OCTOPUS
APOLLO VCT PLC

Annual Report & Accounts for the year ended 31 January 2015

Registered Number: 05840377

FOR UK INVESTORS ONLY

octopusinvestments.com

OCTOPUS INVESTMENTS

Octopus Apollo VCT plc is a venture capital trust which aims to provide shareholders with attractive tax-free dividends and long-term capital preservation by investing in a diverse portfolio of predominantly unquoted companies. The Company is managed by Octopus Investments Limited ("Octopus" or the "Manager").

Contents

Financial Summary

The C Ordinary shares were created as part of the acquisition of the assets and liabilities of Octopus VCT plc ("OVCT"). Shareholders in OVCT were issued 1 C Ordinary share for every 1 OVCT share held.

ORDINARY SHARES

	Year to 31 January 2015	Year to 31 January 2014
Net assets (£'000s)	**68,810**	63,905
Return on ordinary activities after tax (£'000s)	**2,270**	1,751
Net asset value per share (NAV)	**84.8p**	86.8p
Cumulative dividends paid since launch	**27.5p**	22.5p
NAV plus cumulative dividends paid	**112.3p**	109.3p
Proposed final dividend	**2.5p**	2.5p

C ORDINARY SHARES

	Period to 31 January 2015
Net assets (£'000s)	**50,753**
Return on ordinary activities after tax (£'000s)	**22**
Net asset value per share (NAV)	**98.0p**
Cumulative dividends paid since launch*	**7.0p**
NAV plus cumulative dividends paid	**105.0p**

* The cumulative dividends paid were paid to shareholders in OVCT prior to the merger on 28 November 2014. There have been no dividends paid to C Ordinary shareholders since then.

RECONCILIATION OF THE MOVEMENT IN NAV PER SHARE – ORDINARY SHARES

NAV as at 1 February 2014	**86.8p**
Income	3.5p
General Expenses	(1.2p)
Management fees	(1.4p)
Performance fees	(0.6p)
Unrealised gains on investments	1.7p
Realised gains on investments	1.0p
Dividends paid	(5.0p)
NAV as at 31 January 2015	**84.8p**

RECONCILIATION OF THE MOVEMENT IN NAV PER SHARE – C ORDINARY SHARES

NAV on acquisition as at 28 November 2014	**97.8p**
Income	1.0p
General Expenses	(0.2p)
Management fees	(1.5p)
Unrealised losses on investments	(0.1p)
Realised gains on investments	1.0p
NAV as at 31 January 2015	**98.0p**

Key Dates

Ordinary share final dividend payment date	31 July 2015
Annual General Meeting	28 July 2015 (2.30 p.m. at 6th Floor, 33 Holborn, London EC1N 2HT)
C Ordinary Share liquidity event	August 2015
Half-yearly results to 31 July 2015 published	September 2015
Annual results to 31 January 2016 announced	May 2016
Annual Report and financial statements published	May 2016

Shareholder information and contact details

Octopus Apollo VCT plc ("Apollo" or "Company"), formerly named Octopus Apollo VCT 3 plc, was launched in July 2006. On 27 September 2012, the Company acquired the net assets of Octopus Apollo VCT 1 plc, Octopus Apollo VCT 2 plc and Octopus Apollo VCT 4 plc. On the same day, the Company was renamed Octopus Apollo VCT plc. On 28 November 2014 the Company acquired the net assets of Octopus VCT plc ("OVCT") in consideration for the issue of 52,035,840 C Ordinary shares.

The Company was incorporated on 7 June 2006. During the period from launch to 5 April 2007 over £27.1 million (£25.9 million net of expenses) was raised through an Offer for Subscription. Since then the Company has raised additional investment through further fundraises as follows:

- £29.3 million (£27.8 million net of expenses) during the year to 31 January 2013
- £22.4 million (£20.6 million net of expenses) during the year to 31 January 2014
- £8.7 million (£8.3 million net of expenses) during the year to 31 January 2015

The Company currently has an open Offer for Subscription ("Offer"), as detailed in the Prospectus issued on 24 October 2014, to raise up to £20 million, with an over allotment facility of a further £10 million. Since the year end the Company has made the following allotments under the Offer:

- £4.6 million (£4.4 million net of expenses) at a share price of 88.9p on 13 March 2015
- £5.7 million (£5.5 million net of expenses) at a share price of 88.9p on 31 March 2015
- £3.1 million (£2.9 million net of expenses) at a share price of 88.9p on 4 April 2015
- £1.2 million (£1.1 million net of expenses) at a share price of 88.9p on 28 April 2015

The Offer will remain open until 1 October 2015 unless fully subscribed at an earlier date. The Board reserves the right to close the Offer earlier at its discretion.

The objective of the Company is to invest in a diversified portfolio of UK smaller companies in order to generate income and preserve capital over the long-term.

Further details of the Company's progress are discussed in the Chairman's Statement on pages 10 to 12 and Investment Manager's Review on pages 17 to 28.

VENTURE CAPITAL TRUSTS (VCTS)

VCTs were introduced in the Finance Act 1995 to provide a means for private individuals to invest in unquoted companies in the UK. Subsequent Finance Acts have introduced changes to VCT legislation. The tax benefits currently available to eligible new investors in VCTs include:

- up to 30% up-front income tax relief;
- exemption from income tax on dividends paid; and
- exemption from capital gains tax on disposals of shares in VCTs.

The Company has been approved as a VCT by HMRC. In order to maintain its approval the Company must comply with certain requirements of the Income Tax Act 2007 on a continuing basis, specifically the provisions of chapter 3 and, in particular, s280A:

- at least 70% of the Company's investments must comprise 'qualifying holdings'* (as defined in the legislation);
- for cash raised post 5 April 2011 at least 70% of the 70% of qualifying holdings must be invested into Ordinary shares with no preferential rights;
- for cash raised pre 6 April 2011 at least 30% of the 70% of qualifying holdings must be invested into Ordinary shares with no preferential rights;
- no single investment made can exceed 15% of the total Company value; and

- a minimum of 10% of each Qualifying Investment must be in Ordinary shares with no preferential rights.

*A 'qualifying holding' consists of up to £5 million invested in any one year in new shares or securities in an unquoted UK company (or companies traded on AIM or ISDX Growth Market) which is carrying on a qualifying trade and whose gross assets do not exceed a prescribed limit at the time of investment. The definition of a 'qualifying trade' excludes certain activities such as property investment and development, financial services and asset leasing.

The Company invests in a diversified portfolio of AIM-traded and smaller unquoted UK companies in order to preserve capital over the long-term as well as to deliver an attractive tax-free dividend stream.

The Directors have managed the affairs of the Company with the intention of maintaining its status as a VCT.

VCT LEGISLATION

The Government announced in the Budget on 19 March 2015 some amendments to VCT legislation which are subject to EU State Aid approval. Proposed changes to the VCT qualification criteria include the following:

- companies must be less than 12 years old when receiving their first VCT investment, except where the investment will lead to a substantial change in the company's activity;
- a cap on the total investment received under the tax-advantaged venture capital schemes of £15 million, increasing to £20 million for knowledge intensive companies; and
- an increase in the employee limit for knowledge intensive companies to 499 employees, from the current limit of 249 employees.

The Government is working hard to ensure that the above UK rules are in line with the proposed EU limits when they come into effect. Octopus has been and continues to work closely with the Government to help it secure the best outcome for the sector. While the above changes will inevitably impact the Company's ability to invest in certain companies, there remains a strong pipeline of suitable investment opportunities.

DIVIDENDS

Dividends are paid by Capita Asset Services ("Capita") on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose or complete an instruction electronically by visiting the Capita shareholder portal at: **www.capitashareportal.com**.

Queries relating to dividends, shareholdings and requests for mandate forms should be directed to Capita by calling **0871 664 0324** (calls cost 10p per minute plus network extras. Lines are open Monday–Friday 9.00am–5.00pm), or by writing to them at:

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

The table below shows the net asset value (NAV) per Ordinary share and lists the dividends that have been paid since the launch of Octopus Apollo VCT plc:

Period Ended	NAV	Dividends paid in period	NAV + cumulative dividends
31 January 2008	95.50p	–	95.50p
31 July 2008	94.20p	1.50p	95.70p
31 January 2009	92.20p	1.50p	95.20p
31 July 2009	90.20p	1.50p	94.70p
31 January 2010	90.10p	1.50p	96.10p
31 July 2010	88.30p	1.50p	95.80p
31 January 2011	89.60p	1.50p	98.60p
31 July 2011	90.00p	1.50p	100.50p
31 January 2012	90.90p	2.00p	103.40p
31 July 2012	91.00p	3.00p	106.50p
31 January 2013	89.30p	2.00p	106.80p
31 July 2013	87.30p	2.50p	107.30p
31 January 2014	86.80p	2.50p	109.30p
31 July 2014	86.90p	2.50p	111.90p
31 January 2015	84.80p	2.50p	112.30p

The final dividend of 2.5p per Ordinary share will be paid on 31 July 2015 to shareholders on the register on 3 July 2015.

The table below shows the net asset value (NAV) per C Ordinary share and lists the dividends that have been paid since the launch of Octopus VCT plc. Upon the acquisition of assets and liabilities of OVCT ("acquisition") on 28 November 2014, OVCT shareholders were issued with one C Ordinary share for each OVCT Ordinary share held:

Period Ended	NAV	Dividends paid in period	NAV + cumulative dividends
31 August 2011	93.8p	1.0p	94.8p
29 February 2012	95.7p	–	96.7p
31 August 2012	95.8p	1.0p	97.8p
28 February 2013	95.2p	1.0p	98.2p
31 August 2013	94.6p	1.0p	98.6p
28 February 2014	96.9p	1.0p	101.9p
28 November 2014	97.8p	2.0p	104.8p
31 January 2015	98.0p	–	105.0p

A dividend has not been declared on the C Ordinary shares. C shareholders will be offered the opportunity in Summer 2015 either to exit their investment or to convert their holding into Ordinary shares in the Company at an agreed conversion rate.

DIVIDEND REINVESTMENT SCHEME ('DRIS')

The Company adopted a DRIS in 2014, under which shareholders are given the opportunity to automatically reinvest future dividend payments by subscribing for new Ordinary shares. This will allow participating shareholders to reinvest the growth in their shareholdings and, subject to personal circumstances, benefit from additional income tax reliefs.

Any shareholder wishing to reinvest their dividends can request a DRIS instruction form by calling Capita on **0871 664 0324** or submit an instruction via the Capita online shareholder portal: **www.capitashareportal.com**. The application form and rules can also be found in the Document Library on the Octopus Investments Limited website: **www.octopusinvestments.com/investors/shareholder-information/apollo-vct**.

SHARE PRICES

The Company's share prices can be found on various financial websites including **www.londonstockexchange.com**, with the following TIDM/EPIC codes:

	Ordinary shares
TIDM/EPIC code	OAP3
Latest share price (28 May 2015)	80.25p per share

	C Ordinary shares
TIDM/EPIC code	OAPC
Latest share price (28 May 2015)	88.5p per share

BUYING AND SELLING SHARES

The Company's shares can be bought and sold in the same way as any other company quoted on the London Stock Exchange via a stockbroker. There may be tax implications in respect of selling all or part of your holdings, so shareholders should contact their independent financial adviser if they have any queries.

BUYBACK OF SHARES

The Company operates a policy of buying its own shares for cancellation as they become available, subject to it having sufficient distributable reserves available to do so. The Company is, however, unable to buy back shares directly from shareholders. If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited ('Panmure').

Panmure is able to provide details of close periods (when the Company is prohibited from buying its own shares) and details of the price at which it has bought shares. Panmure can be contacted as follows:

Chris Lloyd	020 7886 2716	chris.lloyd@panmure.com
Paul Nolan	020 7886 2717	paul.nolan@panmure.com

SECONDARY MARKET

UK income tax payers, aged 18 or over, can purchase shares in the secondary market and benefit from:

- Tax free dividends
- Realised gains not being subject to capital gains tax (although any realised losses are not allowable)
- No minimum holding period
- No need to include VCT dividends in annual tax returns

The UK tax treatment of VCTs is on a first in and first out basis and therefore tax advice should be obtained before shareholders dispose of their shares.

NOTIFICATION OF CHANGE OF ADDRESS

Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's registrar, Capita Asset Services, under the signature of the registered holder or via the Capita online share portal at: **www.capitashareportal.com**. Capita's contact details are provided on page 86.

OTHER INFORMATION FOR SHAREHOLDERS

Previously published Annual Reports and Half-yearly Reports are available for viewing on the Investment Manager's website at **www.octopusinvestments.com**. Other statutory information about the Company can also be found here.

ELECTRONIC COMMUNICATIONS

Reports and accounts and all other correspondence are published electronically. This cuts the cost of printing and reduces the impact on the environment. If, in future, you would prefer to receive an email telling you a report is available to view or to receive documents by email, please contact Octopus on **0800 316 2295** or Capita on **0871 664 0324**. Alternatively you can sign up to receive e-communications via the Capita online shareholder portal: **www.capitashareportal.com**

WARNING TO SHAREHOLDERS

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be wary of any unsolicited advice, offer to buy shares at a discount or offers for free company reports.

Please note that it is very unlikely that the Company, Octopus or the Registrar would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment advice.

If you are in any doubt about the authenticity of an unsolicited phone call, please call Octopus on **0800 316 2295**.

The Financial Conduct Authority has also issued guidelines on how to avoid share fraud and further information can be found on their website: **www.fca.org.uk/consumers/scams/investment-scams/share-fraud-and-boiler-room-scams**. You can report any share fraud to them by calling **0800 111 6768**.

Strategic Report

The following sections form part of the Strategic Report:

- Our Strategy
- Chairman's Statement
- Business Review
- Investment Manager's Review

OUR STRATEGY

The Directors are required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to include a Strategic Report to shareholders.

THE COMPANY'S OBJECTIVE

The objective of the Company is to invest in a diversified portfolio of unquoted UK smaller companies which meet the relevant criteria for VCTs in order to generate income and preserve capital over the long term. Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value. The Company's investments are managed by Octopus Investments Limited.

INVESTMENT POLICY

The Company's investment policy is designed to enable the Company to comply with the VCT qualifying conditions. It is intended that the long-term disposition of the Company's assets will be not less than 80% in a portfolio of unquoted investments and up to 20% in cash or near cash investments to provide a reserve of liquidity which will maximise the Company's flexibility as to the timing of investment acquisitions and disposals, dividend payments and share buybacks.

Investments are structured using various unquoted investment instruments, including ordinary and preference shares, loan stocks and convertible securities, to achieve an appropriate balance of income and capital preservation, having regard to the venture capital legislation. The portfolio is diversified by investing in a broad range of industry sectors and by holding investments in companies at various stages of maturity in the corporate development cycle, though investments are not generally made in early stage companies which have yet to achieve profitability and cash generation.

The normal investment period is in the range from three to seven years. Any uninvested funds are typically held in cash and money market funds.

Risk is spread by investing in a number of different businesses within different industry sectors using a variety of securities. The maximum amount invested in any one company is limited to any HMRC annual investment limits and, generally, no more than 15% of the Company's assets, at cost, are invested in the same company. There was one exception to this in the investment portfolio as at 31 January 2015, being the participation in Terido LLP ("Terido") which represented 15.2% of fixed asset investments. Terido is a trading partnership managed by Octopus Investments which supports a range of secured asset backed lending in sectors including residential property and solar. Terido invests in a significant number of individual companies and is structured as a partnership, meaning Apollo's concentration tests are measured on the basis of these underlying investments by Terido, rather than on the total £15.2 million investment amount. The value of individual investments is expected to increase over time as a result of trading progress and a continuous assessment is made of investments' suitability for sale. The Company's VCT qualifying investments are held with a view to long-term preservation of capital as well as income generation and will often have limited marketability; as a result it is possible that individual holdings may grow in value to the point where they represent a significantly higher proportion of total assets prior to a realisation opportunity being available. Investments are normally made using shareholders' funds and it is not intended that the Company will take on any long-term borrowings.

No material changes may be made to the Company's investment policy described above without the prior approval of shareholders by the passing of an Ordinary Resolution. The Directors monitor the investment process and ensure compliance with the investment policy.

A review of the investment portfolio and of market conditions during the year is included in the Chairman's

Statement on pages 10 to 12 and Investment Manager's Review on pages 17 to 28 which form part of the Strategic Report. A Business Review also forms part of the Strategic Report on pages 13 to 16.

CO-INVESTMENT POLICY

Where one or more of the companies managed or advised by Octopus wishes to participate in an investment opportunity, allocations will be made in accordance with Octopus' allocation policy as at the date of allocation. The policy provides that allocations should be initially offered to the Company on a basis which is pro-rata to its net asset value (or as otherwise agreed by the Board and Octopus). In the event of a conflict of interests on the part of Octopus or where co-investment is proposed to be made other than on a pro-rata basis (or as otherwise agreed by the Board and Octopus), such an investment requires the approval of those members of the Board who are independent of Octopus.

LIQUIDITY STRATEGY

The Board's strategy is to maintain an appropriate level of liquidity in the balance sheet to continue to achieve four aims:

- to support a consistent dividend flow;
- to support further investment in existing portfolio companies if required;
- to take advantage of new investment opportunities as they arise; and
- to provide liquidity in the shares through the ability to buy back the Company's shares as they become available, subject to the Company having sufficient distributable reserves to do so.

Chairman's Statement

INTRODUCTION

I am pleased to present the annual report of Octopus Apollo VCT plc for the year ended 31 January 2015 and I should like to welcome all new shareholders following the acquisition of assets and liabilities of Octopus VCT plc.

It has been a positive year for the Company. In addition to raising nearly £4.1 million by way of a top up offer in February 2014, the Company launched an Offer for Subscription to raise up to £20 million, with an over allotment facility of a further £10 million, in October 2014. At the time of writing £23.3 million had been raised under the Offer. Further details can be found in the Directors' report on pages 32 and 33 and in note 14 of the financial statements.

In November 2014 the Company acquired the assets and liabilities of Octopus VCT plc ("OVCT"), increasing the net assets of the Company by £50.7 million and making it one of the largest VCTs in the country. OVCT was established in 2009 as a limited life VCT seeking to deliver a total return to shareholders at the end of the five year qualifying holding period of at least 105p per share. The commercial arrangement in respect of the C Ordinary shares is that no annual management fee has yet been paid to Octopus and will only be paid after five years and once shareholders have received dividends and distributions totalling or exceeding 105p per share. The total return rose above 105p per share in the period under review and, as such, an accrual of £777,000 has been made in the accounts to reflect the fee payable on the amount over and above 105p.

The Company created a new C Ordinary share class through the issue of 52,035,840 C Ordinary shares to the former shareholders of OVCT and the investment portfolio is currently separately accounted for under this share class. The C share class structure has been established to enable the Board to monitor the performance of the C share assets to ascertain whether the 105p total return target referred to above is achieved and therefore whether any management fee is payable to Octopus in respect of the C share portfolio. C shareholders will soon be offered the opportunity to realise their investment or to convert their shares into Ordinary shares. We will be writing to them in the summer setting out details of this process. Further details of the acquisition of assets and liabilities can be found in note 21 of the financial statements within this report.

BOARD

Following the acquisition of OVCT's assets and liabilities ("transaction") I am delighted to welcome James Otter, the former Chairman of OVCT to the Board. James brings with him a wealth of knowledge both of OVCT, as well as of VCTs and smaller companies in general. I am also pleased that Chris Powles and Matt Cooper have continued as directors of the Company, retaining their considerable experience. I should also like to take this opportunity to thank Tony Morgan, who resigned following the transaction, for his outstanding contribution to the Company. Tony was appointed Chairman of the Company at launch in July 2006 and held that position until its transaction with Octopus Apollo VCT 1 plc, Octopus Apollo VCT 2 plc and Octopus Apollo VCT 4 plc in September 2012, whereupon he stood down as Chairman but remained as a director. This continuity and Tony's input has been invaluable. Resolutions to elect James Otter and to re-elect Matt Cooper will be proposed at the forthcoming AGM.

PERFORMANCE

The net asset value ('NAV") of the Ordinary share class has fallen from 86.8p per Ordinary share as at 31 January 2014 to 84.8p per share as at 31 January 2015. After adding back the 5.0p of dividends paid in the year, the NAV plus cumulative dividends paid since launch has risen by 2.7%, from 109.3p per share as at 31 January 2014 to 112.3p per share as at 31 January 2015.

The C Ordinary shares were issued on completion of the transaction on 28 November 2014 at a deemed issue price of 97.8p per C Ordinary share. As at 31 January 2015 the NAV per share of the C Ordinary shares had risen to 98.0p.

DIVIDEND AND DIVIDEND POLICY

It is your Board's policy to maintain a regular dividend flow where possible in order to take advantage of the tax free distributions a VCT is able to provide.

Given the performance of the Company your Board has proposed a final dividend of 2.5 pence per Ordinary share in respect of the year ended 31 January 2015. This will bring the total dividends paid on the Ordinary share class for the year to 5 pence. The dividend will be paid on 31 July 2015 to Ordinary shareholders on the register at 3 July 2015.

In view of the forthcoming liquidity event for holders of the Company's C Ordinary shares no dividend has been proposed in respect of this share class.

DIVIDEND REINVESTMENT SCHEME (DRIS)

In common with a number of VCTs, the Company has introduced a dividend reinvestment scheme following approval at the general meeting held on 21 November 2014. This is an attractive scheme for investors who do not need income, but would prefer to benefit from additional income tax relief on their re-invested dividend. I hope that shareholders will find this scheme beneficial.

SHARE BUYBACKS

Your Company has continued to buy back shares as required. Subject to shareholder approval of resolution 10 at the forthcoming annual general meeting this facility will remain in place to provide liquidity to investors who may wish to sell their shares. Details of the share buybacks undertaken during the year can be found in the Directors' Report on page 33 and in note 14 of the financial statements.

INVESTMENT PORTFOLIO

The transaction with Octopus VCT plc ("OVCT") on 28 November 2014 resulted in the Company acquiring its £50.3m investment portfolio which had been invested under a capital preservation mandate.

In January 2015, both share classes participated in Project Radiate in which the Company disposed of seven of its solar sector investments generating proceeds for the Company of £12.5m. Other exits and repayments in the year totalled £9.9m for the Ordinary shares and £0.1m for the C Ordinary shares.

During the year the Company made £13.2m of new investments and rolled over its entire £10.9m investment in Clifford Thames into a new management buyout deal. It also reinvested its partnership gains of £0.5m into Terido, a trading partnership managed by Octopus Investments which supports a range of secured asset backed lending in sectors including residential property and solar and typically generates returns for the Company of approximately 4%. This brings the total investment in Terido to £15.2m as at 31 January 2015.

The Company's investment portfolio is set out on page 21. All of the investments are discussed further in the Investment Manager's Review on pages 17 to 28.

The Company, by the year end, had invested sufficiently in order to meet all the requirements for it to fully qualify as a VCT. Following the recent exits and fundraising the Investment Manager now has the opportunity to make further investments with the aim of accelerating the NAV of the Company over the foreseeable future.

INVESTMENT STRATEGY

As set out in the prospectus, the aim of the Company is to make investments that focus more on capital preservation than a typical VCT. To date the Investment Manager has been successful in achieving this aim, as evidenced by the positive return on ordinary activities.

Typically the structure of the investments is weighted more heavily towards loan based instruments as opposed to equity. Such investments provide fixed returns and payments are generally ranked above most other creditors, allowing for future visibility and security. This strategy also reduces the downward risk that is an intrinsic element of an equity investment.

Having passed its five year qualifying period, it is the intention of the Board that the Company should remain as a VCT and continue to invest in accordance with the original investment mandate. The C Ordinary share portfolio will also continue to invest under the same mandate.

VCT QUALIFYING STATUS

PricewaterhouseCoopers LLP provides the Board and Investment Manager with advice concerning ongoing compliance with Her Majesty's Revenue & Customs ('HMRC') rules and regulations concerning VCTs. The Board has been advised that the Company is in compliance with the conditions laid down by HMRC for maintaining approval as a VCT.

A key requirement is now to maintain the 70% qualifying investment level. As at 31 January 2015, 90.0% of the portfolio, as measured by HMRC rules, was invested in VCT qualifying investments.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE (AIFMD)

The AIFMD, an EU directive, came into effect during the year with the aim of delivering consistency of reporting across all fund types. In accordance with the legislation the Company applied to the Financial Conduct Authority to register as an Alternative Investment Fund Manager (AIFM). Confirmation of the Company's entry in the register of small registered UK AIFMs was received on 10 April 2014. As such, the Company is required to submit an annual report to the FCA setting out various information relating to its investments, principal exposures and liquidity, amongst other things.

ANNUAL GENERAL MEETING

The Company's Annual General Meeting will take place on 28 July 2015 at 2.30 p.m. I look forward to welcoming you to the meeting which will be held at the new offices of Octopus Investments Limited at 33 Holborn, London EC1N 2HT. Directions to their office can be found by visiting their website at: **www.octopusinvestments.com**.

ELECTRONIC COMMUNICATIONS

Based on feedback from shareholders, and in order to reduce the cost of printing and the consequential impact on the environment, we now offer shareholders the opportunity to forgo their printed report and accounts documents in favour of receiving electronic or mail notification with details of how to view the documents online. If you would like to change the format in which you receive this report, please contact Octopus or Capita using the contact details provided on page 86 of this report.

OUTLOOK

Since the Company's launch we have seen significant Government changes to the subsidy regime for the renewable energy sector and an economy which has until recently struggled to grow following the global financial crisis. However the returns to shareholders have increased steadily year on year, which is testament to the prudent investment approach adopted by the Investment Manager. The general economic outlook is now more certain, the portfolio has been performing well and your Board and Investment Manager believe we can continue to find suitable investments to support the Company's mandate.

Murray Steele

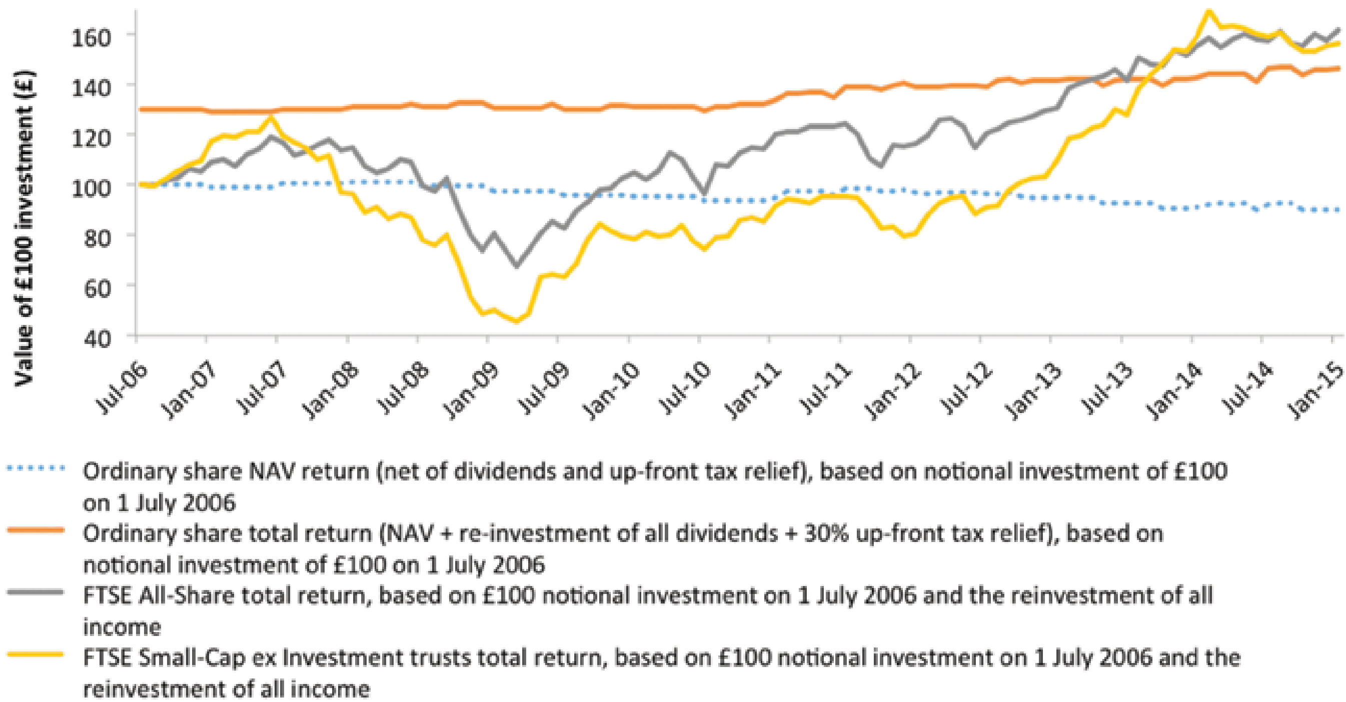
Murray Steele
Chairman
29 May 2015

Business Review

PERFORMANCE

Performance, measured by the change in NAV per share and total return per share, is also measured against the FTSE Small-Cap ex Investment Trusts Index. This is shown in the graph below. This index has been adopted as an informal benchmark.

The graph below compares the share price total return and NAV total return (gross dividends reinvested) of the Company over the period from July 2006 to January 2015 with the total return from a notional investment in the FTSE Small-Cap ex Investment Trusts Index over the same period (all rebased to 100p). This index is considered to be the most appropriate broad equity market index for comparative purposes. However, the Board wishes to point out that VCTs are not able to make qualifying investments in companies quoted on the Main Market in their observance of the VCT rules.



RESULTS AND DIVIDEND – ORDINARY SHARES

	Year to 31 January 2015 £'000	Year to 31 January 2014 £'000
Net return attributable to shareholders	**2,270**	1,751
Appropriations:		
Interim dividend paid – 2.5p per share (2014: 2.5p per share)	**1,914**	1,854
Final dividend proposed – 2.5p per share (2014: 2.5p per share)	**2,412**	1,841

RESULTS AND DIVIDEND – C ORDINARY SHARES

	Period to 31 January 2015 £'000
Net return attributable to shareholders	22
Appropriations:	
Interim dividend paid – nil per share	–
Final dividend proposed – nil per share	–

KEY PERFORMANCE INDICATORS (KPIS)

As a VCT, the Company's objective is to provide shareholders with an attractive income and capital return by investing its funds in a broad spread of unquoted UK companies which meet the relevant criteria for VCTs.

The Board expects the Investment Manager to deliver a performance which meets the twin objectives of providing investors with attractive returns from a portfolio of investments and maximising tax–free income for shareholders. The KPIs in meeting these objectives are:

- net asset value and dividends paid which, when combined, give total return;
- the discount of the share price relative to the NAV;
- the total expense as a proportion of shareholders' funds

The costs of the transaction with OVCT were expected to be in the region of £400,000. As at 31 January 2015, £224,000 of these costs had been incurred by the Ordinary shares whilst £176,000 of these costs were incurred by OVCT prior to the transaction.

A record of some of the indicators are detailed on the first page of this Report, entitled Financial Summary. Additional comments are provided in the Chairman's Statement and the Investment Manager's Review regarding the performance of the Company over the current year.

The Board expects Octopus to deliver a performance which meets the objective of achieving long-term investment returns, including tax-free dividends. The Board assesses the performance of Octopus in meeting the Company's objectives against the KPIs highlighted above. The total running costs in the year, as defined in the prospectus, were within the annual limit of 3.3% at 3.2%.

Clearly, when making investments in unquoted companies at an early stage of their development, some may under-perform the Manager's original expectations, but investing the funds raised in growth companies with the potential to become market leaders creates an environment of improved returns for shareholders. The growth of these companies is largely dependent on continuing the existing levels of corporate spending. A volatile economic environment could adversely affect corporate spending patterns which would, in turn, have a negative impact on the development of the investee companies.

PRINCIPAL RISKS, RISK MANAGEMENT AND REGULATORY ENVIRONMENT

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

VCT qualifying status risk: the Company is required at all times to observe the conditions laid down in the Income Tax Act 2007 for the maintenance of approved VCT status. The loss of such approval could lead to the Company losing its exemption from corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment.

The Investment Manager keeps the Company's VCT qualifying status under continual review and reports to the Board regularly throughout the year. The Board has also retained PricewaterhouseCoopers LLP to undertake an independent VCT status monitoring role.

Investment risk: the majority of the Company's investments will be in small and medium-sized companies which are VCT qualifying holdings and which, by their nature, entail a higher level of risk and lower liquidity than investments in large quoted companies.

The Directors and the Investment Manager aim to limit the risk attached to the portfolio as a whole by careful selection and timely realisation of investments, by carrying out due diligence procedures and by maintaining a wide spread of portfolio companies. The Board reviews the investment portfolio with the Investment Manager on a regular basis.

Financial risk: as most of the Company's investments involve medium to long-term commitment and are relatively illiquid, the Directors consider that it is inappropriate to finance the Company's activities through borrowing. Accordingly, they seek to maintain a proportion of the Company's assets in cash or cash equivalents in order to be in a position to take advantage of new investment opportunities.

The Company has very little exposure to foreign currency risk and does not enter into derivative transactions. The Company has cash deposits with HSBC Bank plc. The risk of loss to this cash is deemed to be low due to the bank's historical credit rating and its current Standard & Poor's rating of A+. Inadequate controls might lead to misappropriation of assets. This is mitigated by a division of responsibilities for the preparation and approval of payments. Regular asset reconciliations are undertaken by the Managers. Inappropriate accounting policies might lead to mis-posting or breaches of regulations. Guidance is provided by the Company's auditors as to the appropriateness of accounting policies and updates to regulations.

Regulatory risk: the Company is required to comply with the Companies Act 2006, the rules of the UK Listing Authority and United Kingdom Accounting Standards. Breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report. The Company's compliance with statutory and regulatory obligations is reviewed by the Board.

Reputational risk: the risk of breaches of regulations or loss of shareholder trust are mitigated by ensuring that appropriate controls are implemented by the Managers and that they are overseen by suitably qualified personnel. Reputational risk is also mitigated by an annual external audit.

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

Competitive risk: retention of key personnel within Octopus is vital to the success of the Company. Incentives to the Investment Manager's key staff are regularly monitored by the Investment Manager.

Economic risk: events such as an economic recession and movement in interest rates could affect smaller companies' valuations.

Price risk: the risk that the value of a security or portfolio of securities will decline in the future is mitigated by holding a diversified portfolio across a broad range of sectors.

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

Market risk: investment in unquoted companies involves a higher degree of risk than investment in companies listed on the Official List, which could result in the value of such investments, and interest income and dividends therefrom, reducing. In particular, small companies often have limited product lines, markets or financial resources. These companies may be dependent for their management on a small number of key individuals and may be more susceptible to political, exchange rate, taxation and other regulatory changes and, therefore, may not produce the hoped for returns. In addition, the market for securities in smaller companies is less regulated and is usually less liquid than that of securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. These risks are mitigated by the Managers' extensive experience in identifying suitable investments in smaller companies.

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

The Board seeks to mitigate the internal risks by setting policy, regularly reviewing performance, enforcing contractual obligations and monitoring progress and compliance. In the mitigation and management of these risks, the Board applies rigorously the principles detailed in the Turnbull Report and the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. Details of the Company's internal controls are contained in the Corporate Governance Report on pages 36 to 40.

Further details of the Company's financial risk management policies are provided in note 16 to the financial statements.

GENDER AND DIVERSITY

Following the transaction with OVCT Tony Morgan stood down as a director of the Company and James Otter joined the Board. The Board of Directors currently comprises four male Non-Executive Directors with considerable experience of the VCT industry, the investee companies and the recently acquired Octopus VCT. The gender, diversity and constitution of the Board are reviewed on an annual basis.

HUMAN RIGHTS ISSUES

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

This report was approved by the Board on 29 May 2015 and signed on its behalf by:

Murray Steele

Murray Steele
Chairman

Investment Manager's Review

PERSONAL SERVICE

At Octopus we have dual focus on managing your investments and keeping you informed throughout the investment process. We are committed to providing our investors with regular and open communication. Our updates are designed to keep you informed about the progress of your investment.

Octopus was established in 2000 and has a strong commitment to both smaller companies and to VCTs. We currently manage eight VCTs, including this one, and manage over £480 million in the VCT sector. Octopus has over 300 employees. The investment team that manages the portfolio of your Company is comprised of 8 managers, with additional support from specialist investment teams and support staff.

INVESTMENT POLICY

The investment approach of Octopus Apollo VCT plc is to invest with a focus on capital preservation. The majority of companies in which Apollo invests operate in sectors where there is a high degree of predictability. Ideally, we seek companies that have contractual revenues from financially sound customers that will provide an exit to the Company within three to five years.

PERFORMANCE

The Company made a net return per Ordinary share of 2.7% between 31 January 2014 and 31 January 2015. Whilst the NAV per Ordinary share decreased slightly from 86.8p to 84.8p, 5.0p of dividends were paid over the period, bringing cumulative dividends paid to date to 27.5p and the total return (NAV plus cumulative dividends) to 112.3p pence per share.

The C Ordinary shares were issued on completion of the transaction on 28 November 2014 at a deemed issue price of 97.8p per C Ordinary share. As at 31 January 2015 the NAV of the C Ordinary shares had risen to 98.0p per share.

PORTFOLIO REVIEW

The £50.3m portfolio of assets of Octopus VCT plc acquired in November 2014 was predominantly made up of investments in the solar and other renewable energy sectors. These assets are currently being accounted for separately from the assets held by the Ordinary shares, in a new class of share known as the C Ordinary shares, until all C shareholders have reached the fifth anniversary of their investment, later in 2015.

In the year under review the Company invested £3.8m in Vista Retail Support, a company that provides repairs and maintenance services for tills and chip and pin devices and £2.7m in Countrywide Healthcare Supplies, a nationwide supplier of products to the care home industry. The £10.9m investment in Clifford Thames was reinvested to provide continued support to the business following a management buyout led by Lloyds Development Capital. The Company also provided £2.5m of funding to Byena Limited and £4.2m to Aquaso Limited, two acquisition vehicles which have been set up ahead of acquiring qualifying trading businesses.

During the year, the Company increased its investment in Terido, a trading partnership managed by Octopus Investments which supports a diverse range of secured asset backed lending in sectors including residential property and solar. The purpose of investing in Terido is to improve returns on surplus cash which would otherwise to be on bank deposit awaiting VCT qualifying investment opportunities. Terido has been delivering net returns to Apollo of c. 4% per annum. As at 31 January 2015 £15.2m was held in Terido.

In January 2015 both share classes participated in Project Radiate in which the Company disposed of investments in Gretel Solar, Hedwig Solar, Klara Solar, Jutta Solar, Gerde Solar, Sula Power and Shakti Power. These disposals generated proceeds for the Company of £12.5m, resulting in an overall gain since initial investment of £2.2m, with £1.7m attributable to the Ordinary shares and £0.5m attributable to the C Ordinary shares.

The Ordinary share portfolio also exited the following investments during the year: Borro Loan 2 was repaid and the Company received back £3.5m along with all the outstanding loan interest, resulting in an IRR of 14.6%; Hydrobolt was exited for proceeds of £1.5m, resulting in an overall IRR of 21%; and a partial loan repayment of £1.3m was also received from Callstream Group in the year under review. The decision was taken to call in the loan to Bruce Dunlop and Associates International as a result of continued deterioration in its outlook. The Company received proceeds of £0.4m which was slightly higher than the valuation and so therefore the NAV was not adversely impacted. Over the period of investment a further £0.4m of the original £2.0m investment was repaid. The C share portfolio received a loan repayment of £99,000 from Michabo Power Limited.

The Company's investment portfolio is set out on page 21. It continues to hold appropriate investments to meet all the requirements for it to fully qualify as a VCT. We now have the opportunity to make further investments with the aim of accelerating the NAV of the Company over the foreseeable future.

OUTLOOK

We remain optimistic about the outlook for the portfolio and future investment prospects.

Following the transaction with OVCT the Company has a large and diverse portfolio constructed on a basis of capital preservation. It has weathered the difficult economic conditions of the past few years and has been growing in value.

We have been increasingly active in the search for new opportunities and has seen the pipeline of potential deals steadily increase. Although lending banks are getting more aggressive, they have been less active in smaller deals and many companies continue to be attracted to the partnership approach offered by Apollo.

The current fundraising and recent exits provide significant financial capacity for new investments and, as one of the largest VCTs in the country, Apollo has the ability to pursue larger deals than most VCTs and provide significant follow-on investment, which is a strong competitive advantage.

If you have any questions on any aspect of your investment, please call one of the team on **0800 316 2295**.

Grant Paul-Florence
Octopus Investments Limited
29 May 2015

VALUATION METHODOLOGY

Initial measurement

With one exception the investments held by Apollo are all unquoted and as such there is no trading platform from which prices can be easily obtained. Financial assets are measured at fair value. The initial best estimate of fair value of a financial asset that is either quoted or not quoted in an active market is the transaction price of the recent round (i.e. cost).

Subsequent measurement

Subsequent adjustment to the fair value of unquoted investments has been made using sector multiples where applicable, based on information as at 31 January 2015. In some cases the multiples have been compared to equivalent companies where it is believed that this is more appropriate than a sector multiple. In instances where an investment has predictable future cash flows, discounted cash flow valuations are used to support the fair value.

In accordance with our interpretation of the International Private Equity and Venture Capital ('IPEVC') valuation guidelines, investments made within 12 months are usually kept at cost, unless performance indicates that fair value has changed.

If you would like to find out more regarding the IPEVC valuation guidelines, please visit their website at: **www.privateequityvaluation.com**.

INVESTMENT PORTFOLIO – ORDINARY SHARES

Investments	Sector	Investment cost as at 31 January 2015 (£'000)	Movement in fair value to 31 January 2015 (£'000)	Fair value as at 31 January 2015 (£'000)	Movement in fair value in year (£'000)	% equity held by Ordinary Shares
Terido LLP*	Asset backed lending	15,222	–	15,222	–	0.0%
Clifford Thames Group Limited	Automotive software & data	7,197	1,111	8,308	713	7.6%
CSL DualCom Holdings Limited	Security devices	6,911	63	6,974	16	2.0%
Vista Retail Support Limited	Retail support services	3,758	–	3,758	–	10.4%
Countrywide Healthcare Services Limited	Healthcare	2,675	–	2,675	–	20.7%
Byena Limited	Acquisition vehicle	2,500	–	2,500	–	49.9%
Healthcare Services and Technology Limited	Acquisition vehicle	2,500	–	2,500	–	49.9%
Aquaso Limited	Acquisition vehicle	2,100	–	2,100	–	49.9%
Mablaw 555 Limited	Crack Detection Systems	2,000	44	2,044	14	6.6%
Tanganyika Heat Limited	Anaerobic digestion	2,000	–	2,000	–	49.9%
Winnipeg Heat Limited	Anaerobic digestion	2,000	–	2,000	–	49.9%
Resilient Corporate Services Limited	Solar	2,000	(29)	1,971	223	41.2%
Project Tristar Limited	Chauffeur services	798	694	1,492	537	3.9%
Callstream Group Limited	Telecommunications	472	222	694	10	6.5%
3AM Music Limited	Media	500	48	548	3	33.3%
Atlantic Screen International Limited	Media	600	(140)	460	(174)	3.0%
British Country Inns plc	Restaurants & bars	44	(24)	20	(2)	1.3%
Total investments		**53,277**	**1,989**	**55,266**	**1,340**	
Money market funds				–		
Cash at bank				21,264		
Debtors less creditors				(7,720)		
Net assets				**68,810**		

*Participation in trading partner representing 29.0% of the LLP at 31 January 2015

INVESTMENT PORTFOLIO – C ORDINARY SHARES

Investments	Sector	Investment cost as at 31 January 2015 (£'000)	Movement in fair value to 31 January 2015 (£'000)	Fair value as at 31 January 2015 (£'000)	Movement in fair value in year (£'000)	% equity held by C Ordinary Shares
Clifford Thames Group Limited	Automotive software & data	6,121	–	6,121	–	6.4%
CSL DualCom Holdings Limited	Security devices	3,895	(13)	3,882	(13)	1.4%
Healthcare Services and Technology Limited	Acquisition vehicle	2,500	–	2,500	–	49.9%
Aquaso Limited	Acquisition vehicle	2,100	–	2,100	–	49.9%
Tanganyika Heat Limited	Anaerobic digestion	2,000	–	2,000	–	49.9%
GreenCo Services 2 Limited	Solar	1,600	129	1,729	129	40.9%
3AM Music Limited	Media	1,500	144	1,644	144	49.9%
Mablaw 555 Limited	Crack Detection Systems	1,172	(150)	1,022	(150)	3.3%
Superior Heat Limited	Ground source heat	1,000	–	1,000	–	49.9%
Winnipeg Heat Limited	Anaerobic digestion	1,000	–	1,000	–	49.9%
Huitzilopochtli Limited	Solar	1,000	–	1,000	–	49.9%
5AM Music Limited	Media	850	136	986	136	49.9%
Healthcare Education Business Services Limited	Solar	992	(6)	986	(6)	30.2%
Resilient Corporate Services Limited	Solar	973	12	985	12	18.2%
Horrebow Energy Limited	Solar	973	12	985	12	49.9%
Mallina Power Limited	Solar	973	12	985	12	49.9%
Misae Power Limited	Solar	973	12	985	12	49.9%
Paivatar Power Limited	Solar	973	12	985	12	49.9%
MediaCo Business Services Limited	Solar	973	12	985	12	30.2%
Personnel Advisory Services Limited	Solar	973	12	985	12	30.2%
Saas Business Services Limited	Solar	973	12	985	12	30.2%
Jokim Limited	Solar	952	22	974	22	49.9%
Acquire Your Business Limited	Business services	842	(7)	835	(7)	48.9%
Atlantic Screen International Limited	Media	1,057	(289)	768	(289)	49.9%
Howbery Solar Park Limited	Solar	707	39	746	39	49.9%
Nima Power Limited	Solar	614	12	626	12	12.5%
Tuwale Power Limited	Solar	614	12	626	12	12.5%
Gnowee Power Limited	Solar	614	10	624	10	17.9%
Hella Solar Limited	Solar	614	9	623	9	19.3%
Helaku Power Limited	Solar	609	10	619	10	25.0%
EFK Diagnostics Holdings plc	Healthcare	679	(175)	504	(175)	1.0%
Cyrah Power Limited	Solar	500	–	500	–	16.7%
Evaki Power Limited	Solar	500	–	500	–	16.7%
Grian Power Limited	Solar	500	–	500	–	12.5%
Intina Power Limited	Solar	500	–	500	–	12.5%
Yata Power Limited	Solar	500	–	500	–	16.7%
Teruko Power Limited	Solar	500	(34)	466	(34)	17.9%
Tonatiuh Trading 2 Limited	Solar	500	(52)	448	(52)	17.8%
PTB Films Limited	Media	222	3	225	3	12.5%
Quickfire 2 Films Limited	Media	180	(22)	158	(22)	6.5%
Quickfire Films Limited	Media	157	(16)	141	(16)	6.5%
Michabo Power Limited	Solar	40	–	40	–	0.0%
Total investments		**44,915**	**(142)**	**44,773**	**(142)**	
Money market funds				–		
Cash at bank				–		
Debtors less creditors				5,980		
Net assets				**50,753**		

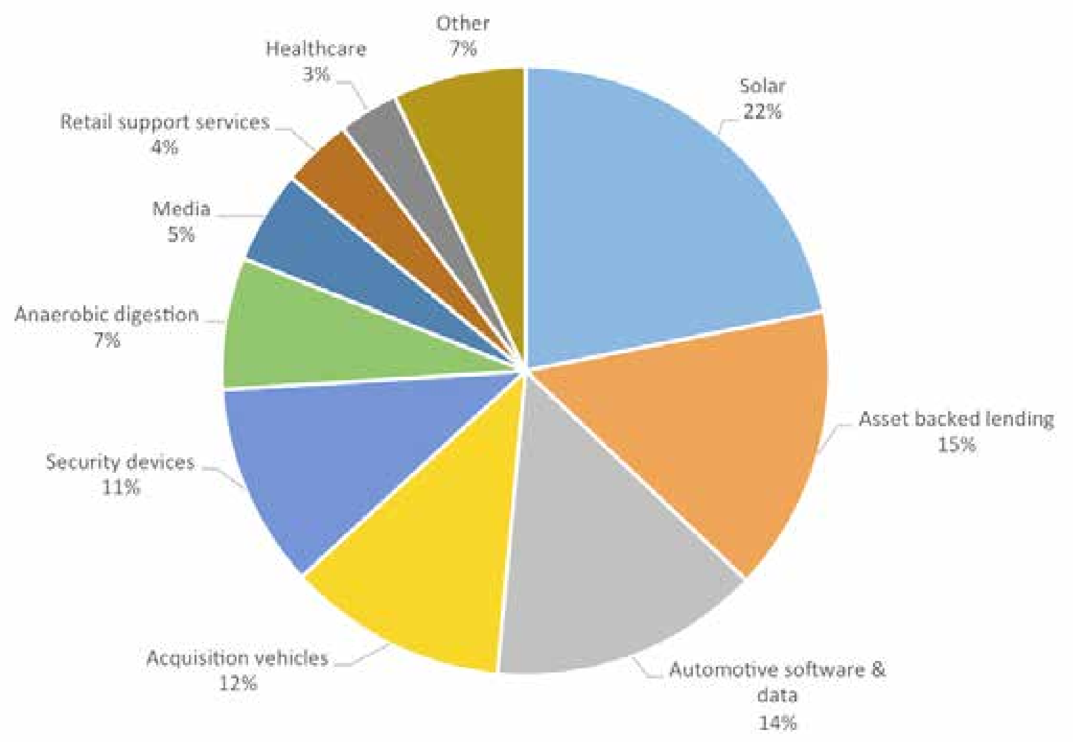
INVESTMENT PORTFOLIO – ORDINARY SHARES AND C ORDINARY SHARES COMBINED

Investments	Sector	Investment cost as at 31 January 2015 (£'000)	Movement in fair value to 31 January 2015 (£'000)	Fair value as at 31 January 2015 (£'000)	Movement in fair value in year (£'000)	% equity held by Apollo Ords	% equity held by Apollo C Ords	% equity held by all funds managed by Octopus
Terido LLP*	Asset backed lending	15,222	–	15,222	–	0.0%	0.0%	0.0%
Clifford Thames Group Limited	Automotive software & data	13,318	1,111	14,429	713	7.6%	6.4%	14.0%
CSL DualCom Holdings Limited	Security devices	10,806	50	10,856	3	2.0%	1.4%	3.4%
Healthcare Services and Technology Limited	Acquisition vehicle	5,000	–	5,000	–	49.9%	49.9%	100.0%
Aquaso Limited	Acquisition vehicle	4,200	–	4,200	–	49.9%	49.9%	100.0%
Tanganyika Heat Limited	Anaerobic digestion	4,000	–	4,000	–	49.9%	49.9%	100.0%
Vista Retail Support Limited	Retail support services	3,758	–	3,758	–	10.4%	0.0%	10.4%
Mablaw 555 Limited	Crack Detection Systems	3,172	(106)	3,066	(136)	6.6%	3.3%	9.9%
Winnipeg Heat Limited	Anaerobic digestion	3,000	–	3,000	–	49.9%	49.9%	100.0%
Resilient Corporate Services Limited	Solar	2,973	(17)	2,956	235	41.2%	18.2%	100.0%
Countrywide Healthcare Supplies Limited	Healthcare	2,675	–	2,675	–	20.7%	0.0%	20.7%
Byena Limited	Acquisition vehicle	2,500	–	2,500	–	49.9%	49.9%	100.0%
3AM Music Limited	Media	2,000	192	2,192	147	33.3%	49.9%	100.0%
GreenCo Services 2 Limited	Solar	1,600	129	1,729	129	0.0%	40.9%	100.0%
Project Tristar Limited	Chauffeur services	798	694	1,492	537	3.9%	0.0%	35.0%
Atlantic Screen International Limited	Media	1,657	(430)	1,227	(464)	3.0%	49.9%	100.0%
Huitzilopochtli Limited	Solar	1,000	–	1,000	–	0.0%	49.9%	100.0%
Superior Heat Limited	Ground source heat	1,000	–	1,000	–	0.0%	49.9%	100.0%
5AM Music Limited	Media	850	137	987	137	0.0%	49.9%	100.0%
Healthcare Education Business Services Limited	Solar	992	(6)	986	(6)	0.0%	30.2%	90.6%
Horrebow Energy Limited	Solar	973	12	985	12	0.0%	49.9%	100.0%
Mallina Power Limited	Solar	973	12	985	12	0.0%	49.9%	100.0%
MediaCo Business Services Limited	Solar	973	12	985	12	0.0%	30.2%	90.6%
Misae Power Limited	Solar	973	12	985	12	0.0%	49.9%	49.9%
Paivatar Power Limited	Solar	973	12	985	12	0.0%	49.9%	49.9%
Personnel Advisory Services Limited	Solar	973	12	985	12	0.0%	30.2%	90.6%
Saas Business Services Limited	Solar	973	12	985	12	0.0%	30.2%	90.6%
Jokim Limited	Solar	952	22	974	22	0.0%	49.9%	100.0%
Acquire Your Business Limited	Business services	842	(7)	835	(7)	0.0%	48.9%	100.0%
Howbery Solar Park Limited	Solar	707	40	747	40	0.0%	49.9%	100.0%
Callstream Group Limited	Telecommunications	472	222	694	10	6.5%	0.0%	6.5%
Nima Power Limited	Solar	614	12	626	12	0.0%	12.5%	100.0%
Tuwale Power Limited	Solar	614	12	626	12	0.0%	12.5%	100.0%
Gnowee Power Limited	Solar	614	10	624	10	0.0%	17.9%	100.0%
Hella Solar Limited	Solar	614	10	624	9	0.0%	19.3%	100.0%
Helaku Power Limited	Solar	609	10	619	10	0.0%	25.0%	50.0%
EKF Diagnostics Holdings plc	Healthcare	678	(176)	502	(176)	0.0%	1.0%	6.3%
Cyrah Power Limited	Solar	500	–	500	–	0.0%	16.7%	100.0%
Evaki Power Limited	Solar	500	–	500	–	0.0%	16.7%	100.0%
Grian Power Limited	Solar	500	–	500	–	0.0%	12.5%	100.0%
Intina Power Limited	Solar	500	–	500	–	0.0%	12.5%	100.0%
Yata Power Limited	Solar	500	–	500	–	0.0%	16.7%	100.0%
Teruko Power Limited	Solar	500	(34)	466	(34)	0.0%	17.9%	100.0%
Tonatiuh Trading 2 Limited	Solar	500	(52)	448	(52)	0.0%	17.8%	100.0%
PTB Films Limited	Media	222	3	225	3	0.0%	12.5%	100.0%
Quickfire 2 Films Limited	Media	180	(22)	158	(22)	0.0%	6.5%	99.9%
Quickfire Films Limited	Media	157	(16)	141	(16)	0.0%	6.5%	99.7%
Michabo Power Limited	Solar	40	–	40	–	0.0%	0.0%	0.0%
British Country Inns plc	Restaurants & bars	44	(24)	20	(2)	1.3%	0.0%	1.3%
Total investments		**98,191**	**1,848**	**100,039**	**1,198**			
Money market funds				–				
Cash at bank				21,264				
Debtors less creditors				(1,740)				
Net assets				**119,563**				

*Participation in trading partner representing 29.0% of the LLP at 31 January 2015

SECTOR ANALYSIS

The graph below shows the sectors that Apollo is invested in and their respective proportions as a percentage of fixed asset investments.



REVIEW OF INVESTMENTS

At 31 January 2015 Apollo's portfolio comprised investments in 47 unquoted companies, one AIM-traded investment and one limited liability partnership. The unquoted investments are in Ordinary shares with full voting rights as well as loan note securities and a participation in a limited liability partnership.

Unquoted investments are valued in accordance with the valuation methodology set out on page 19 and the accounting policy set out on page 64 and 66, which takes account of current industry guidelines for the valuation of venture capital portfolios and is compliant with IPEVC Valuations guidelines and current financial reporting standards.

TEN LARGEST HOLDINGS

Listed below are the ten largest investments by value as at 31 January 2015:

TERIDO LLP

Terido is a trading partnership managed by Octopus Investments which supports a range of secured asset backed lending in sectors including residential property and solar. Terido invests in a significant number of individual companies in order to ensure diversification for the partnership. Apollo's investment in Terido can be accessed at four months' notice should Apollo require these funds to make other investments or pay running costs of the Company.

Asset class	Cost (£'000)	Valuation (£'000)
Participation	15,222	15,222
Total	**15,222**	**15,222**

Investment date:	June 2013
Equity held:	0.0%
Last audited accounts:	31 March 2014
Revenues:	£21.8 million
Profit before interest & tax:	£20.0 million
Net assets:	£174.5 million
Income receivable recognised in year:	£618,000
Valuation basis:	Transaction cost

CLIFFORD THAMES GROUP LIMITED (CLIFFORD THAMES)

Clifford Thames is a market-leading provider of consultancy, business outsourcing, software and data services for the automotive industry, and is a key partner of most of the world's leading car manufacturers. With offices in eight countries, Clifford Thames has a well-established and impressive client list including Ford, GM Europe, Jaguar Land Rover, Mazda and Fiat. Further information can be found at the company's website **www.clifford-thames.com**.

Asset class	Cost (£'000)	Valuation (£'000)
'P' shares	5,498	5,498
'B' preference shares	26	26
Loan stock	7,794	8,905
Total	**13,318**	**14,429**

Investment date:	January 2010
Equity held:	14.0%
Last audited accounts:	31 March 2014
Revenues:	£19.8 million
Profit before interest & tax:	£0.6 million
Net assets:	£11.6 million
Income receivable recognised in year:	£419,000
Valuation basis:	Earnings multiple

CSL DUALCOM HOLDINGS LIMITED ('CSL')

CSL is the UK's leading supplier of dual path signalling devices, which link burglar alarms to the police or a private security firm. The devices communicate using both a telephone line or broadband connection and a wireless link. CSL has developed a number of new products for the sector, which have enabled the business to steadily grow its market share of new connections and its profitability since the initial investment. Further information can be found at the company's website **www.csldual.com**.

Asset class	Cost (£'000)	Valuation (£'000)
Ordinary shares	106	156
Loan stock	10,700	10,700
Total	**10,806**	**10,856**

Investment date:	February 2009
Equity held:	3.4%
Last audited accounts:	31 March 2014
Revenues:	£14.1 million
Profit before interest & tax:	£2.4 million
Net assets:	£10.3 million
Income receivable recognised in year:	£585,000
Valuation basis:	Earnings multiple

HEALTHCARE SERVICES AND TECHNOLOGY LIMITED

Healthcare Services and Technology is an acquisition vehicle seeking a qualifying investment in the healthcare sector.

Asset class	Cost (£'000)	Valuation (£'000)
Ordinary shares	500	500
Loan stock	4,500	4,500
Total	**5,000**	**5,000**

Investment date:	February 2013
Equity held:	99.8%
Last unaudited accounts:	28 February 2014
Revenues:	£nil
Loss before interest & tax:	£835
Net assets:	£500,835
Income receivable recognised in year:	£nil
Valuation basis:	Transaction cost

AQUASO LIMITED

Aquaso Limited is an acquisition vehicle seeking a qualifying investment on behalf of the Company.

Asset class	Cost (£'000)	Valuation (£'000)
Ordinary shares	410	410
Loan stock	3,790	3,790
Total	**4,200**	**4,200**

Investment date:	November 2014
Equity held:	99.8%
Last unaudited accounts:	N/A
Revenues:	N/A
Loss before interest & tax:	£N/A
Net assets:	£N/A
Income receivable recognised in year:	£nil
Valuation basis:	Transaction cost

TANGANYIKA HEAT LIMITED ('TANGANYIKA')

Tanganyika is in the process of constructing, and will operate, an anaerobic digestion plant in Lincolnshire.

Asset class	Cost (£'000)	Valuation (£'000)
Ordinary shares	1,200	1,200
Loan stock	2,800	2,800
Total	**4,000**	**4,000**

Investment date:	April 2012
Equity held:	99.8%
Last unaudited accounts:	28 February 2014
Revenues:	£nil
Loss before interest & tax:	£73,000
Net assets:	£1.1 million
Income receivable recognised in year:	£215,000
Valuation basis:	Transaction cost

VISTA RETAIL SUPPORT LIMITED ('VISTA')

Vista is a leading IT service and support company operating within the retail market.

Asset class	Cost (£'000)	Valuation (£'000)
A Ordinary shares	104	104
B Ordinary shares	272	272
Loan stock	3,382	3,382
Total	**3,758**	**3,758**

Investment date:	May 2014
Equity held:	10.4%
Last unaudited accounts:	31 August 2014
Revenues:	£14.3 million
Profit before interest & tax:	£1.3 million
Net assets:	£3.8million
Income receivable recognised in year:	£77,000
Valuation basis:	Transaction cost

MABLAW 555 LIMITED ('TECHNICAL SOFTWARE CONSULTANTS')

Technical Software Consultants designs and manufactures equipment to solve a range of oil and gas industry inspection needs, including crack sizing, structural monitoring and stress mapping. Further information can be found at the company's website **www.tscinspectionsystems.com**.

Asset class	Cost (£'000)	Valuation (£'000)
A Ordinary shares	100	23
B Ordinary shares	372	344
Loan stock	2,700	2,700
Total	**3,172**	**3,067**

Investment date:	April 2012
Equity held:	9.9%
Last audited accounts:	31 March 2014
Revenues:	£5.4m
Profit before interest & tax:	£0.8m
Net assets:	£0.7m
Income receivable recognised in year:	£207,000
Valuation basis:	Earnings multiple

WINNIPEG HEAT LIMITED ('WINNIPEG')

Winnipeg is in the process of constructing, and will operate, an anaerobic digestion plant in Yorkshire.

Asset class	Cost (£'000)	Valuation (£'000)
Ordinary shares	900	900
Loan stock	2,100	2,100
Total	**3,000**	**3,000**

Investment date:	April 2012
Equity held:	99.8%
Last unaudited accounts:	28 February 2014
Revenues:	£nil
Loss before interest & tax:	£94,000
Net assets:	£1.1 million
Income receivable recognised in year:	£184,000
Valuation basis:	Transaction cost

RESILIENT CORPORATE SERVICES LIMITED

Resilient is a UK based solar company operating 14 solar sites on farms across France.

Asset class	Cost (£'000)	Valuation (£'000)
A Ordinary shares	2,973	2,956
Total	**2,973**	**2,956**

Investment date:	March 2010
Equity held:	59.4%
Last unaudited accounts:	31 December 2014
Revenues:	£18,000
Profit before interest & tax:	£281,000
Net assets:	£5.6 million
Income receivable recognised in year:	£nil
Valuation basis:	Discounted cash flow

HOW OCTOPUS CREATES AND DELIVERS VALUE FOR THE SHAREHOLDERS OF OCTOPUS APOLLO VCT PLC

Octopus Apollo VCT plc focuses on providing development and expansion funding to predominantly unquoted companies with a typical investment per company of £1 million to £5 million. The Company's funds are invested with more focus on capital preservation than a typical VCT. Typically the Company will receive its return from interest paid on secured loan notes as well as an exposure to the value of the shares of a company. The investment strategy is to derive sufficient return from the secured loan notes to achieve the Company's investment aims and to use the equity exposure to boost returns. As portfolio companies are unquoted the Company will receive a return from an equity holding when an investee company is sold.

INVESTMENT PROCESS

The Investment Manager follows a multi-stage process prior to making Qualifying Investments in unquoted companies.

INITIAL SCREENING

If the initial review of the business plan is positive, a meeting is held with the management team of the business in order to assess the team in terms of its ability to achieve the objectives set out in the business plan. The proposition is then discussed and reviewed with the other members of the Octopus team and a decision is taken as to whether to continue discussions with the company with a view to making an investment.

DUE DILIGENCE

Prior to making an investment, due diligence is carried out on the potential investee company. The due diligence process includes a review of the investee company's products and services, discussions with customers and suppliers, competitive analysis, assessment of the capabilities of the management team and financial analysis. In addition, with the potential investee company's permission, the input of existing relevant Octopus industry contacts is often sought.

Additionally, Octopus also draws on professional input from lawyers, accountants and other specialists as required in order to conduct the due diligence and draw up the required legal documentation in order to complete an investment.

POST-INVESTMENT MONITORING

Octopus will either appoint a Director or a formal observer to the board of each investee company. The majority of the investments are expected to be held for approximately five years. There may, however, be opportunities to exit profitably on shorter timescales. The Investment Manager will conduct a regular review of the portfolio, during which each investee company will be assessed in terms of its commercial and financial progress, its strategic positioning, requirement for further capital, progress towards an eventual exit and its current and prospective valuation.

As each company matures, the exit considerations become more specific, with a view to establishing a definitive action plan in order to achieve a successful sale of the investment. Throughout the cycle of an investment the Investment Manager will remain proactive in determining the appropriate time and route to exit. It is expected that the majority of exits will be by means of trade sale.

The strategic report was approved by the Board on 29 May 2015 and signed on its behalf by:

Murray Steele

Murray Steele
Chairman

Details of Directors

The Directors of the Company during the year were:

Murray Steele

(Chairman)

Murray was appointed as Director and Chairman on completion of the merger of Octopus Apollo VCT 1 plc, Octopus Apollo VCT 2 plc and Octopus Apollo VCT 4 plc with the Company. Murray has had a broad range of experience as a Director of a number of companies. At present he is Chairman of Surface Generation Limited, a hi-tech engineering company, and a Non-Executive Director of James Walker Group, an international engineering group with revenues of £200 million, and E – Energija, an energy company in Lithuania. Murray has Bachelor's and Master's degrees in mechanical engineering from the University of Glasgow, an MBA from Cranfield School of Management and holds an accounting qualification. Murray was formerly a director of Octopus Apollo VCT 4 plc which was placed into Members Voluntary Liquidation on 28 September 2012 following the merger of the Apollo VCTs and was dissolved on 15 April 2014. Murray is also a member of the Terido Advisory Board.

James Otter

(Non-Executive Director)

James was formerly Chairman of Octopus VCT plc. He was appointed as a Director on 28 November 2014 upon the transaction with Octopus VCT. James is currently Chairman of Hygea VCT, which specialises in investing in early stage bioscience companies. He had led several Hygea investees as CEO. He is currently working on projects in the growing area of health IT and leading the liquidation of a $50 million cash shell. Previous positions include being a main board director of Spectris plc, working on a turnaround project in Denmark, and a director of Glide Pharmaceutical Technologies Limited. The bulk of his career was spent in international commercial roles with Zeneca Agrochemicals (formerly ICI and now Syngenta). James has an MBA from INSEAD and a degree in Natural Sciences from Cambridge. James remains a director of Octopus VCT plc which was placed into Members' Voluntary Liquidation on completion of the transaction.

Christopher Powles

(Non-Executive Director and Chairman of the Audit Committee)

Chris was appointed as a Director on 28 September 2012 upon the merger of Octopus Apollo VCT 1 plc, Octopus Apollo VCT 2 plc and Octopus Apollo VCT 4 plc with the Company. Chris has extensive experience in the UK smaller companies sector. He was the principal founder of Pi Capital, a private client fund management company that specialises in investing in smaller unquoted companies. Prior to selling his stake in Pi Capital in 2002 he led the investment of more than £25 million into 14 companies. Subsequently he was the finance director of an AIM-traded company, as well as a non-executive director of both listed and private companies. Currently he is involved in renewable energy, being a director of Little Sutton Energy Company Limited, Flights Mill Community Hydro Power Limited and Susenco Management Limited. Chris is a chartered accountant, having qualified at what is now part of PricewaterhouseCoopers LLP, and has a BA Hons degree from Oxford University. Chris was formerly a director of Octopus Apollo VCT 4 plc which was placed into Members Voluntary Liquidation on 28 September 2012 following the merger of the Apollo VCTs and was dissolved on 15 April 2014.

Matt Cooper

(Non-Executive Director)

Matt is the Chairman of Octopus, the investment manager of the Company. Prior to joining Octopus, Matt was the Principal Managing Director of Capital One Bank (Europe) plc where he was responsible for all aspects of the company's strategic direction and day-to-day operations in Europe. He led the UK portion of the business from start-up to two million customers, generating revenues of over £275 million and employing over 2,000 people. Matt is also Chairman of Imaginatik plc, Inspired Capital plc, RNM Financial Ltd and Clearly So Limited and a Non-Executive Director of Accesso Technology Group plc, Vouched For Limited and two other Octopus VCTs. Matt was formerly a director of Octopus Apollo VCT 1 plc and Octopus Apollo VCT 2 plc which were placed into Members' Voluntary Liquidation on 28 September 2012 following the merger of the Apollo VCTs and were dissolved on 15 April 2014.

Tony Morgan resigned as a director of the Company on completion of the transaction with Octopus VCT plc on 28 November 2014.

Directors' Report

The Directors present their report and the audited financial statements for the year to 31 January 2015.

The Directors consider that the annual report and accounts, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

DIRECTORS

Brief biographical notes on the Directors are given on pages 29 and 30.

In accordance with the Articles of Association and the Association of Investment Companies Code of Corporate Governance, Mr Otter will offer himself for election as a Director, and the Board recommends his election, at the forthcoming Annual General Meeting.

Mr Cooper is not considered to be independent due to his role as Chairman of Octopus Investments Limited, the Investment Manager of Octopus Apollo VCT plc. As a non-independent Director, Mr Cooper will stand for re-election at the 2015 AGM of the Company as required by Listing Rule 15.2.13A. The Board has considered provision B.7.2 of the The UK Corporate Governance Code and, following a formal performance evaluation as part of the Board Evaluation, further details of which can be found on page 37, believes that he continues to be effective and demonstrates commitment to his role, the Board and the Company. The Board therefore has no hesitation in recommending him for re-election at the forthcoming Annual General Meeting.

Further details can be found in the Corporate Governance report on pages 36 to 40.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has, as permitted by s233 of the Companies Act 2006, maintained insurance cover on behalf of the Directors and Company Secretary indemnifying them against certain liabilities which may be incurred by them in relation to the Company.

VCT REGULATION

Compliance with required rules and regulations is considered when all investment decisions are made. The Company is further monitored on a continual basis to ensure compliance. The main criteria to which the Company must adhere is detailed on pages 3 and 4 (Shareholder Information and Contact Details).

The Finance Act 2014 amended the rules relating to VCT shares issued on or after 6 April 2014 such that VCT status will be withdrawn if, in respect of shares issued on or after that date, a dividend is paid (or other forms of distribution or payments are made to investors) from the capital received by the VCT from that issue within three years of the end of the accounting period in which shares were issued to investors. This may affect the amount of distributable reserves available to the Company to fund dividends or share buybacks. However, the Company currently has sufficient distributable reserves to allow dividends to continue to be paid in line with the current dividend policy.

The Company will continue to ensure its compliance with the qualification requirements.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report, on pages 8 to 28. Further details on the management of financial risk may be found in note 16 to the financial statements.

The Board receives regular reports from Octopus and the Directors believe that, as no material uncertainties leading to significant doubt about going concern have been identified, it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

The assets of the Company include securities which are readily realisable (17.8% of net assets) and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

MANAGEMENT

The Company has in place an agreement with Octopus to act as Investment Manager which is central to the ability of the Company to continue in business. The principal terms of the Company's management agreement with Octopus are set out in notes 3 and 19 to the financial statements. Octopus also provides secretarial, administrative and custodian services to the Company.

There are no other contracts which are deemed to be essential to the business of the Company.

As required by the Listing Rules, the Directors confirm that, in their opinion, the continuing appointment of Octopus as Investment Manager is in the best interests of the shareholders as a whole. In reaching this conclusion the independent Directors have taken into account the performance of the investment portfolio and the ability of the Investment Manager to produce satisfactory investment performance in the future. It also considered the length of the notice period of the management agreement and fees payable to Octopus, together with the standard of other services provided which include secretarial and accounting services. Details of the fees paid to Octopus in respect of services provided are detailed in note 19 to the financial statements.

With the exception of Mr Cooper, no Director has an interest in any contract to which the Company is party. Mr Cooper is Chairman of Octopus.

The Company has established a performance incentive scheme whereby the Investment Manager is entitled to an annual performance-related incentive fee in the event that the Ordinary shares meet certain performance criteria. Further details of this scheme are disclosed within note 19 to the financial statements. As at 31 January 2015, £463,000 was due to Octopus by way of annual performance fee (2014: £375,000).

The Board has delegated the routine management decisions such as the payment of standard running costs to Octopus. The manager has delegated authority for investment decisions, however, these are discussed and agreed with the Board.

WHISTLEBLOWING

In accordance with the recommendations of The UK Corporate Governance Code the Board has considered the arrangements in place to encourage staff of the Investment Manager or Secretary of the Company to raise concerns, in confidence, within their organisation about possible improprieties in matters of financial reporting or other matters. It is satisfied that adequate arrangements are in place to allow an independent investigation, and follow-on action where necessary, to take place within the organisation.

BRIBERY ACT

Octopus has an Anti-Bribery Policy which introduced robust procedures to ensure full compliance with the Bribery Act 2010 and to ensure that the highest standards of professional ethical conduct are maintained. All employees and those working for, or on behalf of Octopus, are aware of their legal obligations when conducting company business.

ENVIRONMENT POLICY AND GREENHOUSE GAS EMISSIONS

The Board has no specific environmental policy; however, the Company recognises the need to conduct its business, including investment decisions, in a manner that is responsible to the environment, wherever possible.

The Company does not produce any reportable emissions as the fund management is outsourced to Octopus, with no physical assets or property held by the Company. Consequently it has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors Reports) Regulations 2013.

SHARE ISSUES AND OPEN OFFERS

During the year, 4,552,069 Ordinary shares were issued at a price of 89.7p per share through a non-prospectus offer to raise up to £4.1 million which launched on 2 December 2013 and closed on 21 February 2014. The allotment of 4,552,069 Ordinary shares took place on 21 February 2014.

On 27 August 2014 the Company issued 15,298 Ordinary shares in relation to an offer for subscription launched on 1 October 2012 and 265 Ordinary shares in relation to the non-prospectus offer referred to above. The shares were issued at a price of 86.9p per share.

On 24 October 2014 the Board launched an Offer for Subscription (Offer) to raise £20 million, with an over allotment facility of £10 million. During the period from launch to 31 January 2015 5,226,846 Ordinary shares were issued under the Offer at a weighted average price of 88.9p per share. In the period since the year end to the date of this report 16,695,199 Ordinary shares were issued at a weighted average price of 88.9p per share.

On completion of the transaction between OVCT and the Company on 28 November 2014 52,035,840 C Ordinary shares were issued at a deemed issue price of 97.8p per C Ordinary share.

In the year to 31 January 2014 41,221,614 shares were issued at a weighted average price of 94.2p per share.

SHARE BUYBACKS AND REDEMPTIONS

During the period the Company purchased 2,230,395 Ordinary shares, with a nominal value of £223,040, for cancellation at a weighted average price of 81.3p per share for total consideration of £1,813,000 (2014: 21,103,371 shares at a weighted average price of 89.0p per share). The Company also purchased 230,021 C Ordinary shares, with a nominal value of £2,300, for cancellation at a weighted average price of 88.0p. The shares were repurchased in accordance with the Company's share buyback policy to provide liquidity in the shares and to prevent the shares trading at a wide discount to the NAV.

The Board received authority at the General Meeting held on 21 November 2014 to buy back up to 14.99% of the share capital, such authority to expire 18 months after the passing of the resolution. Renewal of this authority will be sought at the forthcoming AGM. The Board's policy is to apply a 5% discount to buybacks of Ordinary shares and a 10% discount to buybacks of C Ordinary shares. The buyback policy for the C Ordinary shares is in line with the policy of OVCT prior to its transaction with the Company and has been applied to ensure that C Ordinary shareholders who do not pass through their five year VCT qualifying holding period until May 2015 are not disadvantaged by significant buybacks of C Ordinary shares prior to the opportunity for all C shareholders to either exit or convert their holding into Ordinary shares.

CANCELLATION OF SHARE PREMIUM ACCOUNT AND CAPITAL REDEMPTION RESERVE

On 26 March 2014 the High Court of Justice, Chancery Division approved the cancellation of the Company's share premium account and capital redemption reserve. As a result of these cancellations £39,375,355 was transferred to the special distributable reserve.

SHARE CAPITAL AND RIGHTS ATTACHING TO THE SHARES AND RESTRICTIONS ON VOTING AND TRANSFER

The Company's Ordinary share capital as at 31 January 2015 was 81,184,986 Ordinary shares of 10p and 51,805,819 C Ordinary shares of 1p (2014: 73,620,903 Ordinary shares). No shares were held in Treasury.

Subject to any suspension or abrogation of rights pursuant to relevant law or the Company's Articles of Association, the shares confer on their holders (other than the Company in respect of any treasury shares) the following principal rights:

(a) the right to receive out of returns available for distribution to each share class such dividends as may be agreed to be paid (in the case of a final dividend in an amount not exceeding the amount recommended by the Board as approved by each class of shareholders in general meeting or in the case of an interim dividend in an amount determined by the Board). All dividends unclaimed for a period of 12 years after having become due for payment are forfeited automatically and cease to remain owing by the Company;

(b) the right, on a return of assets on a liquidation, reduction of capital or otherwise, to share in the surplus assets of the respective Ordinary or C Ordinary share class remaining after payment of its liabilities pari passu with the other holders of Ordinary or C Ordinary shares respectively; and

(c) the right to receive notice of and to attend and speak and vote in person or by proxy at any class meeting of Ordinary or C Ordinary shares respectively or any general meeting of the Company. On a show of hands every member present or represented and voting has one vote and on a poll every member present or represented and voting has one vote for every share of which that member is the holder; the appointment of a proxy must be received not less than 48 hours before the time of the holding of the relevant meeting or adjourned meeting or, in the case of a poll taken otherwise than at or on the same day as the relevant meeting or adjourned meeting, be received after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll.

These rights can be suspended. If a member, or any other person appearing to be interested in shares held by that member, has failed to comply within the time limits specified in the Company's Articles of Association with a notice pursuant to s793 of the Companies Act 2006 (notice by the Company requiring information about interests in its shares), the Company can, until the default ceases, suspend the right to attend and speak and vote at a general meeting and, if the shares represent at least 0.25% of their class, the Company can also withhold any dividend or other money payable in respect of the shares (without any obligation to pay interest) and refuse to accept certain transfers of the relevant shares. Shareholders, either alone or with other shareholders, have other rights as set out in the Company's Articles of Association and in Company law.

A member may choose whether his shares are evidenced by share certificates (certificated shares) or held in electronic (uncertificated) form in CREST (the UK electronic settlement system). Any member may transfer all or any of his shares, subject in the case of certificated shares to the rules set out in the Company's Articles of Association or in the case of uncertificated shares to the regulations governing the operation of CREST (which allow the Directors to refuse to register a transfer as therein set out); the transferor remains the holder of the shares until the name of the transferee is entered in the register of members. The Directors may refuse to register a transfer of certificated shares in favour of more than four persons jointly or where there is no adequate evidence of ownership or the transfer is not duly stamped (if so required). The Directors may also refuse to register a share transfer if it is in respect of a certificated share which is not fully paid up or on which the Company has a lien provided that, where the share transfer is in respect of any share admitted to the Official List maintained by the UK Listing Authority, any such discretion may not be exercised so as to prevent dealings taking place on an open and proper basis, or if in the opinion of the Directors (and with the concurrence of the UK Listing Authority) exceptional circumstances so warrant, provided that the exercise of such power will not disturb the market in those shares. Whilst there are no squeeze-out and sell out rules relating to the shares in the Company's Articles of Association, shareholders are subject to the compulsory acquisition provisions in s974 to s991 of the Companies Act 2006.

DIRECTORS' AUTHORITY TO ALLOT SHARES AND TO DISAPPLY PRE-EMPTION RIGHTS

The authority proposed under Resolution 8 is required so that the Directors may offer existing shareholders the opportunity to add to their investment or to offer potential shareholders an opportunity to invest in the Company in a tax efficient manner without the Company having to incur substantial costs. Any consequent modest increase in the size of the Company will, in the opinion of the Directors, be in the interests of shareholders generally. Any issue proceeds will be available for investment in line with the Company's investment policy and may be used, in part, to purchase Ordinary shares in the market. Resolution 8 renews the Directors' authority to allot Ordinary shares. This would enable the Directors until July 2016, to allot up to 9,788,018 Ordinary shares (representing approximately 10 per cent of the Company's issued share capital as at the date of this Report). The authority being sought under this Resolution is in addition to that obtained at the General Meeting of the Company held on 21 November 2014.

Any shares allotted under this authority would be issued at prices at or above NAV.

Resolution 9 renews and extends the Directors' authority to allot equity securities for cash without pre-emption rights applying in certain circumstances. This resolution would authorise the Directors, until the date falling 15 months after the date of the passing of the Resolution or, if earlier, the conclusion of the next Annual General Meeting of the Company, to issue Ordinary shares for cash without pre-emption rights applying by way of an offer to existing shareholders, or re-issuing shares out of Treasury up to a maximum of 9,788,018 Ordinary shares (representing approximately 10 per cent of the Company's issued share capital as at the date of this Report). This power will be exercised only if, in the opinion of the Directors, it would be in the best interests of shareholders, as a whole. As with Resolution 8 the authority being sought under this resolution is in addition to that obtained at the General Meeting of the Company held on 21 November 2014.

DIRECTORS' AUTHORITY TO MAKE MARKET PURCHASE OF ITS OWN SHARES

The authority proposed under Resolution 10 is required so that the Directors may make purchases of up to 14,672,239 Ordinary shares and 7,765,692 C Ordinary shares. Resolution 10 seeks renewal of such authority until the next Annual General Meeting (or the expiry of 15 months, if earlier). The price paid for shares will not be less than the nominal value nor more than the maximum amount permitted to be paid in accordance with the rules of the UK Listing Authority in force as at the date of purchase. This power will be exercised only if, in the opinion of the Directors, a repurchase would be in the best interests of shareholders as a whole. Any shares repurchased under this authority will ordinarily be cancelled.

SUBSTANTIAL SHAREHOLDINGS

As at the date of this report, no disclosures of major shareholdings had been made to the Company under Disclosure and Transparency Rule 5 (Vote Holder and Issuer Notification Rules).

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting of the Company to be held on 28 July 2015, and a form of proxy in relation to the meeting, can each be found at the end of this document.

INDEPENDENT AUDITOR

Grant Thornton UK LLP offer themselves for reappointment as auditor. A resolution to reappoint Grant Thornton UK LLP as auditor and to authorise the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

INFORMATION GIVEN IN THE STRATEGIC REPORT

Information on dividends and likely future developments has not been given in the Directors' Report as equivalent disclosure has been made in the Strategic Report.

Corporate Governance Report

The Board of Octopus Apollo VCT plc has considered the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (AIC Code) by reference to the Association of Investment Companies Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in The UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, by reference to the AIC Guide (which incorporates, and is used in addition to, The UK Corporate Governance Code), will provide better information to shareholders.

The Company is committed to maintaining high standards in Corporate Governance. The Directors consider that the Company has, throughout the period under review, complied with the provisions set out in The UK Corporate Governance Code with the exceptions set out in the Compliance Statement on pages 39 and 40.

BOARD OF DIRECTORS

The Company has a board of four non-executive Directors, three of whom are considered to be independent of the Company's Investment Manager, Octopus Investments Limited. Mr Matt Cooper is not considered to be independent due to his role as Chairman of Octopus Investments Limited. As a non-independent Director, Mr Cooper will stand for re-election at the 2015 AGM of the Company as required by Listing Rule 15.2.13A.

The director rotation is undertaken annually as follows:

	Date of Original Appointment	Due date for Election/ Re-election
Murray Steele (Chairman)	27/09/2012	AGM 2016
Matt Cooper	17/07/2006	AGM 2015
James Otter (appointed 28/11/2014)	28/11/2014	AGM 2015
Christopher Powles	28/09/2012	AGM 2016
Tony Morgan (resigned 28/11/2014)	17/07/2006	–

The Board meets regularly on a quarterly basis, and on other occasions as required, to review the investment performance and monitor compliance with the investment policy laid down by the Board.

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

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

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda, and has no involvement in the day to day business of the Company. He facilitates the effective contribution of the Directors and ensures that they receive accurate, timely and clear information and that they communicate effectively with shareholders.

The Company Secretary is responsible for advising the Board through the Chairman on all governance matters. All of the Directors have access to the advice and services of the Company Secretary, who has administrative responsibility for the meetings of the Board and its Committees. Directors may also take independent professional advice at the Company's expense where necessary in the performance of their duties. The Board does not consider it necessary for the size of the Board or the Company to identify a member of the Board as the senior non-executive Director.

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

The Board meets regularly on a quarterly basis, and on other occasions as required, to review the investment performance and monitor compliance with the investment policy laid down by the Board as set out in the Strategic Report on page 8.

During the year the following meetings were held:

	Full Board meetings held	No. of meetings attended	Audit Committee meetings held	Audit Committee meetings attended
Murray Steele (Chairman)	5	5	2	2
Matt Cooper	5	3	n/a	n/a
James Otter*	5	1	2	–
Chris Powles	5	5	2	2
Tony Morgan**	5	3	2	1

* James Otter was appointed on 28 November 2014
** Tony Morgan resigned on 28 November 2014

Additional meetings were held as required to address specific issues including considering recommendations from the Investment Manager, allotments and share repurchases. A brief biographical summary of each Director is given on pages 29 and 30.

PERFORMANCE EVALUATION

In accordance with The UK Corporate Governance Code, each year a formal performance evaluation is undertaken of the Board, its Committees and the directors in the form of a questionnaire completed by each director. A summary of the findings are presented to the Board at the next meeting and an action plan agreed. The performance of the Chairman was evaluated by the other Directors.

APPOINTMENT AND REPLACEMENT OF DIRECTORS

A person may be appointed as a Director of the Company by the shareholders in general meeting by Ordinary Resolution (requiring a simple majority of the persons voting on the relevant resolution) or by the Directors; no person, other than a Director retiring by rotation or otherwise, shall be appointed or reappointed a Director at any general meeting unless he is recommended by the Directors or, not less than seven nor more than 42 clear days before the date appointed for the meeting, notice is given to the Company of the intention to propose that person for appointment or re-appointment in the form and manner set out in the Company's Articles of Association. Each Director who is appointed by the Directors (and who has not been elected as a Director of the Company by the members at a general meeting held in the interval since his appointment as a Director of the Company) is to be subject to election as a Director of the Company by the members at the first Annual General Meeting of the Company following his appointment. At each Annual General Meeting of the Company one third of the Directors for the time being, or if their number is not three or an integral multiple of three the number nearest to but not exceeding one-third, are to be subject to re-election. The Companies Act allows shareholders in general meeting by Ordinary Resolution (requiring a simple majority of the persons voting on the relevant resolution) to remove any Director before the expiration of his or her period of office, but without prejudice to any claim for damages which the Director may have for breach of any contract of service between him or her and the Company. A person also ceases to be a Director if he or she resigns in writing, ceases to be a Director by virtue of any provision of the Companies Act, becomes prohibited by law from being a Director, becomes bankrupt or is the subject of a relevant insolvency procedure, or becomes of unsound mind, or if the Board so decides following at least six months' absence without leave or if he or she becomes subject to relevant procedures under the mental health laws, as set out in the Company's Articles of Association.

POWERS OF THE DIRECTORS

Subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Company and any directions given by shareholders by Special Resolution, the Articles of Association specify that the business of the Company is to be managed by the Directors, who may exercise all the powers of the Company, whether relating to the management of the business or not. In particular the Directors may exercise on behalf of the Company its powers to purchase its own shares to the extent permitted by shareholders.

Authority was given at the Company's 2014 Annual General Meeting to make market purchases of up to 14.99% of the issued Ordinary share capital at any time up to the 2015 Annual General Meeting and otherwise on the terms set out in the relevant resolution, and renewed authority is being sought at the 2015 Annual General Meeting as set out in the notice of meeting.

BOARD COMMITTEES

There is no formal management engagement committee as matters of this nature are dealt with by the independent Non-Executive Directors. The Board does not have a separate Remuneration Committee as the Company has no employees or executive Directors. Detailed information relating to the remuneration of Directors is given in the Directors' Remuneration Report on pages 44 to 46.

The Board has appointed two committees to make recommendations to the Board in specific areas, the Audit Committee and the Nomination Committee.

Audit Committee:
Christopher Powles (Chairman)
Murray Steele
James Otter

The Audit Committee, chaired by Chris Powles, consists of three independent Directors. The Audit Committee believes Mr Powles possesses appropriate and relevant financial experience as per the requirements of the UK Corporate Governance Code. The Board considers that the members of the Committee are independent and have collectively the skills and experience required to discharge their duties effectively.

The Audit Committee Report is given on pages 41 to 43.

Nomination Committee:
James Otter (Chairman) – appointed 28 November 2014
Christopher Powles

Prior to the appointment of James Otter, Tony Morgan was Chairman of the Nomination Committee.

The Nomination Committee considers the selection and appointment of Directors considering the composition and selection of the Board, appointing members on merit, measured against objective criteria with due regard for the benefits of diversity, including gender. It also makes recommendations to the Board as to the level of Directors' fees.

Terms of reference for the Committee have been agreed, however, the Committee has yet to meet. The Board as a whole considered the optimum composition of the Board prior to the transaction.

INTERNAL CONTROLS

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

Octopus identifies investment opportunities for the consideration of the Board which ultimately makes the decision whether to proceed with that opportunity. Octopus monitors the portfolio of investments and makes recommendations to the Board in terms of suggested disposals and further acquisitions.

Octopus is engaged to carry out the accounting function and retains physical custody of the documents of title relating to unquoted investments. Quoted investments are held in CREST. Octopus regularly reconciles the client asset register with the physical documents.

The Directors confirm that they have established a continuing process throughout the period and up to the date of this report for identifying, evaluating and managing the significant potential risks faced by the Company and have reviewed the effectiveness of the risk management and internal control systems. As part of this process an annual review of the risk management and internal control systems is carried out in accordance with the Financial Reporting Council guidelines. The Board does not consider it necessary to maintain a separate internal audit function.

The risk management and internal control systems include the production and review of monthly bank reconciliations and management accounts. All outflows made from the Company's accounts require the authority of two signatories from Octopus. The Company is subject to a full annual audit whereby the auditor is the same auditor as other VCTs managed by the Investment Manager. Further to this, the Audit Partner has open access to the Directors of the Company and the Investment Manager is subject to regular review by the Octopus Compliance Department.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to the risks arising from its operational and investment activities. Further details can be found in note 16 to the Financial Statements.

RELATIONS WITH SHAREHOLDERS

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

The Board is also happy to respond to any written queries made by shareholders during the course of the year and can be contacted at 33 Holborn, London EC1N 2HT. Alternatively, the team at Octopus are available to answer any questions that a shareholder may have and can be contacted on **0800 316 2295**.

COMPLIANCE STATEMENT

The Listing Rules require the Board to report on compliance throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code 2012. The preamble to the UK Corporate Governance Code does, however, acknowledge that some provisions may have less relevance for investment companies adding that the AIC Code and AIC Guide can assist in meeting the obligations under the UK Corporate Governance Code. With the exception of the limited items outlined below, the Company has complied throughout the accounting period to 31 January 2015 with the provisions set out in the UK Corporate Governance Code. The section references to the Code are shown in brackets.

1. The Company does not have a Chief Executive Officer or a senior independent Director. The Board does not consider this necessary for the size of the Company. [A.1.2 and A.4.1]

2. New Directors have not received a full, formal and tailored induction on joining the Board. Such matters are addressed on an individual basis as they arise. [B.4.1]

3. The Audit Committee discusses the need for an internal audit function annually, however, it does not consider that an internal audit would be an appropriate control for a VCT. [C.3.6]

4. The Company does not have a Remuneration Committee as it does not have any executive directors. The Board as a whole reviews the remuneration of the Directors on an annual basis. [D.1.1 – 2.4]

5. The Company has no major shareholders and shareholders are not given the opportunity to meet any Non-Executive Directors at a specific meeting other than the Annual General Meeting. Shareholders are welcome to contact the Board or Octopus at any time. [E.1.1 and E.1.2]

By Order of the Board

Nicola Board

Nicola Board (ACIS)
Company Secretary
29 May 2015

Audit Committee Report

This report is submitted in accordance with The UK Corporate Governance Code in respect of the year ended 31 January 2015 and describes the work of the Audit Committee in discharging its responsibilities.

The Committee's key objective is the provision of effective governance of the appropriateness of the Company's financial reporting, the performance of the auditor and the management of the internal control and business risks systems. The Director's forming the Audit Committee can be found on page 38.

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

- reviewing and making recommendations to the Board in relation to the Company's published financial statements and other formal announcements relating to the Company's financial performance;
- advising the Board on whether the annual Report and Accounts, taken as a whole, is fair, balanced and understandable;
- advising the Board on whether the annual Report and Accounts provides necessary information for shareholders to assess performance, business model and strategy;
- reviewing and making recommendations to the Board in relation to the Company's internal control (including internal financial control) and risk management systems;
- periodically considering the need for an internal audit function;
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK regulatory requirements;
- monitoring the extent to which the external auditor is engaged to supply non-audit services; and
- ensuring that the Investment Manager has arrangements in place for the investigation and follow-up of any concerns raised confidentially by staff in relation to propriety of financial reporting or other matters.

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

The Committee reviews its terms of reference and its effectiveness periodically and recommends to the Board any changes required as a result of the review. The terms of reference are available on request from the Company Secretary. The Committee meets twice each year and on an ad hoc basis as necessary. It has direct access to Grant Thornton UK LLP, the Company's external auditor. The Audit Committee has reviewed the non audit services provided by the external auditor, being corporation tax compliance only, and does not believe it is sufficient to influence their independence or objectivity due to the fee being an immaterial expense and the work being performed by a team separate to the audit team. When considering whether to recommend the reappointment of the external auditor the Committee takes into account the tenure of the current auditor in addition to comparing the fees charged by similar sized audit firms whilst also considering the quality of the audit work. Once the Committee has made a recommendation to the Board in relation to the appointment of the external auditor, this is then ratified at the AGM through an Ordinary Resolution.

The effectiveness of the external audit is assessed as part of the Board evaluation conducted annually and by the quality and content of the Audit Plan and Report provided to the Committee by the Auditor and the resultant discussions on topics raised. The Committee also challenge the Auditor when present at a Committee meeting if appropriate. In accordance with guidance issued by the Auditing practices Board the audit partner is rotated every five years to ensure that objectivity and independence is not impaired. The current audit partner has been in place for one year end. Grant Thornton UK LLP was appointed as Auditor to the Company in 2006. No tender for the audit of the Company has been undertaken since this date.

The Company does not have an independent internal audit function as it is not deemed appropriate given the size of the Company and the nature of the Company's business. However, the Committee considers annually whether there is a need for such a function and, if so, would recommend this to the Board. Octopus has appointed an internal auditor, the function for which has been outsourced to Ernst & Young. Ernst & Young provide the internal audit reports to Octopus' Compliance Department which regularly reports to the Board on the outcome of the audits that have taken place. Any significant issues arising from the Octopus internal audit that affect the Company would be raised to the Committee immediately. The Committee is satisfied with the level of reporting.

The Committee will monitor the significant risks at each meeting and Octopus will work closely with the Auditors to mitigate the risks and the resultant impact.

During the period ended 31 January 2015, the Audit Committee discharged its responsibilities by:

- reviewing and approving the external auditor's terms of engagement and remuneration;
- reviewing the external auditor's plan for the audit of the Company's financial statements, including identification of key risks and confirmation of auditor independence;
- reviewing the Octopus statement of internal controls in relation to the Company's business and assessing the effectiveness of those controls in minimising the impact of key risks;
- reviewing periodic reports on the effectiveness of the Octopus compliance procedures;
- reviewing the appropriateness of the Company's accounting policies;
- reviewing the Company's draft annual financial and interim results statements prior to Board approval;
- reviewing the external auditor's Audit Findings Report to the Committee on the annual financial statements; and
- reviewing the Company's going concern status as referred to on page 31.

The Committee has considered the Report and Accounts for the year ended 31 January 2015 and has reported to the Board that it considers them to be fair, balanced and understandable and providing the information necessary for shareholders to assess the Company's performance, business model and strategy.

SIGNIFICANT RISKS

The Audit Committee is responsible for considering and reporting on any significant risks that arise in relation to the audit of the financial statements. The Committee has identified the most significant risks for the Company as:

- Valuation of investment portfolio: The Committee gives special audit consideration to the valuation of investments and the supporting data provided by Octopus. The impact of this risk could be a large movement in the Company's net asset value. The valuations are supported by investee audited accounts and third party evidence. These give comfort to the Audit Committee.
- Recognition of revenue from investments: Investment income is the Company's main source of revenue. Revenue is recognised when the Company's right to the return is established in accordance with the Statement of Recommended Practice. Octopus confirms to the Audit Committee that the revenues are recognised appropriately.
- Management override of financial controls: The Committee reviews all significant accounting estimates that form part of the financial statements and consider any material judgements applied by management during the preparation of the financial statements.
- The transaction between the Company and Octopus VCT plc on 28 November 2014: The Committee reviews the methodology used for the transaction and the valuation of the Octopus VCT plc assets acquired.

These issues were discussed with Octopus and the Auditor at the conclusion of the audit of the financial statements.

The Audit Committee is also responsible for considering and reporting on any significant issues that arise in relation to the audit of the financial statements. The Audit Committee can confirm that there were no significant issues to report to the shareholders in respect of the audit of the financial statements for the year ended 31 January 2015.

Christopher Powles
Audit Committee Chairman
29 May 2015

Directors' Remuneration Report

INTRODUCTION

This report is submitted in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 in respect of the year ended 31 January 2015. The reporting obligations require that two sections be included, a Directors' Remuneration Policy Report and an Annual Remuneration Report, which are presented below.

The Company's auditor, Grant Thornton UK LLP, is required to give its opinion on certain information included in this report; this comprises the Directors' emoluments section and share information below. Their report on these and other matters is set out on pages 48 to 51.

CONSIDERATION BY THE DIRECTORS OF MATTERS RELATING TO DIRECTORS' REMUNERATION

The Board as a whole considers Directors' remuneration and has not appointed a separate committee in this respect. The Board has not sought advice or services from any person in respect of its consideration of Directors' remuneration during the period although the Directors expect from time to time to review the fees against those paid to the boards of directors of other VCTs. The Board considered the Directors' remuneration during the transaction discussions and it was agreed to increase the remuneration to reflect the increase in the directors' responsibilities in recent years. The Directors' remuneration paid during the year is set out on page 45. The Company does not have a Chief Executive Officer, Senior Management or any employees.

DIRECTORS' REMUNERATION POLICY REPORT

The Board consists entirely of Non-Executive Directors, who meet at least four times a year and on other occasions as necessary, to deal with important aspects of the Company's affairs. Directors are appointed with the expectation that they will serve for, at least, a period of three years. All Directors retire at the first general meeting after election and thereafter one third of all Directors are subject to retirement by rotation at subsequent Annual General Meetings. Re-election will be recommended by the Board but is dependent upon the shareholder vote.

Each Director receives a letter of appointment. A Director may resign by notice in writing to the Board at any time giving three months' notice. None of the Directors are entitled to compensation payable upon early termination of their contract other than in respect of any unexpired notice period.

The maximum level of Directors' remuneration is fixed by the Company's Articles of Association. As part of the transaction process the maximum aggregate Directors' remuneration was increased from £75,000 to £100,000 per annum. Any further amendment to this is by way of an ordinary resolution subject to the approval of shareholders in general meeting.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors. They should be sufficient to attract candidates of high calibre to be recruited. The policy is for the Chairman of the Board to be paid higher fees than the other Directors in recognition of his more onerous role. The policy is to review these rates from time to time, although such review will not necessarily result in any changes. Due to the nature of the Company, there are no employees other than the Directors and therefore there are no employee remuneration issues to consider when determining the Directors' remuneration.

The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears. The fees are not specifically related to the Directors' performance, either individually or collectively. There are no long-term incentive schemes, share option schemes or pension schemes in place. The Board is also entitled to be repaid all reasonable travelling, subsistence and other expenses incurred by them respectively whilst conducting their duties as Directors; however no other remuneration or compensation was paid or payable by the Company to any of the Directors during the period. In accordance with the Large and Medium-sized Companies and

Groups (Accounts and Reports) (Amendment) Regulations 2013 an Ordinary resolution for the approval of the remuneration policy of the Company, as amended, will be put to the members at the Annual General Meeting and will be effective for a period of three years from that date.

ANNUAL REMUNERATION REPORT

The remuneration policy described above will be implemented with effect from 28 July 2015 and will remain unchanged for a three year period. Following completion of the transaction the Directors' remuneration was increased to £25,000 for the Chairman and £20,000 for the other Non-Executive Directors. The Board will review the remuneration of the Directors if thought appropriate and monitors competitors in the VCT industry on an annual basis. Otherwise, only a change in role is likely to incur a change in the remuneration of any one director.

This section of the report is subject to approval by a simple majority of shareholders at the AGM in July 2015, as in previous years.

STATEMENT OF VOTING AT THE ANNUAL GENERAL MEETING (AGM)

The 2014 Remuneration Report was presented to the AGM in July 2014 and received shareholder approval following a vote on a show of hands. 3.3% of the votes cast on the proxy forms were against the Report and 16,448 votes were withheld. The proxy forms returned to Capita contained no explanation for the votes against the resolution.

Shareholders' views are always considered by the Board, and the methods of contacting the Board are set out in the Shareholders Information on page 39.

COMPANY PERFORMANCE

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Investment Manager through the investment management agreement, as referred to in the Directors' Report. The performance graph on page 13 shows the performance of the Company.

DIRECTORS' FEES (AUDITED)

The amount of each Director's fees, as audited, were:

	Year to 31 January 2015	Year to 31 January 2014
Murray Steele (Chairman)	£22,000	£21,000
James Otter*	£3,000	–
Christopher Powles	£17,000	£16,000
Matt Cooper	£17,000	£16,000
Tony Morgan**	£14,000	£16,000
Total	£73,000	£69,000

*James Otter was appointed as a Director on 28 November 2014.
**Tony Morgan resigned on 28 November 2014.

The Directors do not receive any other form of emoluments in addition to the Directors' fees; their total remuneration is not linked to the performance of the Company and no bonuses were or will be paid to the Directors.

RELATIVE IMPORTANCE OF SPEND ON PAY

The actual expenditure in the current year is as follows:

	Year to 31 January 2015 £'000	Year to 31 January 2014 £'000
Share buybacks	1,813	18,783
Dividends paid in year	3,836	3,609
Total Directors' Fees	73	69

There were no other significant payments during the year relevant to understanding the relative importance of spend on pay.

STATEMENT OF DIRECTORS' SHAREHOLDINGS (AUDITED)

There are no guidelines or requirements for Directors' to own shares in the Company. The interests of the Directors, and their connected persons, in shares of the Company during the year (in respect of which transactions are notifiable under Disclosure and Transparency Rule 3.1.2R) are shown in the table below:

	Number and class of shares 31 January 2015	Number and class of shares 31 January 2014
Murray Steele (Chairman)	**11,255 Ordinary**	11,255 Ordinary
James Otter	**5,275 C Ordinary**	–
Christopher Powles	**5,699 Ordinary**	5,699 Ordinary
Matt Cooper	**20,410 Ordinary**	20,410 Ordinary
Tony Morgan	**n/a**	4,747 Ordinary

Tony Morgan resigned on 28 November 2014. As at this date his shareholding was 4,747 Ordinary shares.

In the period since 31 January 2015 up to the date of this report there have been the following changes in the interests of the Directors or their connected persons in the Ordinary share capital of the Company:

Murray Steele	11,810
James Otter	11,248

All of the Directors' shares were held beneficially.

Any information required by legislation in relation to executive directors (including a Chief Executive Officer) or employees has been omitted because the Company has neither and therefore it is not relevant.

SHAREHOLDERS PROXY VOTING INFORMATION

As required by Schedule 8:23 of the Regulations, the votes received for the AGM in 2014 were as follows:

	For	Against
Directors' Remuneration Report	96.7%	3.3%
Directors' Remuneration Policy	96.1%	3.9%

By Order of the Board

Murray Steele

Murray Steele
Chairman
29 May 2015

Directors’ Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, Directors’ Report, Directors’ Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) including FRS 102 – “The Financial Reporting Standard applicable in the UK and Republic of Ireland”. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors’ Remuneration Report 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 confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company’s auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for preparing the annual report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Directors consider the annual report and the financial statements, taken as a whole, provide the information necessary to assess the Company’s performance, business model and strategy and is fair, balanced and understandable.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the annual report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Murray Steele

Murray Steele
Chairman
29 May 2015

Report of the Independent Auditor to the Members of Octopus Apollo VCT plc

OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2015 and of its return for the year then ended;
- have been properly prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Who we are reporting to:

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.

WHAT WE HAVE AUDITED

Octopus Apollo VCT plc's financial statements comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash flow statement and the related notes.

The financial reporting framework that has been applied in their preparation is United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

OUR ASSESSMENT OF RISK

In arriving at our opinions set out in this report, we highlight the following risks that are, in our judgement, likely to be most important to users' understanding of our audit.

VALUATION OF UNQUOTED INVESTMENTS

The risk: Investments are the largest asset in the financial statements, and they are held at fair value through profit or loss in accordance with FRS 102. Measurement of the value of unquoted investments includes significant assumptions and judgements and we therefore identified the valuation of unquoted investments as a risk requiring special audit consideration.

Our response: Our audit work included, but was not restricted to: obtaining an understanding of how valuations were performed by the investment manager through discussion and review of valuation memorandums; consideration of whether the valuations were made in accordance with IPEVC guidelines and the SORP for Investment Trust Companies and Venture Capital Trusts; discussions of the valuation methods and underlying assumptions with the investment manager; reviewing and challenging the basis and reasonableness of the assumptions made by the investment manager in conjunction with available supporting information such as publicly available earnings multiples and discount rates. In doing this we utilised our firm's internal valuation specialists.

The Company's accounting policy on the valuation of unquoted investments is included in note 1 and its disclosures about unquoted investments held at the year-end are included in note 1. The Audit Committee identified the valuation of the Company's investment portfolio as a significant risk in its report on page 42, where it also describes the action that it took in respect of this risk.

RECOGNITION OF REVENUE FROM INVESTMENTS

The risk: Investment income is the Company's major source of revenue. In accordance with FRS 102, revenue should be recognised when the Company's right to the income is established in line with the Company's stated accounting policy. We therefore identified the recognition of revenue from investments as a significant risk requiring special audit consideration.

Our response: Our audit work included, but was not restricted to, assessing whether the stated accounting policy conforms with FRS 102, through comparison of the accounting policy with the accounting standard and testing the income recognised is in accordance with that policy, and selecting a sample of investments held in the period, determining the income that should have been recognised by reference to loan and investment agreements and comparing it with the income that was recognised in respect of the investment. We also assessed the recoverability of accrued investment income at the year end through review of the financial position of the investee company and a review of any amounts received since the year end.

The Company's accounting policy and note on the recognition of revenue from investments is included in notes 1 and 2. The Audit Committee identified the recognition of revenue from investments as a significant risk in its report on page 42, where it also describes the action that it took in respect of this risk.

MANAGEMENT OVERRIDE OF CONTROLS

The risk: Under ISAs (UK and Ireland), for all of our audits we are required to consider the risk of management override of financial controls. Due to the unpredictable nature of this risk we are required to assess it as a significant risk requiring special audit consideration.

Our response: Our audit work included, but was not restricted to specific procedures relating to this risk that are required by ISA (UK and Ireland) 240 "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements". This included tests of journal entries, the evaluation of judgements and assumptions in management's estimates and tests of any significant transactions outside the normal course of business, such as the purchase during the year of the assets and liabilities of Octopus VCT plc. In particular, our work on the valuation of unquoted investments addressed key aspects of ISA (UK and Ireland) 240.

The Audit Committee identified management override of financial controls as a significant risk in its report on page 41, where it also describes the action that it took in respect of this risk.

OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We determined materiality for the audit of the financial statements as a whole to be £1,239,000 which is 1% of the total gross assets of the Company. This benchmark is considered the most appropriate because the valuation of the investment portfolio, which makes up most of the Company's total assets, is considered to be the key figure of interest to users of the financial statements. We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 60% of financial statement materiality. We also determine a lower level of specific materiality for certain areas such as revenue column of the income statement, directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £65,100. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overview of the scope of our audit

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to a third-party service provider. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and the third-party service provider, and inspecting records and documents held by the third-party service provider. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

OTHER REPORTING REQUIRED BY REGULATIONS

OUR OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 IS UNMODIFIED

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

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

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

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

- we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the audit committee which we consider should have been disclosed.

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

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

Under the Listing Rules, we are required to review:

- the directors' statement, set out on page 31, in relation to going concern; and

- the part of the Corporate Governance Statement relating to the Company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

What an audit of financial statements involves:
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at **www.frc.org.uk/auditscopeukprivate**

What the directors are responsible for:
As explained more fully in the Directors' Responsibilities Statement set out on page 47, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What we are responsible for:
Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Christopher Smith
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford

29 May 2015

Statutory Income Statement

		Year ended 31 January 2015		
	Notes	Revenue £'000	Capital £'000	Total £'000
Realised gain on disposal of fixed asset investments	10	–	1,311	1,311
Change in fair value of fixed asset investments	10	–	1,198	1,198
Investment income	2	3,366	–	3,366
Investment management fees	3	(460)	(1,844)	(2,304)
Other expenses	4	(1,247)	–	(1,247)
Return on ordinary activities before tax		1,659	665	2,324
Taxation on return on ordinary activities	6	(286)	254	(32)
Return on ordinary activities after tax		1,373	919	2,292
Earnings per share – basic and diluted	8	1.8p	1.2p	3.0p

- The 'Total' column of this statement is the profit and loss account of the Company; the revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies
- All revenue and capital items in the above statement derive from continuing operations
- The Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds.

The Company has no recognised gains or losses other than the results for the year as set out above.

The Company has no other comprehensive income for the period.

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

Statutory Income Statement (comparative)

		Year ended 31 January 2014		
	Notes	Revenue £'000	Capital £'000	Total £'000
Realised loss on disposal of fixed asset investments		–	(10)	(10)
Change in fair value of fixed asset investments		–	1,116	1,116
Investment income	2	2,979	–	2,979
Investment management fees	3	(273)	(1,194)	(1,467)
Other expenses	4	(707)	–	(707)
Return on ordinary activities before tax		1,999	(88)	1,911
Taxation on return on ordinary activities	6	(400)	240	(160)
Return on ordinary activities after tax		1,599	152	1,751
Earnings per share – basic and diluted	8	2.3p	0.2p	2.5p

- The 'Total' column of this statement is the profit and loss account of the Company; the revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies
- All revenue and capital items in the above statement derive from continuing operations
- The Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds

The Company has no recognised gains or losses other than the results for the year as set out above.

The Company had no other comprehensive income for the period.

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

Non-statutory Income Statement – Ordinary Shares

		Year ended 31 January 2015		
	Notes	Revenue £'000	Capital £'000	Total £'000
Realised gain on disposal of fixed asset investments	10	–	795	795
Change in fair value of fixed asset investments	10	–	1,340	1,340
Investment income	2	2,819	–	2,819
Investment management fees	3	(266)	(1,261)	(1,527)
Other expenses	4	(1,125)	–	(1,125)
Return on ordinary activities before tax		1,428	874	2,302
Taxation on return on ordinary activities	6	(286)	254	(32)
Return on ordinary activities after tax		1,142	1,128	2,270
Earnings per share – basic and diluted	8	1.5p	1.4p	2.9p

- The 'Total' column of this statement is the profit and loss account of the Ordinary Shares; the revenue and capital columns have been prepared under guidance published by the Association of Investment Companies.
- All revenue and capital items in the above statement derive from continuing operations.

Non-statutory Income Statement – C Ordinary Shares

		Period ended 31 January 2015		
	Notes	Revenue £'000	Capital £'000	Total £'000
Realised gain on disposal of fixed asset investments	10	–	516	516
Change in fair value of fixed asset investments	10	–	(142)	(142)
Investment income	2	547	–	547
Investment management fees	3	(194)	(583)	(777)
Other expenses	4	(122)	–	(122)
Return on ordinary activities before tax		231	(209)	22
Taxation on return on ordinary activities	6	–	–	–
Return on ordinary activities after tax		231	(209)	22
Earnings per share – basic and diluted	8	2.5p	(2.3p)	0.2p

- The 'Total' column of this statement is the profit and loss account of the C Ordinary Shares; the revenue and capital columns have been prepared under guidance published by the Association of Investment Companies.
- All revenue and capital items in the above statement derive from continuing operations.

Statutory Balance Sheet

	Notes	As at 31 January 2015 £'000	As at 31 January 2015 £'000	As at 31 January 2014 £'000	As at 31 January 2014 £'000
Fixed asset investments*	10		**100,039**		54,306
Current assets:					
Debtors	11	**2,625**		1,653	
Investments – money market funds*	12	**–**		4,254	
Cash at bank		**21,264**		7,910	
		23,889		13,817	
Creditors: amounts falling due within one year	13	**(4,365)**		(4,218)	
Net current assets			**19,524**		9,599
Total assets less current liabilities			**119,563**		63,905
Called up equity share capital	14		**8,636**		7,362
Share premium	15		**54,306**		35,140
Special distributable reserve	15		**53,989**		19,116
Capital redemption reserve	15		**2,101**		2,704
Capital reserve gains & losses on disposal	15		**(2,019)**		(2,445)
Capital reserve holding gains & losses	15		**2,521**		2,028
Revenue reserve	15		**29**		–
Total shareholders' funds			**119,563**		63,905

*Held at fair value through profit or loss

The statements were approved by the Directors and authorised for issue on 29 May 2015 and are signed on their behalf by:

Murray Steele

Murray Steele
Chairman
Company number: 05840377

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

Non-statutory Balance Sheet – Ordinary Shares

	Notes	As at 31 January 2015 £'000	As at 31 January 2015 £'000	As at 31 January 2014 £'000	As at 31 January 2014 £'000
Fixed asset investments*	10		55,266		54,306
Current assets:					
Debtors	11	1,743		1,653	
Investments – money market funds*	12	–		4,254	
Cash at bank		21,264		7,910	
		23,007		13,817	
Creditors: amounts falling due within one year	13	(9,463)		(4,218)	
Net current assets			13,544		9,599
Total assets less current liabilities			68,810		63,905
Called up equity share capital	14		8,118		7,362
Share premium			3,893		35,140
Special distributable reserve			53,989		19,116
Capital redemption reserve			2,099		2,704
Capital reserve gains & losses on disposal			(1,952)		(2,445)
Capital reserve holding gains & losses			2,663		2,028
Revenue reserve			–		–
Total shareholders' funds			68,810		63,905
Net asset value per share	9		84.8p		86.8p

*Held at fair value through profit or loss.

Non-statutory Balance Sheet – C Ordinary Shares

	Notes	As at 31 January 2015 £'000	As at 31 January 2015 £'000
Fixed asset investments*	10		44,773
Current assets:			
Debtors	11	7,120	
Investments – money market funds*	12	–	
Cash at bank		–	
		7,120	
Creditors: amounts falling due within one year	13	(1,140)	
Net current assets			5,980
Total assets less current liabilities			**50,753**
Called up equity share capital	14		518
Share premium			50,413
Special distributable reserve			–
Capital redemption reserve			2
Capital reserve gains & losses on disposal			(67)
Capital reserve holding gains & losses			(142)
Revenue reserve			29
Total shareholders' funds			**50,753**
Net asset value per share	9		**98.0p**

*Held at fair value through profit or loss.

Statutory statement of Changes in Equity – year to 31 January 2015

Investments	Called up equity share capital £'000	Share Premium £'000	Special distributable reserve* £'000	Capital redemption reserve £'000	Capital reserve gains & losses on disposal* £'000	Capital reserve holding gains & losses £'000	Revenue reserve* £'000	Total £'000
As at 1 February 2014	7,362	35,140	19,116	2,704	(2,445)	2,028	–	63,905
Return on ordinary activities after tax	–	–	–	–	–	–	1,373	1,373
Repurchase of own shares	(225)	–	(1,812)	225	–	–	(202)	(2,014)
Issue of new shares	1,499	57,717	–	–	–	–	–	59,216
Cancellation of share premium	–	(38,551)	38,551	–	–	–	–	–
Cancellation of capital redemption reserve	–	–	828	(828)	–	–	–	–
Management fees allocated as capital expenditure	–	–	–	–	(1,844)	–	–	(1,844)
Current year gains on disposal	–	–	–	–	1,311	–	–	1,311
Prior period holding gains now crystallised	–	–	–	–	959	(959)	–	–
Current period holding gains on investments	–	–	–	–	–	1,198	–	1,198
Capital expenses taken against tax charge	–	–	–	–	–	254	–	254
Dividends paid	–	–	(2,694)	–	–	–	(1,142)	(3,836)
As at 31 January 2015	8,636	54,306	53,989	2,101	(2,019)	2,521	29	119,563

Statutory statement of Changes in Equity – year to 31 January 2014

Investments	Called up equity share capital £'000	Share Premium £'000	Special distributable reserve* £'000	Capital redemption reserve £'000	Capital reserve gains & losses on disposal* £'000	Capital reserve holding gains & losses £'000	Revenue reserve* £'000	Total £'000
As at 1 February 2013	5,350	2,488	39,911	594	(1,213)	644	–	47,774
Repurchase of own shares	(224)	–	(1,859)	224	–	–	–	(1,859)
Issue of new shares	2,318	18,267	–	–	–	–	–	20,585
Enhanced buy back	(82)	14,385	(16,926)	1,886	–	–	–	(737)
Return on ordinary activities after tax	–	–	–	–	–	–	1,599	1,599
Management fees allocated as capital expenditure	–	–	–	–	(1,194)	–	–	(1,194)
Current year losses on disposal	–	–	–	–	(10)	–	–	(10)
Prior period holding losses now crystallised	–	–	–	–	(28)	28	–	–
Current period holding gains on investments	–	–	–	–	–	1,116	–	1,116
Capital expenses taken against tax charge	–	–	–	–	–	240	–	240
Dividends paid	–	–	(2,010)	–	–	–	(1,599)	(3,609)
As at 31 January 2014	7,362	35,140	19,116	2,704	(2,445)	2,028	–	63,905

The Company has no recognised gains or losses other than the results for the year as set out above.

Non-statutory statement of Changes in Equity – Ordinary Shares

	Year to 31 January 2015	Year to 31 January 2014
Shareholders' funds at start of year	**63,905**	47,774
Return on ordinary activities after tax	**2,270**	1,751
Issue of shares	**8,283**	20,585
Enhanced buyback	**–**	(737)
Purchase of own shares	**(1,812)**	(1,859)
Dividends paid	**(3,836)**	(3,609)
Shareholders' funds at end of year	**68,810**	63,905

Non-statutory statement of Changes in Equity – C Ordinary Shares

	Period to 31 January 2015
Shareholders' funds at start of year	–
Return on ordinary activities after tax	22
Issue of shares	50,933
Purchase of own shares	(202)
Shareholders' funds at end of year	50,753

Cash Flow Statement

	Notes	Year to 31 January 2015 £'000	Year to 31 January 2014 £'000
Reconciliation of return on ordinary activities to cash flows from operating activities			
Return on ordinary activities before tax		**2,292**	1,751
Increase in debtors		**(972)**	(717)
Increase/(decrease) in creditors		**699**	(17)
Debtors obtained from transaction		**614**	–
Creditors obtained from transaction		**(324)**	–
(Gain)/loss on disposal of fixed asset investments		**(1,311)**	10
Gain on valuation of fixed asset investments		**(1,198)**	(1,116)
Taxation	**6**	**(552)**	–
Total cash flow from operating activities		**(752)**	(89)
Cash flows from investing activities			
Cash acquired from transaction		**377**	–
Purchase of fixed asset investments	**10**	**(15,505)**	(16,500)
Sale of fixed asset investments	**10**	**22,547**	3,276
Purchase of current asset investments	**12**	**(15)**	(17)
Sale of current asset investments	**12**	**4,269**	500
Total cash flows from investing activities		**11,673**	(12,741)
Cash flows from financing activities			
Enhanced share buyback		**–**	(737)
Purchase of own shares	**14**	**(2,014)**	(1,859)
Cash received from fund raising top up offer awaiting allotment		**–**	2,497
Issue of own shares	**14**	**8,283**	20,585
Dividends paid		**(3,836)**	(3,609)
Total cash flows from financing activities		**2,433**	16,877
Increase in cash and cash equivalents		**13,354**	4,047
Opening cash and cash equivalents		**7,910**	3,863
Closing cash and cash equivalents		**21,264**	7,910

On 28 November 2014, Octopus Apollo VCT plc acquired the assets of Octopus VCT plc. The transfer of assets from Octopus VCT plc was settled by the issue of C Ordinary shares, rather than cash.

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

Notes to the Financial Statements

The Company is a Public Limited Company (Plc) incorporated in England and Wales and its registered office is 33 Holborn, London EC1N 2HT.

The Company's principal's activity is to invest in a diverse portfolio of predominantly unquoted companies with the aim of providing shareholders with attractive tax-free dividends and long-term capital preservation.

This is the first year in which the financial statements have been prepared under FRS 102. The Company has adopted FRS 102 for the year ended 31 January 2015. The main changes as a result have been changes to the fixed asset investments' fair value hierarchy, the exemption to consolidate subsidiaries and presentational changes to the primary statements and associated reconciliations. The accounting policies have not materially changed from last year. There have been no changes to the measurement of the assets and liabilities as a result of the transition to FRS 102.

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

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, except for the measurement at fair value of certain financial instruments, and in accordance with UK Generally Accepted Accounting Practice ("GAAP"), including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006 and the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts (revised 2014).'

The principal accounting policies have remained materially unchanged from those set out in the Company's 2014 Annual Report and financial statements, however there have been slight revisions as result of the adoption of FRS 102. A summary of the principal accounting policies is set out below.

The Company presents its income statement in a three column format to give shareholders additional detail of the performance of the Company, split between items of a revenue or capital nature. Where there is no standing precedent, accrued income and expenses since the transaction have been allocated to the Ordinary and C Ordinary shares by the ratio of the net assets of the Apollo and OVCT funds at the time of the transaction.

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

Investment valuation policies are those that are most important to the depiction of the Company's financial position and that require the application of subjective and complex judgements, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. The critical accounting policies that are declared will not necessarily result in material changes to the financial statements in any given period but rather contain a potential for material change. The main accounting and valuation policies used by the Company are disclosed in note 10. Whilst not all of the significant accounting policies require subjective or complex judgements, the Company considers that the following accounting policies should be considered critical.

Key judgements and estimates

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

In addition there are a number of key judgements made by the Board. This includes the judgement that the transaction with Octopus VCT plc was a transfer of assets rather than the acquisition of a business and also that the C Ordinary shares are considered to be equity instruments as the conversion to Ordinary shares is at the discretion of management.

Investments are regularly reviewed to ensure that the fair values are appropriately stated. Unquoted investments are valued in accordance with current IPEVC valuation guidelines, although this does rely on subjective estimates such as appropriate sector earnings multiples, forecast results of investee companies, asset values of the subsidiary companies of investee companies and liquidity or marketability of the investments held.

Although the Company believes that the assumptions concerning the business environment and estimates of future cash flows are appropriate, changes in estimates and assumptions could require changes in the stated values. This could lead to additional changes in fair value in the future.

By virtue of FRS 102 section 9.9, the Company does not have to produce consolidated financial statements owing to the fact that its interests in subsidiaries are all held as part of an investment portfolio (as defined by FRS 102), and therefore its interests in subsidiaries are excluded from consolidation. They have therefore been treated in the same way as other investee companies and are held at fair value. These financial statements are therefore separate financial statements.

The transaction between OVCT and Apollo in November 2014 as discussed in the Chairman's Statement constituted the purchase of the assets and liabilities of OVCT, but not the purchase of a business and therefore not a business combination. This is because an integrated set of activities was not acquired due to the fact the management agreement pertaining to OVCT did not transfer across with the assets and liabilities. Instead, a deed of variation was entered into between the Manager and the Company to amend the existing IMA ("Investment Management Agreement"). As a result business combination accounting per FRS 102 is not required.

These financial statements present the financial position and performance of both the Ordinary shares and C Ordinary shares, both separately and together.

The financial statements are presented in Sterling (£). The functional currency is also Sterling (£).

Revenue and capital

The revenue column of the Income Statement includes all income and revenue expenses of the Company. The capital column includes changes in fair value of investments, as well as gains and losses on disposal. Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the income statement.

Cash and cash equivalents

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

Financing strategy and capital structure

We define capital as shareholders' funds and our financial strategy in the medium term is to manage a level of cash that balances the risks of the business with optimising the return on equity. The Company currently has no borrowings nor does it anticipate that it will draw down any borrowing facilities in the future to fund the acquisition of investments.

The Company does not have any externally imposed capital requirements.

The value of the managed capital is indicated in note 15. The Board considers the distributable reserves and the total return for the year when recommending a dividend. In addition, the Board is authorised to make market purchases up to a maximum of 14.99% of the issued share capital in accordance with Special Resolution 10 in order to maintain sufficient liquidity in the Company's shares.

2. INCOME

Accounting Policy

Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis (including time amortisation of any premium or discount to redemption) so as to reflect the effective interest rate, provided it is considered probable that payment will be received in due course. Income from fixed interest securities and deposit interest is accounted for on an effective interest rate method.

Investment income includes interest earned on bank balances and money market funds and includes income tax withheld at source. Dividend income is shown net of any related tax credit.

Dividends receivable are brought into account when the Company's right to receive payment is established and it is highly unlikely that payment will not be received. Fixed returns on debt and money market funds are recognised provided it is highly unlikely that payment will not be received in due course.

Disclosure

	Year to 31 January 2015			Year to 31 January 2014		
	Ordinary shares £'000	C Ordinary shares £'000	Total £'000	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Interest receivable on bank balances and bonds	**34**	**3**	**37**	36	–	36
Money market securities – dividend income	**27**	**–**	**27**	31	–	31
Loan note interest receivable	**2,758**	**544**	**3,302**	2,912	–	2,912
	2,819	**547**	**3,366**	2,979	–	2,979

3. INVESTMENT MANAGEMENT FEES

Ordinary Shares

	Year to 31 January 2015			Year to 31 January 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	266	798	1,064	273	819	1,092
Investment performance fee	–	463	463	–	375	375
	266	1,261	1,527	273	1,194	1,467

C Ordinary Shares

	Period to 31 January 2015		
	Revenue £'000	Capital £'000	Total £'000
Investment management fee	194	583	777
	194	583	777

Total

	Year to 31 January 2015			Year to 31 January 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	460	1,381	1,841	273	819	1,092
Investment performance fee	–	463	463	–	375	375
	460	1,844	2,304	273	1,194	1,467

For the purpose of the revenue and capital columns in the income statement, the management fee for both the Ordinary shares and C Ordinary shares has been allocated 25% to revenue and 75% to capital, in line with the Board's expected long term split of returns in the form of income and capital gains respectively from the Company's investment portfolio. The investment performance fee, explained below, is allocated 100% to capital as it is deemed that capital appreciation on investments has primarily driven the total return of the Company above the required hurdle rate at which the performance fee is payable.

The management fee, administration and accountancy fees are calculated based on the NAV as at 31 January 2015 which is then multiplied by the number of shares in issue, calculated on a daily basis.

Octopus provides investment management and accounting and administration services to the Company under a management agreement which may be terminated at any time thereafter by not less than twelve months' notice given by either party. No compensation is payable in the event of terminating the agreement by either party, if the required notice period is given. The fee payable, should insufficient notice be given, will be equal to the fee that would have been paid should continuous service be provided. The basis upon which the management fee is calculated is disclosed within note 19 to the financial statements.

The Company has established a performance incentive scheme whereby the Investment Manager is entitled to an annual performance-related incentive fee in the event that certain performance criteria are met. This scheme is in line with industry standards. Further details of this scheme are disclosed within note 19 to the financial statements. As at 31 January 2015, £463,000 was due to the Investment Manager by way of annual performance fee (2014: £375,000).

4. OTHER EXPENSES

Accounting Policy

All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue, apart from management fees charged 75% to capital and 25% to revenue, performance fees charged wholly to capital and transaction costs. The transaction costs incurred when purchasing or selling assets are written off to the income statement in the period that they occur.

Disclosure

	Year to 31 January 2015			Year to 31 January 2014		
	Ordinary shares £'000	C Ordinary shares £'000	Total £'000	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	21	15	36	37	–	37
Fees payable to the Company's auditor for other services – tax compliance	1	1	2	7	–	7
Accounting and administration services	202	25	227	191	–	191
Legal and professional expenses	46	–	46	10	–	10
Transaction related expenses	224	–	224	30	–	30
Other expenses	631	81	712	432	–	432
	1,125	122	1,247	707	–	707

The total expense ratio for the Company for the year to 31 January 2015 was 3.2% (2014: 3.1%). Total annual running costs are capped at 3.3%.

5. DIRECTORS' REMUNERATION

Ordinary Shares

	Year to 31 January 2015			Year to 31 January 2014		
	Emoluments £'000	National Insurance £'000	Total £'000	Emoluments £'000	National Insurance £'000	Total £'000
Directors' emoluments						
Murray Steele (Chairman)	20	–	20	21	–	21
Tony Morgan	14	1	15	16	1	17
Christopher Powles	15	1	16	16	1	17
Matt Cooper	15	1	16	16	1	17
James Otter	1	–	1	–	–	–
	65	3	68	69	3	72

C Ordinary Shares

	Period to 31 January 2015		
	Emoluments £'000	National Insurance £'000	Total £'000
Directors' emoluments			
Murray Steele (Chairman)	2	–	2
Christopher Powles	2	0.5	2.5
Matt Cooper	2	0.5	2.5
James Otter	2	–	2
	8	1	9

Total

	Year to 31 January 2015			Year to 31 January 2014		
	Emoluments £'000	National Insurance £'000	Total £'000	Emoluments £'000	National Insurance £'000	Total £'000
Directors' emoluments						
Murray Steele (Chairman)	22	–	22	21	–	21
Tony Morgan	14	1	15	16	1	17
Christopher Powles	17	1.5	18.5	16	1	17
Matt Cooper	17	1.5	18.5	16	1	17
James Otter	3	–	3	–	–	–
	73	4	77	69	3	72

None of the Directors received any other remuneration or benefit from the Company during the year. The Company has no employees other than non-executive Directors. The average number of non-executive Directors in the year was four (2014: four).

6. TAX ON RETURN ON ORDINARY ACTIVITIES

Accounting Policy

Corporation tax payable is applied to profits chargeable to corporation tax, if any, at the current rate. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue return on the "marginal" basis as recommended in the SORP.

Deferred tax is recognised in respect of all timing differences at the reporting date. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Disclosure

The corporation tax charge for the year was £32,000 (2014: £160,392).
The total tax charge for the year differs from the standard rate of corporation tax in the UK of 20% (2014: 20%). The differences are explained below.

Total tax reconciliation:	Year to 31 January 2015			Year to 31 January 2014		
	Ordinary shares £'000	C Ordinary shares £'000	Total £'000	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Return on ordinary activities before tax	2,302	22	2,324	1,911	–	1,911
Non taxable losses	(2,142)	(22)	(2,164)	(1,106)	–	(1,106)
Net return on ordinary activities	160	–	160	805	–	805
Current tax at 20% (2014: 20%)	32	–	32	160	–	160
Total current tax charge	32	–	32	160	–	160
Deferred Tax	–	–	–	–	–	–
Total tax charge	32	–	32	160	–	160

The Company has excess management charges of £nil (2014: £nil) to carry forward to offset against future taxable profits.

Approved venture capital trusts are exempt from tax on chargeable gains within the Company. Since the Directors intend that the Company will continue to conduct its affairs so as to maintain its approval as a venture capital trust, no deferred tax has been provided in respect of any capital gains or losses arising on the revaluation or disposal of investments.

7. DIVIDENDS

Accounting Policy

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

Disclosure

	Year to 31 January 2015			Year to 31 January 2014		
Recognised as distributions in the financial statements for the year	**Ordinary shares £'000**	**C Ordinary shares £'000**	**Total £'000**	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Previous year's final dividend	**1,922**	**–**	**1,922**	1,755	–	1,755
Current year's interim dividend	**1,914**	**–**	**1,914**	1,854	–	1,854
	3,836	**–**	**3,836**	3,609	–	3,609

	Year to 31 January 2015			Year to 31 January 2014		
Paid and proposed in respect of the year	**Ordinary shares £'000**	**C Ordinary shares £'000**	**Total £'000**	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Interim dividend – 2.5p per share (2014: 2.5p per share)	**1,914**	**–**	**1,914**	1,854	–	1,854
Final dividend proposed – 2.5p per share (2014: 2.5p per share)	**2,412**	**–**	**2,412**	1,841	–	1,841
	4,326	**–**	**4,326**	3,695	–	3,695

The final dividend of 2.5p per share for the year ended 31 January 2015, which is subject to shareholder approval at the Annual General Meeting, will be paid on 31 July 2015 to shareholders on the register on 3 July 2015.

8. EARNINGS PER SHARE

The revenue earnings per Ordinary share is based on 77,593,074 (2014: 69,891,331) shares, being the weighted average number of shares in issue during the year, and on a revenue return after tax of £1,142,000 (2014: £1,599,000).

The capital earnings per Ordinary share is based on 77,593,074 (2014: 69,891,331) shares, being the weighted average number of shares in issue during the year, and on a capital return after tax of £1,128,000 (2014: £152,000).

The total earnings per Ordinary share is based on 77,593,074 (2014: 69,891,331) shares, being the weighted average number of shares in issue during the year, and on a total return after tax of £2,270,000 (2014: £1,751,000).

The revenue earnings per C share is based on 9,123,462 (2014: n/a) shares, being the weighted average number of shares in issue during the year, and on a revenue return after tax of £231,000 (2014: n/a).

The capital earnings per C share is based on 9,123,462 (2014: n/a) shares, being the weighted average number of shares in issue during the year, and on a capital return after tax of £(209,000) (2014: n/a).

The total earnings per C share is based on 9,123,462 (2014: nil) shares, being the weighted average number of shares in issue during the year, and on a total return after tax of £22,000 (2014: £nil).

There are no potentially dilutive capital instruments in issue and, as such, the basic and diluted earnings per share are therefore identical.

9. NET ASSET VALUE PER SHARE

The calculation of net asset value per Ordinary share as at 31 January 2015 is based on net assets of £68,810,000 (2014: £63,905,000) divided by the 81,184,986 (2014: 73,620,903) Ordinary shares in issue at that date.

The calculation of net asset value per C share as at 31 January 2015 is based on net assets of £50,753,000 (2014: n/a) divided by the 51,805,819 (2014: n/a) shares in issue at that date.

10. FIXED ASSET INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting Policy

The Company's principal financial assets are its investments and the policies in relation to those assets are set out below. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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

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

In the case of unquoted investments, fair value is established by using measures of value such as price of recent transaction, earnings multiples, discounted cash flows and net assets. This is consistent with International Private Equity and Venture Capital valuation guidelines.

Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the income statement and allocated to the capital reserve – holding gains/(losses). Fixed returns on non-equity shares and debt securities which are held at fair value are computed using the effective interest rate, to distinguish between the interest income receivable (which is disclosed as interest income within the revenue column of the Income Statement) and other fair value movements arising on these instruments (which are disclosed as holding gains within the capital column of the Income Statement).

Investments deemed to be associates, due to the shareholding and level of influence exerted over the investee company are measured at fair value using a consistent methodology to the rest of the Company's portfolio as permitted by the SORP (paragraph 32).

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

Fair value hierarchy

Paragraph 34.22 of FRS 102 regarding financial instruments that are measured in the balance sheet at fair value requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level a: quoted prices in active markets for an identical asset. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held is the current bid price. These instruments are included in level a and comprise money market funds classified as held at fair value through profit or loss. See note 12.

Level b: where quoted prices are not available, the price of a recent transaction for an identical asset, providing there has been no significant change in economic circumstances or a significant lapse in time since the transaction took place. The Company holds no such investments in the current or prior year.

Level c (i): the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level c (i). The Company holds no such investments in the current or prior year.

Level c (ii): the fair value of financial instruments that are not traded in an active market (for example investments in unquoted companies) is determined by using valuation techniques such as earnings multiples. If one or more of the significant inputs is not based on observable market data, the instrument is included in level c (ii).

There have been no transfers between these classifications in the year (2014: none). The change in fair value for the current and previous year is recognised through the profit and loss account.

All items held at fair value through profit or loss were measured as such upon initial recognition. Movements in investments at fair value through profit or loss during the year to 31 January 2015 are summarised below.

Fixed asset investments:

Investments held by Ordinary Shares

	Level c (ii): Unquoted Investments £'000	Level a: Quoted Investments £'000	Total Investments £'000
Valuation and net book amount:			
Book cost at 1 February 2014	52,697	–	52,697
Cumulative revaluation	1,609	–	1,609
Opening fair value at 1 February 2014	**54,306**	**–**	**54,306**
Movement in the year:			
New purchases at cost	15,505	–	15,505
Proceeds from the sale of investments	(16,680)	–	(16,680)
Gain on disposal of investments – current year	795		795
Change in fair value in year	1,340	–	1,340
Closing fair value at 31 January 2015	**55,266**	**–**	**55,266**
Closing cost at 31 January 2015:	53,276	–	53,276
Closing holding gain at 31 January 2015:	1,990	–	1,990
Valuation at 31 January 2015	**55,266**	**–**	**55,266**

Investments held by C Ordinary Shares

	Level c (ii): Unquoted Investments £'000	Level a: Quoted Investments £'000	Total Investments £'000
Valuation and net book amount:			
Book cost at 1 February 2014	–	–	–
Cumulative revaluation	–	–	–
Opening fair value at 1 February 2014	**–**	**–**	**–**
Movement in the year:			
Investments acquired as part of the transaction	49,588	678	50,266
Proceeds from the sale of investments	(5,867)	–	(5,867)
Gain on disposal of investments – current year	516	–	516
Change in fair value in year	34	(176)	(142)
Closing fair value at 31 January 2015	**44,271**	**502**	**44,773**
Closing cost at 31 January 2015:	44,237	678	44,915
Closing holding gain at 31 January 2015:	34	(176)	(142)
Valuation at 31 January 2015	**44,271**	**502**	**44,773**

Total Investments

	Level c (ii): Unquoted Investments £'000	Level a: Quoted Investments £'000	Total Investments £'000
Valuation and net book amount:			
Book cost at 1 February 2014	52,697	–	52,697
Cumulative revaluation	1,609	–	1,609
Opening fair value at 1 February 2014	**54,306**	**–**	**54,306**
Movement in the year:			
New purchases at cost	15,505	–	15,505
Investments acquired as part of the transaction	49,588	678	50,266
Proceeds from the sale of investments	(22,547)	–	(22,547)
Gain on disposal of investments – current year	1,311	–	1,311
Change in fair value in year	1,374	(176)	1,198
Closing fair value at 31 January 2015	**99,537**	**502**	**100,039**
Closing cost at 31 January 2015:	97,513	678	98,191
Closing holding gain at 31 January 2015:	2,024	(176)	1,848
Valuation at 31 January 2015	**99,537**	**502**	**100,039**

Level c (ii) valuations include assumptions based on non-observable market data, such as discounts applied to earnings multiples to reflect the lack of marketability in unquoted investments. The sensitivity of these valuations to a reasonable possible change in such assumptions is given in note 16.

The loan and equity investments are considered to be one instrument due to them being bound together when assessing portfolios' returns to shareholders. This is consistent with the Company's investment policy.

Further details of the fixed asset investments held by the Company are shown within the Investment Manager's Review on pages 17 to 28.

Disposals of unquoted investments

Investee company	Share class	Net disposal proceeds £'000	Cost £'000	Carry Value on 1 February 2014 £'000
Borro Loan 2	Ordinary	3,500	3,500	3,500
Terido LLP	Ordinary	3,250	3,250	3,250
Shakti Power	Ordinary	2,497	1,825	2,137
Hydrobolt	Ordinary	1,506	453	493
Callstream	Ordinary	1,325	1,325	1,325
Hedwig Solar	Ordinary	969	709	868
Gretel Solar	Ordinary	683	500	613
Klara Solar	Ordinary	574	420	514
Bruce Dunlop and Associates	Ordinary	415	1,368	350
Sula Power	Ordinary	662	626	648
Jutta Solar	Ordinary	1,299	950	1,084
Gretel Solar	C Ordinary	1,667	1,518	–
Sula Power	C Ordinary	1,368	1,245	–
Michabo Power	C Ordinary	99	139	–
Gerde Solar	C Ordinary	684	622	–
Hedwig Solar	C Ordinary	683	622	–
Jutta Solar	C Ordinary	683	622	–
Klara Solar	C Ordinary	683	622	–

The table above shows the material investments disposed of in the year.

Subsidiaries

The following companies are deemed to be subsidiaries of Octopus Apollo VCT plc because the Company (Ordinary shares and C Ordinary shares combined) owns more than 50% of the equity:

Investee company	Country of incorporation	Sector	% equity held by Ordinary shares and C Ordinary shares combined
Healthcare Services and Technology Limited	United Kingdom	Acquisition vehicle	99.8%
Aquaso Limited	United Kingdom	Acquisition vehicle	99.8%
Tanganyika Heat Limited	United Kingdom	Anaerobic digestion	99.8%
Winnipeg Heat Limited	United Kingdom	Anaerobic digestion	99.8%
Resilient Corporate Services Limited	United Kingdom	Solar	59.4%
Byena Limited	United Kingdom	Acquisition vehicle	99.8%
3AM Music Limited	United Kingdom	Media	83.2%
Atlantic Screen International Limited	United Kingdom	Media	52.9%

11. DEBTORS

	Year to 31 January 2015			Year to 31 January 2014		
	Ordinary shares £'000	C Ordinary shares £'000	Total £'000	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Prepayments and accrued income	1,743	7,120	8,863	1,653	–	1,653
Cash due from Ordinary shares to C Ordinary shares	–	(6,238)	(6,238)	–	–	–
	1,743	882	2,625	1,653	–	1,653

There was a debtor of £6,238,000 between the Ordinary and C class shares which has been eliminated on the face of the statutory balance sheet. This results in a statutory debtor of £2,625,000.

12. CURRENT ASSET INVESTMENTS

Accounting Policy

Current asset investments comprise money market funds and are held at FVTPL. Gains and losses arising from changes in the fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the capital reserve – holding gains/(losses).

The current asset investments are all invested with the Company's cash manager and are readily convertible into cash at the option of the Company. The current asset investments are held for trading, are actively managed and the performance is evaluated in accordance with a documented investment strategy. Information about them is provided internally on that basis to the Board.

Disclosure

There were no current asset investments at 31 January 2015. The current asset investments at 31 January 2014 comprised money market funds.

	Year to 31 January 2015			Year to 31 January 2014		
	Ordinary shares £'000	C Ordinary shares £'000	Total £'000	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Money market funds	–	–	–	4,254	–	4,254
	–	–	–	4,254	–	4,254

All current asset investments held at the year end sit within the level a hierarchy for the purposes of FRS 102.

At 31 January 2015 and 31 January 2014 there were no commitments in respect of current asset investments approved by the Manager but not yet completed.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year to 31 January 2015			Year to 31 January 2014		
	Ordinary shares £'000	C Ordinary shares £'000	Total £'000	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Accruals	660	947	1,607	638	–	638
Other creditors*	8,803	193	8,996	3,580	–	3,580
	9,463	1,140	10,603	4,218	–	4,218
Cash due from Ordinary shares to C Ordinary shares	(6,238)	–	(6,238)	–	–	–
	3,225	1,140	4,365	4,218	–	4,218

*At 31 January 2015, other creditors included £2,560,000 (2014: £3,538,000) of new funds raised from offers for subscription for which new shares had not been allotted.

14. SHARE CAPITAL

	Year to 31 January 2015			Year to 31 January 2014		
	Ordinary shares £'000	C Ordinary shares £'000	Total £'000	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Allotted and fully paid up:	8,118	518	8,636	7,362	–	7,362

- 10p Ordinary shares: 81,184,986 (2014: 73,620,903)
- 1p C Ordinary shares: 51,805,819 (2014: nil)
- Total shares: 132,990,805 (2014: 73,620,903)

The capital of the Company is managed in accordance with its investment policy with a view to the achievement of its investment objective as set out on page 8.

The Company issued the following shares during the year:

- 9,794,478 Ordinary shares at a weighted average price of 84.57p per share
- 52,035,840 C Ordinary shares at a price of 97.8p (issued on completion of the transaction with OVCT)

During the year the Company repurchased the following shares for cancellation:

- 2,230,395 Ordinary shares at a weighted average price of 81.3p
- 230,021 C Ordinary shares at a weighted average price of 88.0p

The total nominal value of the Ordinary shares repurchased was £223,040 (2014: £2,110,337) representing 2.7% (2014: 28.7%) of the issued Ordinary share capital.

The total nominal value of the C Ordinary shares repurchased was £2,300 (2014: £nil) representing 0.4% (2014: nil%) of the issued C Ordinary share capital.

15. RESERVES

Investments	Called up equity share capital £'000	Share Premium £'000	Special distributable reserve* £'000	Capital redemption reserve £'000	Capital reserve gains & losses on disposal* £'000	Capital reserve holding gains & losses £'000	Revenue reserve* £'000	Total £'000
As at 1 February 2014	7,362	35,140	19,116	2,704	(2,445)	2,028	–	63,905
Return on ordinary activities after tax	–	–	–	–	–	–	1,373	1,373
Repurchase of own shares	(225)	–	(1,812)	225	–	–	(202)	(2,014)
Issue of new shares	1,499	57,717	–	–	–	–	–	59,216
Cancellation of share premium	–	(38,551)	38,551	–	–	–	–	–
Cancellation of capital redemption reserve	–	–	828	(828)	–	–	–	–
Management fees allocated as capital expenditure	–	–	–	–	(1,844)	–	–	(1,844)
Current year gains on disposal	–	–	–	–	1,311	–	–	1,311
Prior period holding gains now crystallised	–	–	–	–	959	(959)	–	–
Current period holding gains on investments	–	–	–	–	–	1,198	–	1,198
Capital expenses taken against tax charge	–	–	–	–	–	254	–	254
Dividends paid	–	–	(2,694)	–	–	–	(1,142)	(3,836)
As at 31 January 2015	8,636	54,306	53,989	2,101	(2,019)	2,521	29	119,563

*Distributable reserves

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

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

All investments are held at fair value through profit or loss.

When the Company revalues the investments still held during the period, any gains or losses arising are credited/charged to the Capital reserve – holding gains & losses.

When an investment is sold any balance held on the Capital reserve – unrealised ("Capital reserve holding gains and losses") is transferred to the Capital reserve – realised ("Capital reserve gains and losses on disposal"), as a movement in reserves.

Reserves available for potential distribution by way of a dividend are:

	£'000
As at 1 February 2014	**16,671**
Cancellation of share premium	38,551
Cancellation of capital redemption reserve	828
Return on ordinary activities after tax	1,373
Management fees allocated as capital expenditure	(1,844)
Current year gains on disposal	1,311
Prior period holding gains now crystallised	959
Capital expenses taken against tax charge	254
Repurchase of own shares	(2,014)
Dividends paid	(3,836)
As at 31 January 2015	**52,253**

The purpose of the special distributable reserve was to create a reserve which is capable of being used by the Company to pay dividends and for the purpose of making repurchases of its own shares in the market to provide liquidity in the Company's shares and thereby with a view to narrowing the discount to net asset value at which the Company's shares trade. In the event that the revenue reserve and capital reserve gains & losses on disposal do not have sufficient funds to pay dividends, these will be paid from the special distributable reserve.

The Capital Redemption Reserve is used by the Company to identify the cumulative nominal value of repurchases of its own shares in the market, and for this purpose only.

Revenue reserve – includes all current and prior period retained revenue profits and losses.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments comprise equity investments, unquoted loans, cash balances and cash equivalents including debtors and creditors. The Company holds financial assets in accordance with its investment policy of investing mainly in a portfolio of VCT qualifying unquoted securities whilst holding a proportion of its assets in cash or near-cash investments in order to provide a reserve of liquidity.

Classification of financial instruments

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 31 January 2015 and 31 January 2014:

	Year to 31 January 2015			Year to 31 January 2014		
	Ordinary shares £'000	C Ordinary shares £'000	Total £'000	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Financial assets at fair value through profit or loss						
Investments	55,266	44,773	100,039	54,306	–	54,306
Current asset investments	–	–	–	4,254	–	4,254
Total	55,266	44,773	100,039	58,560	–	58,560
Financial assets at present value of cash receivable						
Cash at bank	21,264	–	21,264	7,910	–	7,910
Accrued income	1,678	871	2,549	1,639	–	1,639
Total	22,942	871	23,813	9,549	–	9,549
Financial liabilities at amortised cost						
Accruals and other creditors	9,463	1,140	10,603	4,218	–	4,218
Total	9,463	1,140	10,603	4,218	–	4,218

Fixed asset investments (see note 10) are valued at fair value. Unquoted investments are carried at fair value as determined by the Directors in accordance with current venture capital industry guidelines as detailed within the Investment Managers Review. The fair value of all other financial assets and liabilities are represented by their carrying value in the balance sheet. The Directors believe that the fair value of the assets held at the year end is equal to their carrying value.

The Company's loans and debtors are initially recognised at fair value which is usually transaction cost and subsequently measured at amortised cost using the effective interest method.

In carrying on its investment activities, the Company is exposed to various types of risk associated with the financial instruments and markets in which it invests. The most significant types of financial risk facing the Company are market risk, interest rate risk, credit risk and liquidity risk. The Company's approach to managing these risks is set out below together with a description of the nature and amount of the financial instruments held at the balance sheet date.

Market risk

The Company's strategy for managing investment risk is determined with regard to the Company's investment objective, as outlined on page 8. The management of market risk is part of the investment management process and is a central feature of venture capital investment. The Company's portfolio is managed in accordance with the policies and procedures described in the Directors' and Corporate Governance Reports on pages 31 to 40, having regard to the possible effects of adverse price movements, with the objective of maximising overall returns to shareholders. Investments in smaller companies, by their nature, usually involve a higher degree of risk than investments in larger companies quoted on a recognised stock exchange, though the risk can be mitigated to a certain extent by diversifying the portfolio across business sectors and asset classes. The overall disposition of the Company's assets is regularly monitored by the Board.

Details of the Company's investment portfolio at the balance sheet date are set out on pages 19 to 27.

83.3% (31 January 2014: 85.0%) by value of the Company's net assets comprises investments in unquoted companies held at fair value. The valuation methods used by the Company include the application of a price/earnings ratio derived from listed companies with similar characteristics, and consequently the value of the unquoted element of the portfolio can be indirectly affected by price movements on the London Stock Exchange. A 10% overall increase in the valuation of the unquoted investments at 31 January 2015 would have increased net assets and the total profit for the year by £10,003,900 (31 January 2014: £5,430,600) an equivalent change in the opposite direction would have reduced net assets and the total profit for the year by the same amount.

A number of investment valuations are based on earnings multiples which are ascertained with reference to the individual sector multiple or similarly listed entities. It is considered that due to the diversity of the sectors, the 10% sensitivity discussed above provides the most meaningful potential impact of average multiple changes across the portfolio.

0% (31 January 2014: 6.7%) by value of the Company's net assets comprises money market funds held at fair value. A 1% overall increase in the valuation of the money market funds at 31 January 2015 would have increased net assets and the total profit for the year by £nil (31 January 2014: £42,540) an equivalent change in the opposite direction would have reduced net assets and the total profit for the year by the same amount.

Interest rate risk

Some of the Company's financial assets are interest-earning. As a result, the Company is exposed to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

Fixed rate

The table below summarises weighted average effective interest rates for the fixed interest-bearing financial instruments:

Ordinary Shares

	Year to 31 January 2015			Year to 31 January 2014		
	Total fixed rate portfolio by value £'000	Weighted average interest rate %	Weighted average time for which rate is fixed in years	Total fixed rate portfolio by value £'000	Weighted average interest rate %	Weighted average time for which rate is fixed in years
Unquoted fixed-interest investments	28,663	11.1	3.5	25,562	10.9%	3.3

C Ordinary Shares

	Period to 31 January 2015			Year to 31 January 2014		
	Total fixed rate portfolio by value £'000	Weighted average interest rate %	Weighted average time for which rate is fixed in years	Total fixed rate portfolio by value £'000	Weighted average interest rate %	Weighted average time for which rate is fixed in years
Unquoted fixed-interest investments	15,457	9.2	2.6	–	–	–

Total

	Year to 31 January 2015			Year to 31 January 2014		
	Total fixed rate portfolio by value £'000	Weighted average interest rate %	Weighted average time for which rate is fixed in years	Total fixed rate portfolio by value £'000	Weighted average interest rate %	Weighted average time for which rate is fixed in years
Unquoted fixed-interest investments	44,120	10.7	3.2	25,562	10.9%	3.3

Floating rate

The Company's floating rate investments comprise cash held on interest-earning deposit accounts and, where appropriate, within interest-earning money market funds. The benchmark rate which determines the rate of interest receivable on such investments is the bank base rate, which was 0.5% at 31 January 2015 (31 January 2014: 0.5%). The amounts held in floating rate investments at the balance sheet date were as follows:

	Year to 31 January 2015			Year to 31 January 2014		
	Ordinary shares £'000	C Ordinary shares £'000	Total £'000	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Money market funds	–	–	–	4,254	–	4,254
Cash on deposit	21,264	–	21,264	7,910	–	7,910
	21,264	–	21,264	12,164	–	12,164

Every 1% increase or decrease in the base rate would increase or decrease income receivable from these investments and the total profit for the year by £212,640 (31 January 2014: £121,640).

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Investment Manager and the Board carry out a regular review of counterparty risk. The carrying values of financial assets represent the maximum credit risk exposure at the balance sheet date.

At 31 January 2015 the Company's financial assets exposed to credit risk comprised the following:

	Year to 31 January 2015			Year to 31 January 2014		
	Ordinary shares £'000	C Ordinary shares £'000	Total £'000	Ordinary Shares £'000	C Ordinary shares £'000	Total £'000
Money market funds	–	–	–	4,254	–	4,254
Cash on deposit	21,264	–	21,264	7,910	–	7,910
Investments in fixed rate instruments	28,663	15,457	44,120	25,562	–	25,562
Accrued dividends and interest receivable	1,678	871	2,549	1,639	–	1,639
	51,605	16,328	67,933	39,365	–	39,365

Credit risk relating to listed money market funds is mitigated by investing in a portfolio of investment instruments of high credit quality, comprising securities issued by the UK Government and major UK institutions. Credit risk relating to loans to and preference shares in unquoted companies is considered to be part of market risk.

Credit risk arising on the sale of investments is considered to be small due to the short settlement and the contracted agreements in place with the settlement lawyers.

The Company's interest-earning deposit and current accounts are maintained with HSBC Bank plc. The Investment Manager has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. Should the credit quality or the financial position of HSBC Bank plc deteriorate significantly the Investment Manager will move the cash holdings to another bank.

Other than cash or liquid money market funds, there were no significant concentrations of credit risk to counterparties at 31 January 2015 or 31 January 2014.

Liquidity risk

The Company's financial assets include investments in unquoted equity securities which are not traded on a recognised stock exchange and which generally may be illiquid. As a result, the Company may not be able to realise some of its investments in these instruments quickly at an amount close to their fair value in order to meet its liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The Company's listed money market funds are considered to be readily realisable as they are of high credit quality as outlined above.

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

The Company maintains sufficient investments in cash and readily realisable securities to pay accounts payable and accrued expenses. At 31 January 2015 these investments were valued at £21,264,000 (31 January 2014: £12,164,000).

17. POST BALANCE SHEET EVENTS

The following events occurred between the balance sheet date and the signing of these financial statements:

- On 6 February 2015, Healthcare Services and Technology made a repayment of £2,813,714 to the Company, being a loan repayment of £2,700,000 (£1,350,000 to the Ordinary shares and £1,350,000 to the C Ordinary shares) and a capital reduction of £113,714 (£56,857 to the Ordinary shares and £56,857 to the C Ordinary shares).
- On 20 February 2015, the Ordinary shares invested £2,500,000 in Coupra Limited, an acquisition which will seek VCT qualifying investments on behalf of the Company.
- On 13 March 2015, the Company issued 5,222,578 Ordinary shares of 10p each at a price of 88.9p per share.
- On 31 March 2015, the Company issued 6,541,808 Ordinary shares of 10p each at a price of 88.9p per share.
- On 4 April 2015, the Company issued 3,534,572 Ordinary shares of 10p each at a price of 88.9p per share.
- On 16 April 2015, the Company disposed of 6 solar companies generating proceeds of £4.2m.
- On 28 April 2015, the Company issued 1,396,241 Ordinary shares of 10p each at a price of 88.9p per share.

18. CONTINGENCIES, GUARANTEES AND FINANCIAL COMMITMENTS

There were no contingencies, guarantees or financial commitments as at 31 January 2015 (2014: none).

19. TRANSACTIONS WITH MANAGER

Octopus Apollo VCT plc has employed Octopus throughout the year as the Investment Manager.

Apollo has paid Octopus Investments £1,527,000 (2014: £1,467,000) in management fees in respect of the Ordinary shares. The management fee is payable quarterly in advance and is based on 2% of the NAV calculated daily from 31 January. These management fees include £463,000 (2014: £375,000) in performance fees due to Octopus Investments, explained in further detail below.

Apollo has paid Octopus Investments £nil in management fees in respect of the C Ordinary shares. Octopus is entitled to an annual management fee of 2.0% of net assets. However, the annual management fee will be rolled up (without interest) and will only be paid to Octopus once shareholders have received dividends and distributions during the life of the Company totalling or exceeding 105p per share. As at 31 January 2015, an accrual of £777,000 represented the annual management fee over and above 105p.

Octopus Investments also provides accounting and administrative services to the Company, payable quarterly in advance for a fee of 0.3% of the NAV calculated daily as at 31 January. During the year £227,000 (2014: £191,000) was paid to Octopus Investments and there was £nil (2014: £nil) outstanding at the balance sheet date, for the accounting and administrative services.

No performance related incentive fee was payable over the first five years. Now this time has passed, Octopus Investments is entitled to an annual performance related incentive fee in relation to the Ordinary shares. This performance fee is equal to 20% of the amount by which the NAV from the start of the sixth accounting and subsequent accounting periods exceeds simple interest of the HSBC Bank plc base rate for the same period and is in line with industry standards. The NAV at the start of the sixth accounting period must be at least 100p.

Any distributions paid out by the Company will be added back when calculating this performance fee.

The Board considers that the liability becomes due at the point that the performance criteria are met; this has now happened, as a result Octopus Investments is entitled to £463,000 in performance fees (2014: £375,000), of which £463,000 was outstanding at the balance sheet date (2014: £375,000).

20. RELATED PARTY TRANSACTIONS

Matt Cooper, a non-executive Director of Apollo is also Chairman of Octopus Investments Limited.

The Ordinary shares are invested into Terido LLP, a limited partnership managed by Octopus Investments Limited. In the year under review the Ordinary shares received a profit share from Terido of £472,000 which was re-invested back into the partnership. At the year end the Ordinary shares had accrued £517,000 in further profit due from Terido.

During the year to 31 January 2015, the Directors received the following dividends from the Company:

	Dividend received
Murray Steele (Chairman)	£563
Tony Morgan	£237
Christopher Powles	£285
Matt Cooper	£1,020

Please see note 5 for details of Directors' Remuneration.

21. ACQUISITION OF THE NET ASSETS AND LIABILITIES OF OCTOPUS VCT PLC

With effect from 28 November 2014, the Company acquired the assets and liabilities of Octopus VCT plc (OVCT) in exchange for the issue of new C Ordinary shares in the Company. OVCT was placed into members' voluntary liquidation pursuant to a scheme of reconstruction under Section 110 of the Insolvency Act 1986.

Shareholders in Octopus VCT plc received 1 Apollo C Ordinary share for every OVCT Ordinary share previously held, resulting in 52,035,840 C Ordinary shares being issued at 97.8p per share which was the value of the assets and liabilities acquired at the time of the acquisition. Note 14 gives more information on this issue of shares.

Directors and Advisers

BOARD OF DIRECTORS
Murray Steele (Chairman)
James Otter
Christopher Powles
Matt Cooper

COMPANY NUMBER
Registered in England & Wales
No 05840377

SECRETARY AND REGISTERED OFFICE
Nicola Board ACIS
33 Holborn
London
EC1N 2HT

INVESTMENT AND ADMINISTRATION MANAGER
Octopus Investments Limited
33 Holborn
London
EC1N 2HT
Tel: 0800 316 2295
www.octopusinvestments.com

CORPORATE BROKER
Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF
020 7886 2500

INDEPENDENT AUDITOR AND TAXATION ADVISER
Grant Thornton UK LLP
Chartered Accountants and Registered Auditor
3140 Rowan Place
John Smith Drive
Oxford Business Park South
Oxford
OX4 2WB

VCT STATUS ADVISER
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

BANKERS
HSBC Bank plc
31 Holborn
London
EC1N 2HR

REGISTRARS
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
Tel: 0871 664 0324
(calls cost 10p per minute plus network extras)
www.capitaregistrars.com
www.capitashareportal.com

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Octopus Apollo VCT plc will be held at 33 Holborn, London EC1N 2HT on Tuesday, 28 July 2015 at 2.30 pm for the purposes of considering and if thought fit, passing the following resolutions of which Resolutions 1 to 8 will be proposed as Ordinary Resolutions and Resolutions 9 and 10 will be proposed as Special Resolutions:

ORDINARY BUSINESS

1. To receive and adopt the financial statements for the year to 31 January 2015 and the Directors' and Auditor's Reports thereon.

2. To approve a final dividend of 2.5 pence per Ordinary share

3. To approve the Directors' Remuneration Report.

4. To approve the Directors' Remuneration Policy

5. To elect James Otter as a Director.

6. To re-elect Matt Cooper as a Director.

7. To re-appoint Grant Thornton UK LLP as auditor of the Company and to authorise the Directors to determine their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, pass Resolution 8 as an Ordinary Resolution and Resolutions 9 and 10 as Special Resolutions:

8. **Authority To Allot Relevant Securities**
   THAT the Directors be generally and unconditionally authorised in accordance with s551 of the Companies Act 2006 to allot shares up to a maximum of 9,788,018 Ordinary shares (representing approximately 10% of the issued Ordinary share capital at the date of this Notice) this authority to expire at the later of the conclusion of the Company's next Annual General Meeting following the passing of this Resolution and the expiry of 15 months from the passing of the relevant resolution (unless previously revoked, varied or extended by the Company in general meeting but so that such authority allows the Company to make offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority). The authority being sought under this Resolution is in addition to that obtained at the General Meeting of the Company held on 21 November 2014.

9. **Disapplication Of Pre-Emption Rights**
   TO empower the Directors pursuant to s571(1) of the Companies Act 2006 to allot or make offers or agreements to allot equity securities (as defined in s560(1) of the said Act) for cash pursuant to the authority referred to in resolution 8 as if s561(1) of the said Act did not apply to any such allotments and so that:

   (a) reference to allotment in this Resolution shall be construed in accordance with s560(1) of the said Act; and

   (b) the power conferred by this Resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power.

And this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this Resolution or, if earlier, on the expiry of 15 months from the passing of this resolution. The authority being sought under this Resolution is in addition to that obtained at the General Meeting of the Company held on 21 November 2014.

10. Authority To Make Market Purchases

THAT the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of s693(4) of the Companies Act 2006 of its own shares provided that:

(a) the maximum number of Ordinary shares and C Ordinary shares which may be purchased shall not exceed 14,672,239 Ordinary shares and 7,765,692 C Ordinary shares;

(b) the minimum price which may be paid for an Ordinary share and C Ordinary share is the nominal value thereof;

(c) the maximum price, exclusive of expenses, which may be paid for an Ordinary share and C Ordinary share is an amount equal to (i) 105% of the average of the middle market quotation per share of the relevant class taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased and (ii) the amount stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation 2003;

(d) the authority conferred by this resolution shall expire at the conclusion of the next Annual General Meeting of the Company or upon the expiry of 15 months from the passing of this Resolution, whichever is the later; and

(e) that the Company may enter into a contract to purchase shares under the authority conferred by this resolution prior to the expiry of this authority which will or may be completed wholly or partly after the expiry of this authority.

By Order of the Board

Nicola Board

Nicola Board (ACIS)
Secretary
29 May 2015

NOTES:

(a) A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member.

(b) A form of proxy is enclosed which, to be effective, must be completed and delivered to the registrars of the Company, **Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU** so as to be received by no later than 48 hours before the time the Annual General Meeting is scheduled to begin. The completion and return of the form of proxy will not affect the right of a member to attend and vote at the Annual General Meeting.

(c) As an alternative to returning a hard-copy proxy form by post, you can appoint a proxy by sending it by fax to Octopus Investments Limited on 020 7657 3338. For the proxy appointment to be valid, your appointment must be received by Octopus Investments Limited in such time as it can be transmitted to the registrars of the Company so as to be received no later than 48 hours before the time appointed for the meeting or any adjourned meeting, or in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. Capita Asset Services will not be liable for any proxy forms rendered illegible by means of fax transmission.

(d) Any person receiving a copy of the Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a 'Nominated Person') should note that the provisions in Notes (a) and (b) above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.

(e) Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the AGM which relates to the business of the meeting although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting.

(f) Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement required to be placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

Under sections 338 and 338A Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company:

(i) To give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting, and/or

(ii) To include in the business to be dealt with at the meeting any matters (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless:

(i) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

(ii) It is defamatory of any person; or

(iii) It is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than six weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

(g) A copy of the Notice of Annual General Meeting and the information required by Section 311A Companies Act 2006 is included on the Company's website, **www.octopusinvestments.com** under Venture Capital Trusts.

(h) Copies of the Directors' Letters of Appointment, the Register of Directors' Interests in the Ordinary shares of the Company kept in accordance with the Listing Rules and a copy of the Memorandum and Articles of Association of the Company will be available for inspection at the registered office of the Company during usual business hours on any weekday from the date of this notice until the Annual General Meeting, and at the place of that meeting for at least 15 minutes prior to the commencement of the meeting until its conclusion.

Proxy Form

Octopus Apollo VCT plc
Annual General Meeting on Tuesday, 28 July 2015 at 2.30 p.m

I/We ______________________________
(BLOCK CAPITALS PLEASE)

of ______________________________

being a member of Octopus Apollo VCT plc, hereby appoint the Chairman of the meeting or,

Name of Proxy ______________________ Number of Shares ______________

as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 28 July 2015 notice of which was sent to shareholders with the Directors' Report and the accounts for the year to 31 January 2015, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting.

Please indicate by ticking the box if this proxy appointment is one of multiple appointments being made. ☐

For the appointment of more than one proxy, please refer to the explanatory note 4 below.

Resolution Number	For	Against	Withheld
ORDINARY BUSINESS			
1. To receive, consider and adopt the financial statements for the year ended 31 January 2015	☐	☐	☐
2. To approve a final dividend of 2.5 pence per Ordinary share	☐	☐	☐
3. To approve the Directors' Remuneration Report	☐	☐	☐
4. To approve the Directors' Remuneration Policy	☐	☐	☐
5. To elect James Otter as a Director	☐	☐	☐
6. To re-elect Matt Cooper as a Director.	☐	☐	☐
7. To re-appoint Grant Thornton UK LLP as auditor and to authorise the Directors to agree their remuneration	☐	☐	☐
SPECIAL BUSINESS			
8. To authorise the Directors to allot shares under s551 of the Companies Act 2006 (Ordinary Resolution)	☐	☐	☐
9. To disapply s561 of the Companies Act 2006 and allot shares on a non-rights issue basis (Special Resolution)	☐	☐	☐
10. To authorise the Directors to make market purchases of its own shares (Special Resolution)	☐	☐	☐

Signed: ______________________ Dated: ______________ 2015

If you are unable to attend the AGM and wish to pass on any comments to the Board, please use the box below:

NOTES

1. To be valid, the proxy form must be received by the Registrars of the Company at, **Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU**, no later than 48 hours before the commencement of the meeting. If delivering by courier please use the full address of Capita set out in the Notice.

2. Where this form of proxy is executed by a corporation it must be either under its seal or under the hand of an officer or attorney duly authorised.

3. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided. If the proxy is being appointed in relation to less than your full voting entitlement, please enter next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account.)

4. To appoint more than one proxy, you may photocopy this form. Please indicate next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

5. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

6. If the proxy form is signed and returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to whether and how he/she votes.

7. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6 p.m. on the day which is two days before the day of the meeting or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

8. The address on the envelope containing this notice is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on **0871 664 0324**. (calls cost 10p per minute plus network extras, lines are open 9.00 a.m. – 5.30 p.m. Monday – Friday) to request a change of address form.

9. You may submit your proxy electronically using the Shareportal Service at **www.capitashareportal.com**. If not already registered for the share portal, you will need your investor code which can be found on your share certificate. If you cannot locate your investor code, please contact Capita Asset Services, between 9.00 a.m. and 5.30 p.m. (GMT) Monday to Friday (except UK public holidays) on telephone number **0871 664 0324** or, if telephoning from outside the UK, on **+44 20 3170 0187**. Calls to Capita's helpline (**0871 664 0324**) are charged at 10p per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

10. The completion and return of this form will not preclude a member from attending the meeting and voting in person.

PLEASE RETURN USING ADDRESSED ENVELOPE SUPPLIED