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Oxford Technology 4
Venture Capital Trust plc

Financial Statements
For the year ended 28 February 2010

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Company Information

Directors
John Jackson (Chairman)
Lucius Cary
David Livesley
Michael O'Regan

Secretary
James Gordon

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

Brokers
JP Morgan Cazenove
20 Moorgate
London EC2R 6DA

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

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

Auditors & VCT Compliance Advisers
James Cowper LLP
Willow Court
7 West Way
Botley,
Oxford OX2 0JB

Company Registration Number: 5038854

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Financial highlights

	Year ended 28 February 2010	Year ended 28 February 2009
Net assets at year end	**£8.4m**	**£10.3m**
Net asset value per share at year end	**79p**	**99.4p**
Earnings per share (basic & diluted)	**(20.8)p**	**(8.3)p**
Cumulative dividend per share from incorporation	**0p**	**0p**
Share price at year end	**60p**	**57.5p**

Oxford Technology 4 Venture Capital Trust plc

Statement on behalf of the Board

Investment Portfolio

The Company has a portfolio of 26 investee companies, some of which have experienced problems of various sorts during the last year and some of which have made good progress Ultimate success, meaning a good financial return to OT4 shareholders, is likely to come from one or two investees which become stars, and which deliver very large returns rather than for all companies doing well

Shareholders will note that the Net Asset Value of OT4 has dropped 22% in the year, and it should be noted that this is in part due to decisions to write off two investments, one of which was an outright failure, and the other in which the company decided to no longer follow its investment Much of the remaining fall in NAV is accounted for by two other portfolio companies where, although significant progress is being made, further funds were raised by those companies at deeply discounted valuations In each of these cases, OT4 followed its investment but nevertheless, the discount is reflected in the total holding Such is the nature of investing in early stage companies and, overall, the Board is pleased with the portfolio and the prospects for shareholder returns

Overall, because there are still several investee companies which may yet become stars and in which OT4 still holds a material stake, the Board is pleased with the portfolio and the prospects for shareholder returns One of the key risks that OT4 must now navigate is ensuring that it has sufficient capital to invest and follow when the stars do begin to make breakthroughs and start to take off Although unfashionable for a fund manager to say, the upside prospects for OT4 do not seem to rely heavily upon the prospects for the economy as a whole, rather on a set of key specific factors such as whether the technology solves the problem well in the specific application

OT4 owns 11% of Glide Pharma, which is developing a needle-free injector In late 2009 and early 2010 Glide sought to raise £2m of additional share capital, and was once again oversubscribed, raising slightly over £2 6m This puts the company in a stronger financial position

OT4 owns 20% of Plasma Antennas This company designs and supplies specialist antennas, which are sold for up to £50,000 each The company reached an important milestone during the last year when it received its first order for many antennas of the same design for a military application The expectation is that this will become a long-term supply contract and that other similar contracts will emerge

OT4 owns 48% of Impact Applications, which has developed a system enabling Councils and Housing Associations to manage the tradesmen who maintain and repair their houses Southwark Council owns 44,000 council houses and the maintenance of half of these (some 3,000 repairs per week) are now managed by Impact's system Each tradesman has a PDA which tells him all he needs to know about each job, and he is able to collect signatures on screen and send back photographs of completed jobs as soon as they are done Paperwork is almost eliminated The number of outstanding jobs, one measure of efficiency, has fallen from over 4,000 when the system went live in June 2009 to approximately 1,200 by the end of December Impact now has a proven product and is expected to grow as other councils and Housing Associations adopt its product

OT4 owns 46% of Pharma Engineering, which makes and sells a patented machine for recovering wasted pharmaceutical tablets and capsules from blister packs The company made a net profit of £127,625 from revenues of £320,818 during 2009 The company plans to launch a new and complementary product during 2010 and continues to build the pipeline for its existing product

Other investee companies continue to have great upside potential, but have yet to prove their underlying business assumptions and where OT4 is exposed to the risk of having insufficient capital to weather the possibility of investment rounds at lower prices

OT4 owns 7 7% of MirriAd, a company enabling broadcasters to embed products and brand identities into videos, films and television programmes post production The company recently raised £1 8m from its shareholders in a discounted rights issue during a difficult fund raising environment which necessitated a writedown in fair value Nevertheless the company is making good progress It is collaborating with one

of Europe's largest broadcast companies, and expects to begin generating advertising revenues in the next quarter as its product placements go live

OT4 owns 15 8% of Meciria, who has developed a drilling tool for oil & gas The company has carried out a series of drill tests to prove the steering concept Although the expectation was that the tool would soon be ready for commercial use, progress in proving the concept has been slow and testing has been expensive As a result, the company has had to raise money at a dramatically reduced price OT4 did not take up all of its rights to ensure that it retained capital to follow in other portfolio ventures, causing OT4's stake to be diluted as a result and the holding value of Meciria to be reduced At the time of writing, Meciria has since proved the concept and although it needs to carry out further testing before it can generate revenues, it appears increasingly likely that the company will raise the money it needs and that this continues to be a good potential investment for OT4

OT4 owns 15 7% of Historic Futures, who have developed a traceability service for retailers and their supply chains to provide information about the provenance of their products Sales have been slower than planned in 2010 and so the company may need to raise some money during the Summer OT4 has discounted the value of its holding by 10% to reflect this risk Against this, interest in their service has never been stronger and the company is discussions with several large retailers to roll the system out for all products and suppliers, an exciting and defining inflection point for the company

Several other companies in the portfolio are making satisfactory or good progress and despite the decline in fair value, the board remains optimistic about the eventual value that will accrue to shareholders

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

After the year end, the Company raised equity by the issue and allotment of ordinary shares of 10 pence each ("Shares") 332,486 Shares were allotted at 80 pence on 1 April 2010 An aggregate of 8,774 of these Shares were allotted to Directors A further 112,451 Shares were allotted at the same price on 26 April 2010 None of these Shares were allotted to Directors The issue of these Shares is a post balance sheet event and is not reflected in the Net Asset Value figures This will enable the Company to offer modest support to its investee companies in their additional fundraising rounds

Results for the year

Interest on bank deposits and investee loans produced gross income of £37,000 (2009 £91,000) in the year The loss for the year was £2,213,000 (2009 loss of £861,000) and earnings per share for the year showed a loss of 20 8p (2009 loss of 8 3p) The graph on page 8 shows the historical Net Current Assets and other investments per share Together, these two figures make up the total Net Asset Value per share The graph also shows cumulative dividends paid to date

AGM

Shareholders should note that the AGM for Oxford Technology 4 VCT will be held on Thursday 15 July 2010, 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

John Jackson
Chairman
7 June 2010

Oxford Technology 4 Venture Capital Trust plc

Table of investments held by company at 28th February 2010

Company	Description	Date of initial investment	Net cost of investment £'000	Carrying value at 28/02/10 £'000	Change in value for the year	% equity held by OT4	% equity held by other OT Funds
Glide Pharma	Needle-free injector	Feb 05	950	2,780	52	11 0	6 0
MirrAd	Vitual product placement	Feb 07	731	317	(604)	7 7	27 0**
Impact Applications	Mobile software for contractors	Oct 05	486	205	(80)	48 1	-
Insense	Active wound healing dressings	Apr 05	457	118	(122)	4 1	7 9
Mecina	Integrated drilling tool	Feb 06	455	293	(337)	15 8	40 2**
Diamond Hard Surfaces	Diamond coatings	Jan 05	420	678	140	40 4	-
Novacta Holdings*	Bioengineering and antibiotics	Apr 05	375	371	170	2.0	-
Historic Futures	Traceability software	Aug 05	370	481	62	17 5	13 2**
Kinomi	E-mail archiving	Jul 05	354	46	10	17 6	-
WEP	Drug pegylation	May 05	320	168	65	5 9	3 9
Oxis Energy	Rechargeable batteries	Nov 05	305	26	(246)	1 0	0 8**
Dexela	3D medical imaging	Mar 06	300	327	0	4.3	-
Plasma Antennas	Solid state directional antennas	Mar 05	253	294	0	20.2	8 4
ImmunoBiology	Novel vaccines	Oct 05	250	344	(7)	2.2	5 0
Telegesis	Zigbee technology	Dec 05	231	267	(7)	13 5	30 6
Imagineer Systems	Broadcast production software	Jun 06	205	191	120	11 1	-
Naked Objects	Business software	Mar 06	200	150	(50)	22 2	-
Arecor	Protein stabilisation	Jul 07	191	198	92	8.3	1 8
OxTox	Rapid drug testing	Dec 06	187	184	106	10 2	-
Inscentinel	Sensitive detection of vapours	Feb 05	172	106	(38)	21 4	14 0
Select Technology	Specialist photocopier interfaces	Aug 06	140	155	5	5 1	44 8
Freehand Surgical	Medical robots	Apr 09	100	20	20	0 8	3 2
Dynamic Extractions	Separation technology	Aug 05	97	28	(19)	12.2	-
Orthogem	Bone graft material	May 07	90	26	(26)	4 0	27 4
Pharma Engineering	Tablet deblistering	Feb 07	84	365	(5)	46.0	-
Metal Nanopowders	Production of metal nanopowders	Aug 06	52	3	(3)	15 6	18 8
Totals				**8,141**			
Other Net Assets				**231**			
NET ASSETS				**8,372**			

Number of Shares in Issue 10,653,848 **Net Asset Value Per Share at 28 February. 79p**

* OT4's investment in Novacta has been restructured Novacta is now comprised of four separate companies a parent company (Novacta Holdings Ltd), and three separate intellectual property holding companies References to Novacta in this table refer to OT4's combined investment in and combined valuation of all four companies

** OTECF (Oxford Technology Enterprise Capital Fund) is also an investor

This table shows the current portfolio holdings The investments in Cutting the Wires, EKB, Incentec, Ingenious, Water Innovate and Wright Fenn totalling £1,568,265 have been written off The investment of £225,000 in Inspiration Matters has now been sold with further cash due over the next year dependent on sales

Board of Directors

John Jackson, age 80, Chairman
John worked full time for Philips Electrical Limited and Philips Electronic and Associated Industries Limited ("Philips Electronics") in the UK from 1952 to 1980, becoming a director of Philips Electronics in 1966, on whose board he served until early 1994 Since 1980, he has joined the boards of a number of other companies in a wide range of industries, including electronics, engineering, biotechnology, pharmaceuticals and fine chemicals He is currently chairman of each of the four OTVCTs, as well as non-solicitor Chairman of Mishcon de Reya and Chairman of Instore Ltd in addition to a number of unlisted companies He was the special adviser to the Korda Seed Capital Fund which was established as a £5m fund to invest primarily in technology-based companies, from March 1989 until its final distribution and cessation in 2003 He is particularly interested in high technology business start-ups John Jackson is also an investor in Arecor, Freehand Surgical, Insense, Oxis Energy and Select Technology from the OT4 portfolio

Lucius Cary OBE, age 63, Director
Lucius is the founder and managing director of Oxford Technology Management Ltd, 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 Oxford Technology Management's investment activities OTM has 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

David Livesley, age 49, Director
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 currently works for YFM Venture Finance, where he is an Investment Director, responsible for technology investments from a range of funds managed by the YFM Group

Michael O'Regan OBE, age 62, Director
Michael was co-founder in 1973 of Research Machines Limited which floated on the London Stock Exchange as RM plc in 1994, he was an executive director until 1992 and then a non-executive director until 2004 RM plc is the UK's leading supplier of ICT and other services to education He is a non-executive director of several unlisted companies and has been involved in the start-up and early stage financing of a number of technology based companies He is chairman of Hamilton Trust, an educational charity, is joint director of the Hamilton Maths and Reading Projects and is a founder trustee of Peers Early Education Partnership (PEEP) Michael O'Regan is an investor in Glide Pharma from the OT4 portfolio

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 In addition, David Livesley who is a Director of OT4 but not of the other VCTs fulfils the role of Independent Director The Independent Director needs to give his consent for each investment decision of that VCT where a possible conflict of interest arises If he is unable to do so because he is himself conflicted, all the other directors of the OTVCT concerned without personal conflicts must give their unanimous agreement to the investment

Report of the Directors

The directors present their report together with financial statements for the year ended 28 February 2010

Principal activity

The company commenced business in May 2004 The company provides investment in start-up and early stage science and technology companies

Business review

There was a net loss for the period after taxation amounting to £2,213,000 (2009 loss of £861,000) The profit and loss account comprises income of £37,000 (2009 £90,000) less unrealised losses on fair value of investments of £1,695,000 (2009 loss of £725,000) and management and other expenses of £284,000 (2009 £265,000)

Directors

The present membership of the board, and their beneficial interests in the ordinary shares of the company at 28 February 2010 and at 28 February 2009, are set out below

	2010	2009
JBH Jackson	53,451	51,547
JLA Cary	55,536	25,774
D Livesley	1,000	-
MRH O'Regan	151,548	151,548

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

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 2010 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 non-executive directors JLA Cary represents the Investment Manager and the remaining three directors are independent The Independent Director for OT4 is David Livesley whose duties are described in the paragraph on the preceding page under Conflicts of Interest 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 written reports on the performance of the company 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 consistently monitors the key performance indicators applicable to the business of the company and in particular reviews the performance of investee companies as appropriate

Financial Risk Management Objectives and Policies

The company's principal financial instrument comprises funds held at bank or on deposit The main purpose of these funds is to enable the company to make further investments and to provide continued working capital Due to the nature of financial instruments used by the company there is no exposure to price risk The directors' approach to managing other risks applicable to the financial instruments concerned is shown below In respect of bank balances the liquidity risks are managed by maintaining a balance between the continuity of funding and maximising investment income The company makes use of money market facilities where funds are available

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 an agreement 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 28 February 2010 the company has been notified of one investor whose interest exceeds three per cent of the company's issued share capital - Oxfordshire County Council Pension Fund 9 6% The company has several investors, all individuals, who with their families have invested £100,000 or more in the shares of the company

Policy for Payment of Creditors

The Company's policy is to pay creditors within the normal terms of the invoice

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 - 7 June 2010

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 proper 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 four non-executive directors JLA Cary represent the Investment Manager and the remaining three directors are independent 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 29 February 2008 and 28 February 2009 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 shareholders have received back the amount that they originally invested (gross) 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 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-third of the directors are obliged to retire by rotation though any such director can, if he wishes, offer himself for re-election by shareholders

At the AGM for the current year, Michael O'Regan and Lucius Cary will retire and offer themselves for re-election There is no notice period and no provision for compensation upon early termination of the appointment of any director

Directors' emoluments for the year

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

The Directors' fee for the year was £16,000 (2009 £28,000)

	2010 £000	2009 £000
JBH Jackson (Chairman)	4	8
JLA Cary	4	5
D Livesley	4	5
MRHJ O'Regan	4	5
Sir Martin Wood	-	5
	16	28

The fee for the services of D Livesley are paid directly to his primary employer - YFM Venture Finance The directors are not eligible for pension benefits, share options or other benefits

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 2010 It shows the change over the period in the total return to ordinary shareholders 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

Graph not shown for Companies House

On behalf of the Board
John Jackson - Chairman 7 June 2010

Report of the independent auditors

We have audited the financial statements of Oxford Technology 4 VCT Plc for the year ended 28 February 2010 which comprise the profit and loss account, balance sheet, cashflow 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 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

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 2010 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 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
- The part of the Corporate Governance statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review

Mr Robert Holland (Senior Statutory Auditor)
for and on behalf of JAMES COWPER LLP
Statutory Auditors - Oxford
7 June 2010

James Cowper LLP

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

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 statement of total return

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 six 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 2010 the directors revoked the company's status as an Investment Company 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

Turnover

Turnover 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

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 2010 and the company has subsequently directed its affairs so as to enable it to continue to be so approved

Earnings per Share

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

Oxford Technology 4 Venture Capital Trust plc

Profit & Loss Account
for the period ended 28 February 2010

	Note	Year ended 28 February 2010 £000	Year ended 28 February 2009 £000
(Loss)/Gain on disposal of investments held at fair value	1	(271)	39
Unrealised (loss) on fair value of investments	7,11	(1,695)	(726)
Other Income	1	37	91
Investment Management Fees	2	(226)	(211)
Other expenses	3	(58)	(54)
(Loss) on ordinary activities before tax	4	(2,213)	(861)
Taxation on (loss)/profit on ordinary activities	5	-	-
(Loss) on ordinary activities after tax		(2,213)	(861)
Earnings per share (basic and diluted)	6	(20 8)p	(8 3)p

Historic cost profits and losses note

	2010 £'000	2009 £'000
(Loss) for the year	(2,213)	(861)
Unrealised loss on fair value of investments	1,695	726
Realisation of net (gains)/loss	271	(39)
Historical cost loss before tax	(247)	(174)
Historical cost loss after tax	(247)	(174)

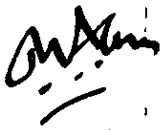
The accompanying accounting policies and notes form an integral part of these financial statements

Balance sheet at 28 February 2010

	Note	28 February 2010 £000	28 February 2010 £000	28 February 2009 £000	28 February 2009 £000
Fixed assets					
Investments at fair value	7		8,141		8,933
Current assets					
Debtors	8	76		377	
Cash at bank		274		975	
		350		1,352	
Creditors: amounts falling due within one year	9	(119)		(10)	
Net current assets			231		1,342
Net assets			8,372		10,275
Capital and reserves					
Called up share capital	10		1,065		1,034
Share premium account	11		279		9,061
Other reserves	11		-		-
Capital reserve - realised			-		357
Capital reserve - unrealised			-		491
Profit & loss account	11		7,767		(668)
Revaluation reserve	11		(739)		-
Shareholders' funds	12		8,372		10,275
Net asset value per share			79p		99p

These financial statements were approved by the directors on 7 June 2010

JLA Cary
Director



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

Cash flow statement
for the period ended 28 February 2010

	Note	2010 £000	2009 £000
Net cash outflow from operating activities	13	(110)	(166)
Capital expenditure and financial investment			
Purchase of investments		(921)	(1,042)
Disposal/redemption of investments		20	62
Net cash outflow from capital expenditure and financial investment		(901)	(980)
Net cash outflow before financing		(1,011)	(1,146)
Financing			
Issue of shares		329	-
Expenses paid in connection with share issue		(19)	-
Net cash inflow from financing		310	-
Decrease in cash		(701)	(1,146)

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 2010

1 Income

	2010 £000	2009 £000
Interest receivable	37	91
(Loss) on disposal of investments	(271)	-
	(234)	91

2 Investment advisory fee

	£000	£000
Investment advisory fee (see below)	226	196
Social security costs	0	15
	226	211

Related Party disclosure - JLA Cary is a director of Oxford Technology Management Ltd (OTM) and of Oxford Technology 4 Venture Capital Trust Plc OTM Ltd is the Investment Manager to the company There were no employees during the year except for the directors

3 Other expenses

	2010 £000	2009 £000
Directors' remuneration (see report on page 8)	16	28
Social security costs	2	1
Auditors' remuneration audit services	5	5
non-audit services	2	2
Other	33	18
	58	54

4 Operating Profit/Loss

Operating profit stated after charging		
Auditors' remuneration audit services	5	5
non-audit services	2	2
Directors remuneration	16	28
	23	35

5 Tax

	£000	£000
UK Corporation tax	-	-

The tax charge for the year is different to the small companies rate of corporation taxation in the UK of 21 0% (2009 20 9%) The differences are explained below

	£000	£000
Net revenue loss on ordinary activities before taxation	(2,213)	(174)
At standard rate of taxation	(465)	(36)
Costs not chargeable to corporation tax	465	36
Current tax credit for year	-	-

Unrelieved management expenses of £558,686 (2009 £280,000) remain available for offset against future taxable profits

6 Earnings per share

The calculation of revenue return per share is based on the loss of £2,213,000 (2009 loss of £861,000) for the financial period divided by the weighted average number of ordinary shares of 10,627,669 (2009 10,339,702) in issue during the period

There are no potentially dilutive capital instruments in issue and therefore no diluted return per share figures are relevant The basic and diluted revenue return per share and capital return per share is therefore identical

7 Investments

	2010 Total £000	2009 Total £000
Cost		
As at 1 March 2009	8,403	7,423
Purchases at cost	921	1,042
Redeemed/disposed during the year	(88)	(62)
As at 28 February 2010	9,236	8,403
Revaluation		
As at 1 March 2009	530	1,217
Revaluation movement	(1,625)	(687)
	(1,095)	530
Net Book Value		
As at 1 March 2009	8,933	8,640
As at 28 February 2010	8,141	8,933

Details of unlisted investments in which OT4 owns more than 20% are set out below with reference to their most recent published accounts

Name of undertaking	Class of shares held	Percentage of voting rights held by company %	Percentage of voting rights held by other OT Funds %	Capital and reserves £000	Retained profit/(loss) for year £000
DHS	Ordinary Shares[1]	40 4	-	313	(226)
Impact Applications	Ordinary Shares[3]	48 1	-	263	2
Inscentinel	Ordinary Shares[4]	21 4	26 4	87	(56)
Naked Objects	Ordinary Shares[5]	22 2	-	179	19
Pharma Engineering	Ordinary Shares[1]	46 0	-	79	128
Plasma Antennas	Ordinary Shares[2]	20 2	8 8	(189)	(58)

Most recent published accounts:

1 For the year ended 31 December 2009
2 For the year ended 31 March 2009
3 For the year ended 31 August 2009
4 For the year ended 31 May 2009
5 For the year ended 31 December 2008

8 Debtors

	2010 £000	2009 £000
Prepayments and accrued income	26	2
Deferred consideration from sale of investments	50	375
	76	377

9 Creditors: amounts falling due within one year

	£000	£000
Other creditors	119	10

10 Share capital

	£000	£000
Authorised		
15,000,000 ordinary shares of 10p each	1,500	1,500
Allotted, called up and fully paid		
10,653,848 (2009 10,339,702) ordinary shares of 10p each	1,065	1,034

11 Reserves

	Share premium account	Capital reserve realised	Revaluation reserve	Capital reserve unrealised	Profit & loss account
At 1 March 2009	9,061	357		491	(668)
(Loss) for the period					(2,213)
Unrealised (losses)/gains			(1,695)		1,695
Issue of share capital	298				
Cost of share issue	(19)				
Reserve movement	(9,061)	(357)	848	(491)	9,061
Transfer between reserves			108		(108)
At 28 February 2010	279	-	(739)	-	7,767

During the period the company changed its status under the Companies Act 2006 The share premium account was cancelled and converted to the profit and loss account

12 Reconciliation of movements in shareholders' funds

	2010 £000	2009 £000
Result for the year	(2,213)	(174)
Issue of share capital	329	-
Other recognised (losses)	-	(687)
Cost of share issue	(19)	-
Net decrease in shareholders' funds	(1,903)	(861)
Shareholders' funds at beginning of year	10,275	11,136
Shareholders' funds at end of year	8,372	10,275

13 Reconciliation of net revenue before taxation to net cash outflow from operating activities

	2010 £000	2009 £000
Net revenue (loss) before taxation	(2,213)	(174)
Unrealised loss on investments	1,695	-
Realised (gain) on investments	271	-
Increase in creditors	109	-
Decrease in debtors	301	8
Non cash adjustment to debtors	(273)	-
Net cash (outflow)/inflow from operating activities for the year	(110)	(166)

14 Financial instruments

Apart from 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 2010 or 28 February 2009

16 Contingent liabilities

The company had no contingent liabilities at 28 February 2010 or 28 February 2009

17 Post Balance Sheet Events

After the year end, the Company raised equity by the issue and allotment of ordinary shares of 10 pence each 332,486 Shares were allotted at 80 pence on 1 April 2010 An aggregate of 8,774 of these Shares were allotted to Directors A further 112,451 Shares were allotted at the same price on 26 April 2010 None of these Shares were allotted to Directors The issue of these Shares is a post balance sheet event and is not reflected in the Net Asset Value figures This will enable the Company to offer modest support to its investee companies in their additional fundraising rounds

Oxford Technology 4 Venture Capital Trust plc

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Oxford Technology 4 Venture Capital Trust plc will be held at the Magdalen Centre, Oxford Science Park, Oxford OX4 4GA at 12 00 noon on Thursday 15 July 2010 for the following purposes

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

(1) That the report and accounts for the year to 28 February 2010 be approved

(2) That Mr Michael O'Regan, 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 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

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

(5) That the Directors' remuneration report be approved

(6) 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 7 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 Net Asset Value per share (exclusive of expenses)

(7) That the Company continue in being as a venture capital trust

This authority shall expire at the Company's annual general meeting in 2011 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

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

Oxford Technology 4 Venture Capital Trust plc

Form of Proxy
for the Annual General Meeting convened
for 12.00 noon on Thursday 15 July 2010

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 Thursday 15 July 2010 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 Michael O'Regan as a Director			
3	Re-appointment of Mr Lucius Cary as a Director			
4	Approval of the appointment of James Cowper LLP and authorisation of Directors to fix remuneration			
5	Approval of the Directors' remuneration report			
6	Approval of authority to make purchases of own shares			
7	Company to continue as a Venture Capital Trust			

Date this day of , 2010

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
AFFIX
STAMP
HERE

Capita Registrars plc
c/o Oxford 4 Technology VCT plc
Magdalen Centre
Oxford Science Park
Oxford OX4 4GA

Fold 1

Fold 2

Fold 3

Fold in half along 'Fold 1'
Fold over flaps along 'Fold 2' and 'Fold 3'
Secure by tucking first flap into second flap

Oxford Technology 4 Venture Capital Trust plc