Capita Registrars plc, c/o Oxford Technology 4 VCT plc, Magdalen Centre, Oxford Science Park, Oxford OX4 4GA at least 48 hours before the meeting A proxy card for use by members is attached Completion of this proxy card will not prevent a member from attending the meeting and voting in person

(2) No director has a contract of service with the Company

(3) Resolutions 1,2,3,4,6 & 7 will be proposed as ordinary resolutions Resolutions 5 & 8 will be proposed as special resolutions

Oxford Technology 4 Venture Capital Trust PLC

Form of Proxy
for the Annual General Meeting convened
for 12.00 noon on Wednesday 3 July 2013

I/We .

(BLOCK LETTERS)

of

being a member of Oxford Technology 4 Venture Capital Trust plc ("the Company") hereby appoint the Chairman of the meeting or (note 2) . as my proxy to vote for me/us on my/our behalf at the annual general meeting of the Company to be held on Wednesday 3 July 2013 and at any adjournment thereof

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

	Resolution No	For	Against	Withheld
1	Approval of accounts			
2	Re-appointment of Mr Lucius Cary as a Director			
3	Approval of the appointment of James Cowper LLP and authorisation of Directors to fix remuneration			
4	Approval of the Directors remuneration report			
5	Approval of authority to make purchases of own shares			
6	Company to continue as a Venture Capital Trust			
7	Approval of Directors authority to allot shares			
8	Approval of issues of shares on non-rights issue basis			

Date this day of , 2013

Signature

Notes

1 Please indicate how you wish your vote to be cast If you do not indicate how you wish your proxy to use your vote on any particular matter, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting The proxy will act as he thinks fit in relation to any other business arising from the meeting (including any resolution to adjourn the meeting)

2 If you prefer to appoint some other person or persons as your proxy, strike out the words "the Chairman of the Meeting or ", and insert in the blank space the name or names preferred and initial the alteration A proxy need not be a member of the Company

3 The 'Vote Withheld' option is to enable you to abstain on any particular resolution Such a vote is not a vote in law and will not be counted in the votes 'For' and 'Against' a resolution

4 If the member is a corporation, this Form of Proxy must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing

5 To be effective, this Form of Proxy must be completed, signed and must be lodged (together with any power of attorney or duly certified copy thereof under which this Form of Proxy is signed) with the Company's registrars, Capita Registrars plc, c/o Oxford Technology 4 Venture Capital Trust plc, Magdalen Centre, Oxford Science Park, Oxford OX4 4GA, not less than 48 hours before the time appointed for the meeting

Please send your completed Proxy Form to Capita Registrars c/o Oxford Technology 4 VCT PLC The Magdalen Centre Oxford Science Park Oxford OX4 4GA

Company Information

Directors

David Livesley (Chairman)
Lucius Cary

Investment Manager and Registered Office

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

Secretary

James Gordon

Solicitors

Gordons Partnership LLP
22 Great James Street
London WC1N 3ES

Registrars

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

Auditors & VCT Compliance Advisers

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

Brokers

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Company Registration Number: 5038854