Octopus Apollo VCT plc

Annual report and accounts for the year ended 31 January 2018

Company number: 05840377

For UK investors only

octopus investments

Octopus Apollo VCT plc ("Apollo" or the "Company") is a venture capital trust which aims to provide shareholders with attractive tax-free dividends and long-term capital growth 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

	Year to 31 January 2018	Year to 31 January 2017
Net assets (£'000)	**130,377**	141,799
Return on ordinary activities after tax (£'000)	**3,699**	5,172
Net asset value (NAV) per share (p)	**50.6**	63.2
Cumulative dividends paid since launch (p)	**68.0**	54.0
NAV plus cumulative dividends paid (p)	**118.6**	117.2
Total return %*	**2.2%**	2.9
Ordinary dividends paid in the year (p)	**3.3**	5.0
Special dividends paid in the year	**10.7**	16.5
Proposed final dividend (p)**	**1.6**	1.7

*Total Return is calculated as (movement in NAV + dividends paid in the period) divided by the NAV at the beginning of the period.

**The final proposed dividend of 1.6p per Ordinary share for the year ended 31 January 2018 will, subject to shareholder approval at the Annual General Meeting, be paid on 27 July 2018 to all Ordinary shareholders on the register on 29 June 2018.

Dividend History

The table below shows the total shareholder return (Net asset value ("NAV") plus dividends paid) over the last five years.

Year Ended	NAV	Dividends paid	NAV + cumulative dividends
31 January 2014	86.8p	5.0p	109.3p
31 January 2015	84.8p	5.0p	112.3p
31 January 2016	82.3p	5.0p	114.8p
31 January 2017	63.2p	21.5p	117.2p
31 January 2018	50.6p	14.0p	118.6p

Key Dates

Annual General Meeting	12 July 2018 4.00 p.m. at 33 Holborn, London, EC1N 2HT
Ordinary share final dividend payment date	27 July 2018
Half-yearly results to 31 July 2018 published	September 2018
Annual results to 31 January 2019 announced	April 2019
Annual Report and Accounts published	May 2019

Strategic Report

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 purpose of the report is to provide Shareholders with sufficient information to enable them to assess the extent to which the Directors have performed their legal duty to promote the success of the Company in accordance with section 172 of the Companies Act.

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 capital growth 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.

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 and quoted 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 growth, 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, within the confines of VCT legislation. The normal investment period is in the range from three to seven years. Any uninvested funds are typically held in cash, money market funds and OEICs.

Risk is further 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 HMRC annual investment limits and, generally, no more than 15% of the Company's investments, at cost, are invested in the same company.

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 capital growth 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 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 and Investment Manager's Review which form part of the Strategic Report on pages 3 to 4 and 8 to 9. A Business Review also forms part of the Strategic Report on pages 5 to 7.

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. In the event of a conflict of interest on the part of Octopus or where co-investment is proposed to be made other than on a pro-rata basis, such an investment requires the approval of the Board.

Liquidity Strategy

The Board's strategy is to maintain an appropriate level of liquidity in the Balance Sheet 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.

VCT Regulation

Compliance with the required VCT rules and regulations is considered when all investment decisions are made. The Company is further monitored internally on a continual basis to ensure compliance, and is monitored each six months by Pricewaterhouse Coopers (PwC) who perform a comprehensive validation exercise. The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC. The main criteria to which the Company must adhere is detailed on page 56.

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

Chairman's Statement

Introduction

I am pleased to present the Annual Report of Apollo for the year ended 31 January 2018 and I would like to welcome all new shareholders following the fund raising which closed during the last financial year.

New VCT Regulations and Qualifying Status

PwC provides both the Board and Manager with advice concerning ongoing compliance with HMRC's 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 to maintain at least a 70% qualifying investment level, which was at 87% as at 31 January 2018.

The Autumn Budget announced in November 2017 introduced further changes to VCT legislation. The most notable of these is that from 6 April 2019, the requirement for a 70% qualifying investment level increased to 80%. Additionally, from 6 April 2018 VCTs must now invest 30% of funds raised into qualifying investments within 12 months.

Typically the structure of the Company's investments has been weighted more heavily towards loan based instruments as opposed to equity. Such investments provide fixed returns and payments generally rank ahead of other creditors in a liquidation scenario, allowing for visibility over future returns and security.

Recent changes to VCT legislation mean that new investments are likely to be more heavily weighted towards equity than loan instruments. The new VCT rules will not affect the existing investment portfolio and will only impact future investments.

The investment team continues to build a pipeline of new investment opportunities which will meet the new VCT investment rules. Since 31 January 2018 the Company has completed two new investments (totalling £7.2 million), and further investment activity is expected during the year to 31 January 2019.

Further information on VCT regulation is detailed in the Directors' Report on page 18.

Performance

On a total return basis, after adding back the 3.3p of ordinary dividends paid in the year as well as the 10.7p special dividend paid, the NAV has risen 2.2%. The NAV plus cumulative dividends has risen from 117.2p per share as at 31 January 2017 to 118.6p per share as at 31 January 2018.

Investment Activity

In the year under review the Company invested £2.1 million into eight companies, providing follow-on capital to existing investee companies to continue their growth plans. There were seven exits of portfolio companies during the year generating total proceeds to the Company of £39.2 million. Notable disposals were Clifford Thames (£24.0 million), Vista Retail Support (£9.9 million) and Aquaso/Technical Software Consultants (TSC) (£3.9 million).

Fund Raising

During the year £16.1 million was raised, after costs, under the Offer for Subscription which was launched 4 November 2016 to raise up to £20 million with an overallotment facility of £10 million. This offer closed in March 2017 fully subscribed.

Further details can be found in the Directors' report on page 19 and in note 14 of the financial statements.

Dividend and Dividend Policy

It is the 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 portfolio, the Board has proposed a final dividend of 1.6p per share in respect of the year ended 31 January 2018. This is in addition to the 10.7p special dividend paid in November 2017 and the 1.6p interim dividend paid in December 2017, and will bring the total dividends declared to 13.9p for the year. Excluding the special dividend, this represents a similar return of capital in previous years of 5.1%. The dividend will be payable on 27 July 2018 to shareholders on the register at 29 June 2018.

Dividend Reinvestment Scheme (DRIS)

In common with a number of VCTs, the Company has a dividend reinvestment scheme which was introduced in November 2014. During the year to 31 January 2018 10,335,362 shares were issued under the DRIS, returning £5.4 million to the Company.

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. The final dividend referred to above will be eligible for the DRIS.

Share Buybacks

The Company has continued to buy back shares as required, and subject to shareholder approval of resolution 10 at the forthcoming annual general meeting this facility will remain in place. Buybacks remain an essential practice for VCTs, providing 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 19.

Annual General Meeting

The Company's Annual General Meeting will take place on 12 July 2018 at 4 p.m. I look forward to welcoming you to the meeting which will be held at the 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**.

Outlook and future prospects

Since launch the Company's returns to shareholders have shown low year-on-year volatility. The existing portfolio is well positioned for continued steady performance, and the Manager will continue to adopt a thorough investment approach, identifying investments which meet the new legislative requirements and existing Company mandate.

Murray Steele

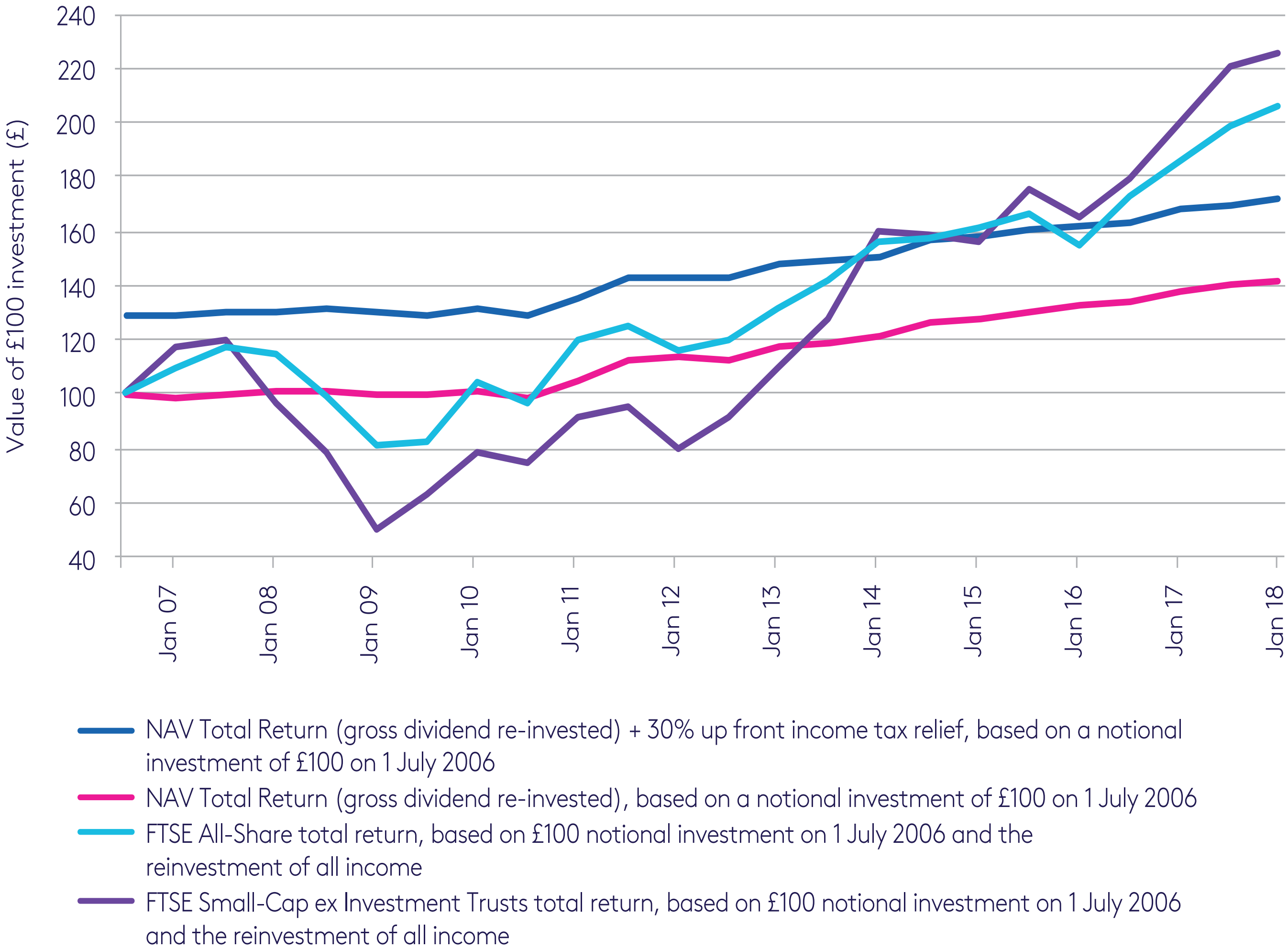
Murray Steele
Chairman
9 May 2018

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 Index. This is shown in the graph below. This index has been adopted as an informal benchmark.

The graph below compares NAV total return (gross dividends reinvested) of the Company over the period from July 2006 to January 2018 with the total return from a notional investment in the FTSE Small-Cap index over the same period (all rebased to £100). This index is considered to be the most appropriate broad equity market index for comparative purposes, although the Board wishes to point out that VCTs are not able to make investments in companies quoted on the Main Market in their observance of the VCT rules.



Results and Dividend

	Year to 31 January 2018 £'000	Year to 31 January 2017 £'000
Net return attributable to shareholders	**3,699**	5,172
Appropriations:		
Interim dividend paid – 1.6p per share (2017: 2.5p per share)	**4,111**	4,397
Special dividend paid – 10.7p per share (2017: 16.5p per share)	**26,655**	28,905
Final dividend proposed – 1.6p per share (2017: 1.7p per share)	**4,120**	3,816

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 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;
- dividends paid; and
- the total expense as a proportion of shareholders' funds.

A record of some of the indicators is 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% of average net assets at 2.9% (2017: 2.3%). This figure excludes any extraordinary items, costs related to mergers, adviser charges and performance fees.

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.

Viability Statement

In accordance with provision C.2.2 of The UK Corporate Governance Code 2014, the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the "Going Concern" provision. The Board conducted this review for a period of five years, which was considered to be a reasonable time horizon given that the Company had raised funds under an offer for subscription which closed on 9 March 2017, and under VCT rules subscribing investors are required to hold their investment for a five year period in order to benefit from the associated tax reliefs. The Board regularly considers the Company's strategy, including investor demand for the Company's shares, and a five year period is considered to be a reasonable time horizon for this.

The Board carried out a robust assessment of the principal risks facing the Company and its current position, including those which may adversely impact its business model, future performance, solvency or liquidity. Particular consideration was given to the Company's reliance on, and close working relationship with, the Manager. The principal risks faced by the Company and the procedures in place to monitor and mitigate them are set out below.

The Board has also considered the Company's cash flow projections and found these to be realistic and reasonable.

Based on the above assessment the Board confirms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period to 31 January 2023.

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 and the Finance (No. 2) Act 2015 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 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 PwC 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 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 Manager on a regular basis.

Valuation Risk: Investments may be valued inappropriately which may result in an inaccurate representation of the Company's net assets and net asset value per share. Unquoted investments are valued to current financial reporting standards. Investments traded on AIM are valued using bid prices as reported by Bloomberg.

Financial risk: as most of the Company's investments involve a 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 AA-. 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 Manager. 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. The Company is also a small registered Alternative Investment Fund Manager ("AIFM") and must comply with the AIFM Directive. 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 Manager 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 annually the system of risk management and internal controls, both financial and non-financial, operated by the Company and the Manager. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

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, 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 Financial Reporting Council's 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 page 23.

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

Gender and Diversity

The Board of Directors currently comprises four male Non-Executive Directors with considerable experience of the VCT industry and the investee companies. The gender, diversity and constitution of the Board are reviewed on an annual basis.

Employee, Human Rights, Social and Community Issues, Environment Policy and Greenhouse Gas Emissions

The Board's policy on Employee, Human Rights, Social and Community Issues, Environment Policy and Greenhouse Gas Emissions is discussed in the Directors' Report on page 19.

This report was approved by the Board on 9 May 2018 and signed on its behalf by:

Murray Steele

Murray Steele
Chairman

Investment Manager's Review

Personal Service

At Octopus we focus on both 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 six VCTs, including this one, and over £700 million in the VCT sector.

How Octopus creates and delivers value for the shareholders of Octopus Apollo VCT plc

The Company focuses on providing development and expansion funding to predominantly unquoted companies with a typical investment per company of £1 million to £5 million. 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 Policy

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 and that will provide an opportunity for the Company to realise its investment within three to five years.

Investment Process

The 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 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 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.

Performance

The Company made a total return per share of 2.2% in the year to 31 January 2018. Whilst the NAV per share decreased from 63.2p to 50.6p, 14p of dividends were paid over the period, bringing cumulative dividends paid to date to 68p and the total value (NAV plus cumulative dividends) to 118.6p per share.

Investment Activity

During the 12 months to 31 January 2018, Apollo made the following disposals:

	Initial Cost £	Sale Proceeds £	Gain/(loss) on Sale £
Clifford Thames	13,318,000	24,014,000	10,696,000
Vista Retail Support	6,758,000	9,922,000	3,164,000
Aquaso (Technical Software Consultants)	3,500,000	3,906,000	406,000
The History Press	754,000	858,000	104,000
Quickfire 2	180,000	196,000	16,000
Quickfire	157,000	167,000	10,000
PTB Films	222,000	100,000	(122,000)
	24,889,000	**39,163,000**	**14,274,000**

During the year, the Company disposed of seven investments for total sale proceeds of £39.2 million, representing a gain of £14.3 million on the total cost of £24.9 million. Aquaso, which held the Company's restructured investment in Technical Software Consultants, was sold to Eddyfi Technologies in May 2017 resulting in a recovery of value that had been written down and an overall net gain on the investment relative to the original cost. In addition to the above full disposals in the year, there was also a partial disposal of shares held in the AIM-listed company Tanfield plc, generating sale proceeds of £26,000.

During the year, the Company invested £2.1 million into eight companies, all of which were existing portfolio companies seeking follow-on capital to continue their growth plans.

Portfolio Review

The fund is comprised of 50 portfolio companies with a total valuation of £71.3 million. The portfolio includes 12 quoted AIM investments representing 6% of net assets, 12 Titan VCT co-investments (7% of net assets), with the balance (42% of net assets) being more typical Apollo investments in private companies.

As part of liquidity management during the year the Company invested £72 million in the Octopus Portfolio Manager ("OPM") funds. During the year £19 million was withdrawn to fund the special dividend, taking total holdings at 31 January 2018 to £53.5 million, at year end valuations. Octopus has waived its management fees in relation to OPM to ensure it is not taking fees twice on the same funds under management.

The Company's investment portfolio is set out on page 10. It continues to hold appropriate investments to meet VCT requirements. The Manager now has the opportunity to make a number of further investments with the aim of building the Company NAV.

Outlook and Future Prospects

We remain optimistic about the Company's future investment prospects and its current diverse portfolio.

As a result of a significant emphasis on origination activities the investment team has an increasing pipeline of new investment opportunities and expects to be able to increase new investment activity in 2018.

Although the VCT investment rules have changed again in March 2018, we believe that these latest changes will not have a significant impact on new investment activity, and that the investment team will continue to generate suitable investment opportunities under these new rules.

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
9 May 2018

Valuation Methodology

Initial measurement

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 (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 2018. 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 Valuation (IPEV) guidelines, investments made within 12 months are usually kept at cost, unless performance indicates that fair value has changed. Where investments are made in assets that are under construction, these are held at cost until operational and for 12 months thereafter, unless other factors indicate that fair value has changed.

Quoted investments are valued at market bid price. No discounts are applied.

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

Investment Portfolio

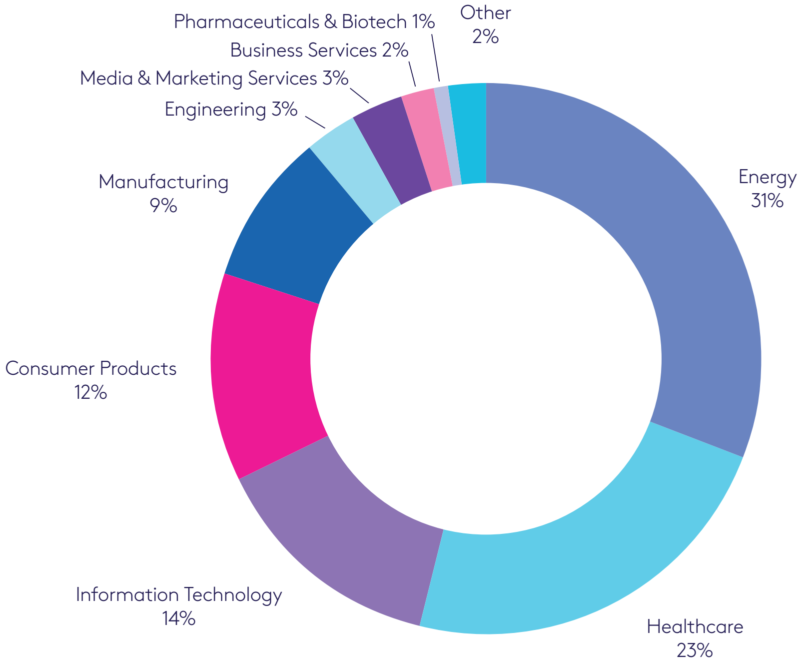
Investments	Sector	Investment cost as at 31 January 2018 £'000	Total movement in fair value since investment £'000	Fair value as at 31 January 2018 £'000	Movement in fair value in year to 31 January 2018 £'000	% equity held by Apollo VCT	% equity held by all funds managed by Octopus
Healthcare and Services Technology Limited	Healthcare	7,186	574	7,760	(157)	10	10
Coupra Limited	Information Technology	5,000	85	5,085	(220)	9.8	9.8
Countrywide Healthcare Services Limited	Healthcare	2,675	2,190	4,865	1,431	20.7	20.7
Anglo European Group Limited	Manufacturing	5,000	(190)	4,810	18	26.7	26.7
Dyscova Limited	Healthcare	4,700	(1,626)	3,074	(1,626)	62.2	62.2
Kabardin Limited	Energy	2,450	–	2,450	–	49	100
Red Poll Power Limited	Energy	2,450	–	2,450	–	49	100
Valloire Power Limited	Energy	2,450	–	2,450	–	49	100
Winnipeg Heat Limited	Energy	3,719	(1,456)	2,263	247	49	100
Plastics Capital plc	Engineering	2,243	19	2,262	(37)	4.8	7.7
Other*		34,525	(668)	33,857	1,407		
Total investments		**72,398**	**(1,072)**	**71,326**	**1,063**		
Current asset investments				53,469			
Cash at bank				5,455			
Debtors less creditors				127			
Net assets				**130,377**			

*Other comprises 40 investments: Acquire Your Business Limited, Angelico Solar Limited, Artesian Solutions Limited, Augean plc, Barrecore Limited, Behaviometrics AB, Bramante Solar Limited, British Country Inns plc, Canaletto Solar Limited, Cello Group plc, CurrencyFair Limited, Ecrebo Limited, EKF Diagnostics Holdings plc, Ergomed plc, Eve Sleep Limited, Hasgrove Limited, Leonardo Solar Limited, Luther Pendragon Limited, Mi-Pay Group plc, MIRACL Limited, Modigliani Solar Limited, Nektan plc, Origami Energy Limited, Oxifree Group Holding Limited, Pirlo Solar Limited, Secret Escapes Limited, Segura Systems Limited, Sourceable Limited (Swoon Editions), Spiralite Holdings Limited, Superior Heat Limited, Tailsco Limited, Tanfield Group plc, Tanganyika Heat Limited, Time Out Group plc,Tintoretto Solar Limited, Tiziano Solar Limited, Trafi Limited, Vertu Motors plc, Yu Group plc, Zynstra Limited.

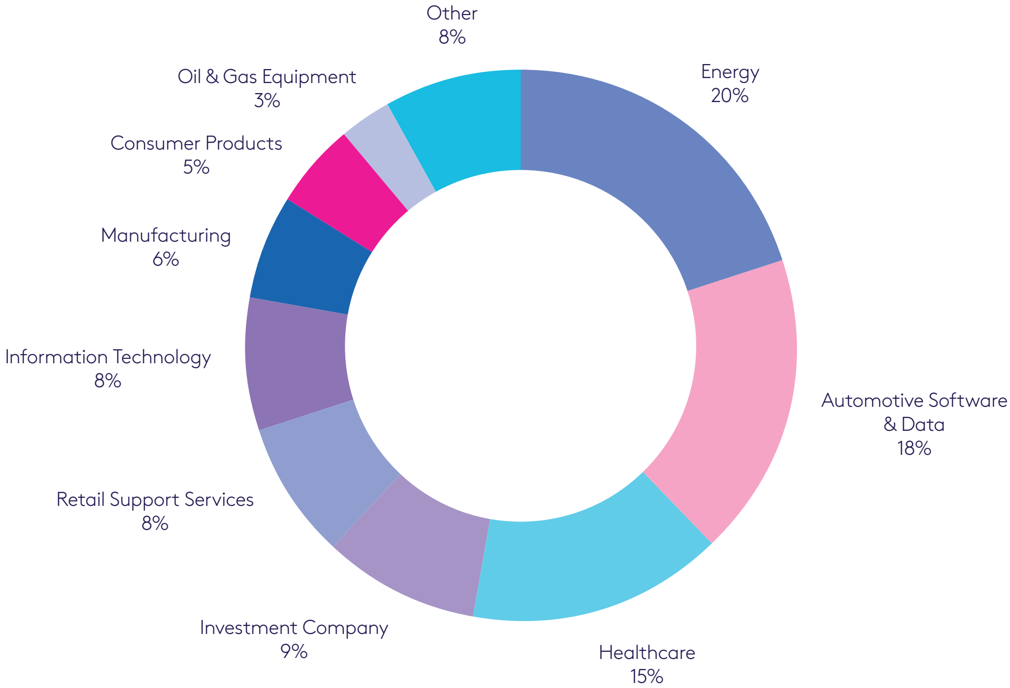
Sector Analysis

The charts below show the sectors that the Company is invested in and their respective proportions as a percentage of fixed asset investments.

31 January 2018



31 January 2017



Review of Investments

At 31 January 2018 the Company's portfolio comprised of investments in 38 unquoted companies and 12 AIM-traded investments. The unquoted investments are in Ordinary shares with full voting rights as well as loan note securities.

Unquoted investments are valued in accordance with the valuation methodology set out on page 10 and the accounting policy set out on pages 45 and 46, which takes account of current industry guidelines for the valuation of venture capital portfolios and is compliant with IPEV guidelines and current financial reporting standards.

Ten Largest Holdings

Listed below are the ten largest investments by value as at 31 January 2018:

Healthcare and Services (HAS) Technology Limited

HAS Technology is the Group holding Company for Care Monitoring 2000 and Ezitracker Ltd. HAS Technology Group companies provide end-to-end, cloud based, remote workforce monitoring, scheduling and financial management solutions which benefit a diverse range of industry sectors including health, social care and facilities management in the UK and overseas. Further information can be found at the company's website **www.cm2000.co.uk**.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	100	410
A ordinary shares	3,100	3,100
B preference shares	800	800
Loan stock	3,186	3,450
Total	**7,186**	**7,760**

Investment date: February 2013
Equity held: 10.0%
Valuation basis: Earnings multiple

Coupra Limited

Coupra Limited is the Group holding company for ISG Technology Limited, a specialist service provider of wired and wireless networking infrastructure solutions to multi-site commercial and retail customers in the UK such as supermarkets. It designs and deploys systems to monitor availability, security and performance that ensure their customers' businesses achieve the best outcomes. Further information can be found at the company's website **www.isg-technology.com**.

Asset class	Cost £'000	Valuation £'000
Preference shares	1,013	1,098
Loan stock	3,987	3,987
Total	**5,000**	**5,085**

Investment date: February 2015
Equity held: 9.8%
Valuation basis: Earnings multiple

Countrywide Healthcare Services Limited

Countrywide Healthcare Services Limited is a supplier and distributor of non-specialist products to the care industry, including healthcare consumables, equipment and furniture. The company operates nationally and serves some of the largest care home groups and hospitals in the UK. Further information can be found at the company's website **www.countrywidehealthcare.co.uk**.

Asset class	Cost £'000	Valuation £'000
A ordinary shares	276	2,466
B ordinary shares	147	147
Loan stock	2,252	2,252
Total	**2,675**	**4,865**

Investment date: June 2014
Equity held: 20.7%
Valuation basis: Earnings multiple

Anglo European Group Limited

Anglo European is now the UK's foremost supplier of galvanised metal sections and reinforcement for the trade window fabrication sector. Established in 1989, the company has built its reputation on high quality manufacturing, rapid delivery and professional customer service. Further information can be found at the company's website **www.angloeuropeangroup.co.uk**.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	1,500	1,310
Loan stock	3,500	3,500
Total	**5,000**	**4,810**

Investment date: October 2015
Equity held: 26.7%
Valuation basis: Earnings multiple

Dyscova Limited

Dyscova Limited is the Group holding company for Care and Independence Limited. Care and Independence is a leading British manufacturer and distributor of patient handling equipment used by health care providers across the UK and increasingly in other northern European countries. Further information can be found at the company's website **www.careandindependence.com**.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	575	–
B ordinary shares	1,475	–
Loan stock	2,650	3,074
Total	**4,700**	**3,074**

Investment date: July 2015
Equity held: 62.2%
Valuation basis: Discounted cash flow

Kabardin Limited

In November 2015, Apollo invested £2.45 million into Karbardin Limited, to provide construction finance for a 20MW reserve power plant. Reserve power plants are reliable, dispatchable, lower carbon generation plants which are called in very short notice (less than 10 minutes). Kabardin is now fully operational and supplying electricity to the grid.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	2,450	2,450
Total	**2,450**	**2,450**

Investment date: November 2015
Equity held: 49%
Valuation basis: Transaction cost

Red Poll Power Limited

In November 2015, Apollo invested £2.45 million into Red Poll Power Limited, to provide construction finance for a 16MW reserve power plant. Reserve power plants are reliable, dispatchable, lower carbon generation plants which are called in very short notice (less than 10 minutes). Red Poll Power is now fully operational and supplying electricity to the grid.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	2,450	2,450
Total	**2,450**	**2,450**

Investment date: November 2015
Equity held: 49%
Valuation basis: Transaction cost

Valloire Power Limited

In November 2015, Apollo invested £2.45 million into Valloire Power Limited, to provide construction finance for a 20MW reserve power plant. Reserve power plants are reliable, dispatchable, lower carbon generation plants which are called in very short notice (less than 10 minutes). Valloire is now operational and supplying electricity to the grid.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	2,450	2,450
Total	**2,450**	**2,450**

Investment date: November 2015
Equity held: 49%
Valuation basis: Transaction cost

Winnipeg Heat Limited

Winnipeg Heat Limited is the owner of a 500 kilowatt facility which generates electricity by anaerobic digestion. The site is accredited to benefit from Feed in Tariffs, in addition to export revenue from electricity sold to an offtaker. The site is located on a farm and uses a mixture of crop and poultry litter from the farm itself and nearby farms to generate the electricity.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	1,800	–
Loan	2,518	2,263
Total	**4,318**	**2,263**

Investment date: April 2012
Equity held: 50%
Valuation basis: Discounted cash flow

Plastics Capital Limited

Plastics Capital is an AIM-listed company that develops and produces specialist plastic products. The business operates through two divisions, Films and Industrial, and has the majority of its production in six UK based factories, with a further three factories in Asia.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	1,506	2,262
Total	**1,506**	**2,262**

Investment date: December 2016
Equity held: 4.8%
Valuation basis: Bid price

The strategic report was approved by the Board on 9 May 2018 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 LINX – the London Internet Exchange and Surface Generation Limited, a hi-tech engineering company, and a Non-Executive Director of James Walker Group, an international engineering group. 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 4 VCT plc*.

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. He was the principal founder of Pi Capital, a private client fund management company that specialises in investing in smaller unquoted companies where 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 a director of two renewable energy companies. 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 4 VCT plc.*

James Otter (Non-Executive Director)
James was formerly Chairman of Octopus VCT plc. He was appointed as a Director on 28 November 2014, on completion of the merger of Octopus VCT with the Company. He is currently Chairman of Renovos, a bioscience start-up from the University of Southampton, and managing the liquidation of a $50 million cash shell, Venda Group. Previous he has held positions as Chairman of Hygea VCT plc, where he managed a veterinary imaging company Hallmarq, and turned around a major sound and vibration company in Denmark whilst a main board director of Spectris plc. 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.

Alex Hambro (Non-Executive Director)
Alex was formerly Chairman of Octopus Eclipse VCT plc and was appointed as a Director on 19 December 2016, on completion of the merger of Octopus Eclipse VCT plc with the Company. Alex has spent the last 30 years in the venture capital and private equity sector, much of this time at Hambros plc and associated organisations. As a Director of Hambro Group Investments, he was responsible for the establishment and operations of the Hambro Private Equity Group, which sponsored nine fund managers in the UK, Europe, the US and Australia. Since leaving Hambros in 1999, he has assisted several venture capital organisations with their fundraising and marketing programmes and has acted as a consultant to a number of investors on their venture capital investment strategies. Alex is Chairman of Judges Scientific Plc and a Non-Executive Director of a number of private companies.

*Octopus Apollo 4 VCT plc was placed into Members Voluntary Liquidation on 28 September 2012 following the merger of the Apollo VCTs and was dissolved on 15 April 2014.

Directors' Report

The Directors present their report and the audited Financial Statements for the year to 31 January 2018. The Corporate Governance Report on pages 21 to 24 and the Audit Committee Report on pages 25 to 26 form part of this Directors' Report.

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 position and performance, business model and strategy.

Directors

Brief biographical notes on the Directors are given on page 17.

In accordance with the Articles of Association and the Association of Investment Companies Code of Corporate Governance, Mr Powles will retire as a Director at the AGM, and being eligible, offers himself for re-election.

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 22, believes that Mr Powles continues to be effective and demonstrate 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 21 to 24.

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 which the Company must adhere to are detailed on page 56.

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 Finance (No. 2) Act 2015 received Royal Assent in November 2015 and introduced a number of changes to VCT rules to bring the legislation into line with EU State Aid Risk Finance Guidelines. The legislation introduced new criteria which stipulate a lifetime cap on the total amount of State Aid investment a company can receive, the age of companies which are eligible for investment and specific requirements relating to the use of the funds raised.

As referred to in the Chairman's Statement on page 3 further changes to the VCT regulations were introduced with effect from Royal Assent of the Finance Bill (No. 2), which occurred in March 2018.

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 2 to 16. 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 (46% of net assets) and, accordingly, the Company has adequate financial resources to continue in operational existence for at least the next 12 months from the date of this report.

Management

The Company has in place an agreement with Octopus to act as 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 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 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 3 to the Financial Statements.

No Director has an interest in any contract to which the Company is party.

The Company has established a performance incentive scheme whereby the 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 2018, £687,000 was due to Octopus by way of annual performance fee (2017: £903,000).

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 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

On 4 November 2016 the Board launched an Offer for Subscription (Offer) to raise £20 million, which closed to new applications on 9 March 2017 fully subscribed. During the year under review 25,552,605 shares were issued, raising £16.1 million after costs.

Share Buybacks and Redemptions

During the period the Company purchased for cancellation 2,927,901 Ordinary shares, with a nominal value of £292,790, at a weighted average price of 56p per share for total consideration of £1,639,000 (2017: 2,748,746 shares at a weighted average price of 71.2p per share). 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. See note 14 of the Financial Statements for details.

The Board received authority at the General Meeting held on 12 July 2017 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 up to a 5% discount to buybacks of Ordinary shares.

Share Capital and Rights Attaching to the Shares and Restrictions on Voting and Transfer

The Company's Ordinary share capital as at 31 January 2018 was 257,483,600 Ordinary shares of 10p (2017: 224,470,119 Ordinary shares of 10p, 19,082,726 D Ordinary shares of 1p and 15,620,519 deferred shares of 1p). 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 Company remaining after payment of its liabilities pari passu with the other holders of Ordinary shares; and

(c) the right to receive notice of and to attend and speak and vote in person or by proxy at 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 6 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 cost efficient manner. 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 6 renews the Directors' authority to allot Ordinary shares. This would enable the Directors until July 2019, to allot up to 25,748,360 Ordinary shares (representing approximately 10% 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 existing authorities.

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

Resolution 7 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 25,748,360 Ordinary shares (representing approximately 10% 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 6 the authority being sought under this resolution is in addition existing authorities.

Directors' Authority to Make Market Purchases of its Own Shares

The authority proposed under Resolution 8 is required so that the Directors may make purchases of up to 38,596,791 Ordinary shares, representing approximately 14.99% of the Company's issued share capital as at the date of the notice of AGM. Any shares bought back under this authority will be at a price determined by the Board, (subject to a minimum price of 10p (being the nominal value of such shares) and a maximum price of 5% above the average mid-market quotation for such shares on the London Stock Exchange and the applicable regulations thereunder) and may be cancelled or held in Treasury as may be determined by the Board. The authority conferred by Resolution 8 will expire 18 months from the date of the passing of the Resolution unless renewed, varied or revoked by the Company in general meeting and will be in addition to existing authorities. 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.

Amendment to the Articles of Association

Article 148.2 of the Company's articles of association presently prohibits the Company from distributing its capital profits for such time as it retains its investment company status. It is proposed to amend article 148.2 at the Company's Annual General Meeting to be held on 12 July 2018 so that this prohibition is only applicable to the extent that it is required in order for the Company to retain its investment company status. The new Articles proposed for adoption under Resolution 9 allow the distribution of capital profits where, as is the case now, investment company status under company legislation does not require a company to prohibit the distribution of capital profits in its articles.

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 12 July 2018, and a form of proxy in relation to the meeting, will be sent to shareholders with this report.

Independent Auditor

The Board has received notice that James Cowper Kreston does not wish to offer themselves for re-appointment as Company auditor and their current appointment will lapse at the AGM on 12 July 2018. A resolution to appoint a successor as auditor and to authorise the Directors to fix their remuneration will be proposed at the forthcoming AGM. Please see page 25 of the Audit Committee Report for more information.

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 Apollo 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 page 24.

Board of Directors

The Company has a board of four non-executive Directors, all of whom are considered to be independent of the Company's Manager, Octopus.

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 2019
Alex Hambro	19/12/2016	AGM 2020
James Otter	28/11/2014	AGM 2020
Christopher Powles	28/09/2012	AGM 2018

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 2.

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)	4	4	2	2
James Otter	4	4	2	2
Chris Powles	4	4	2	2
Alex Hambro	4	3	2	1

Additional meetings were held as required to address specific issues including considering recommendations from the Manager, allotments and share repurchases. A brief biographical summary of each Director is given on page 17.

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 if required. 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 a 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 Annual General Meeting held on 12 July 2017 to make market purchases of up to 37,398,866 Ordinary shares, as per the terms set out in the relevant resolution. Renewed authority is being sought at the 2018 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 Board as a whole. 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 page 27.

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
Alex Hambro

The Audit Committee, chaired by Christopher Powles, consists of all four 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 page 25.

Nomination Committee:

James Otter (Chairman)
Christopher Powles

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.

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 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 as for a number of other VCTs managed by the Manager. Further to this, the Audit Partner has open access to the Directors of the Company and the 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 on pages 6 and 7 and 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 is 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 2014. 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 2018 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

Parisha Kanani
Company Secretary
9 May 2018

Audit Committee Report

This report is submitted in accordance with The UK Corporate Governance Code in respect of the year ended 31 January 2018 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 23.

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 position and 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 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 James Cowper Kreston, the Company's external auditor. James Cowper Kreston has also been appointed to provide the non-audit service of corporation tax compliance. The Committee does not believe this is sufficient to influence the independence or objectivity of the external auditor due to the fee being an immaterial expense. When considering whether to recommend the appointment or 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.

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 challenges the Auditor when present at a Committee meeting if appropriate. In accordance with guidance issued by the Financial Reporting Council 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. James Cowper Kreston was appointed as Auditor to the Company in 2017.

Following the completion of this years' audit, James Cowper Kreston have advised the Board that they do not wish to offer themselves for re-appointment as Company auditor, and their current appointment will lapse at the AGM on 12 July 2018. The Audit Committee confirms that there are no circumstances that need to be brought to the attention of the Shareholders in relation to the cessation of appointment of James Cowper Kreston. The Audit Committee is currently undertaking a competitive audit tender process in order to select a new auditor to recommend for appointment at the forthcoming AGM.

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 an internal audit team which is supported, as required, by external consultants. Octopus' Compliance Department regularly reports to the Board on the outcome of the internal audits that have taken place, in sofar as these relate to the Company, and confirms the absence of any issues relating to internal audit, of which the Board should be aware. Octopus undertakes to immediately raise to the committee any significant issues arising from the Octopus internal audit that affect the Company. 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 2018, 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 18.

The Committee has considered the Report and Accounts for the year ended 31 January 2018 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 position and 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.

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 2018.

Christopher Powles
Audit Committee Chairman
9 May 2018

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 2018. 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, James Cowper Kreston, 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 31 to 34.

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 external person in respect of its consideration of Directors' remuneration during the year, although the Directors expect from time to time to review the fees against those paid to the Boards of directors of other VCTs. 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 in writing. 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, not to exceed £150,000 per annum in aggregate; any amendment to this is by way of an Ordinary Resolution subject to the approval of shareholders in a 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 and the Chairman of the Audit Committee to be paid higher fees than the other Directors in recognition of their more onerous roles. 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. No other remuneration or compensation was paid or payable by the Company to any of the Directors during the period.

The remuneration policy was amended and, in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, approved by shareholders at the Annual General Meeting held on 12 July 2017. The policy will be effective for a period of three years from that date. Subject to no further changes to the Remuneration Policy it will be presented to shareholders again for approval in 2020.

Annual Remuneration Report

This section of the report is subject to approval by a simple majority of shareholders at the AGM in July 2018, as in previous years.

Statement of Voting at the Annual General Meeting (AGM)

The 2017 Remuneration Report was presented to the AGM in July 2017 and received shareholder approval following a vote on a show of hands. 4.05% of the votes cast on the proxy forms were against the Report. The proxy forms returned to the Company's registrar 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 58.

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 Manager through the Investment Management Agreement, as referred to in the Directors' Report. The performance graph on page 5 shows the performance of the Company.

Directors' Fees (audited)

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

	Year ended 31 January 2018 £	Year ended 31 January 2017 £
Murray Steele (Chairman)	**30,000**	27,500
Christopher Powles	**25,000**	22,500
James Otter	**22,500**	21,000
Alex Hambro*	**22,500**	3,000
Ian Pearson**	**–**	21,000
Total	**100,000**	95,000

* Alex Hambro was appointed as a Director on 19 December 2016.

** Ian Pearson resigned 31 January 2017.

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. The Chairman of the Company and Audit Chairman receive additional remuneration over the basic Director's fee in recognition of the additional responsibilities and time commitment of their roles.

Relative Importance of Spend on Pay

The actual expenditure in the current year is as follows:

	Year to 31 January 2018 £'000	Year to 31 January 2017 £'000	% change
Share buybacks	**1,639**	1,955	(16.2)
Ordinary dividends paid in year	**8,352**	8,636	(3.2)
Special dividends paid in year	**26,655**	28,905	(9.2)
Management and performance fees paid	**3,582**	3,491	2.6
Total Directors' fees	**100**	95	5.3

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) in the issued Ordinary share of 10p each are shown in the table below:

	As at 31 January 2018	As at 31 January 2017
Murray Steele (Chairman)	**54,451**	38,383
James Otter	**6,382**	17,630
Christopher Powles	**14,149**	14,149
Alex Hambro	**10,950**	10,950

There have been no changes in the Directors' share interests between 1 February 2018 and the date of this report.

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 2017 were as follows:

	For		**Discretion**		**Against**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Approval of Directors' Remuneration Report	7,541,165	82.55	1,224,437	13.40	369,660	4.05
Approval of Directors' Remuneration Policy	7,551,803	82.22	1,203,680	13.10	429,783	4.68

By Order of the Board

Murray Steele

Murray Steele
Chairman
9 May 2018

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Strategic Report, a Directors' Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

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 position 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), including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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
9 May 2018

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

Independent auditor's report to the members of Octopus Apollo VCT Plc

We have audited the Financial Statements of Octopus Apollo VCT Plc (the 'Company' or 'Apollo') for the year ended 31 January 2018 which comprise the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the notes to the Financial Statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in the preparation of the Financial Statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 , "The Financial Reporting standard applicable in the UK and Republic of Ireland", and with the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capitalist Trusts (revised 2014)'.

In our opinion the Sinancial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2018 and of the profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to in relation to:

- the Directors' Statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of unquoted investments

Unquoted investments are the largest asset in the Financial Statements, and they are designated as being at fair value through profit and loss in accordance with FRS 102 and 2014 Statement of Investment Trust Companies and Venture Capital Trusts. Measurement of the value of an unquoted investment includes significant assumptions and judgements. We therefore identified the valuation of unquoted investments as a risk that has the greatest effect on the overall audit strategy.

Our audit work included, but was not restricted to, obtaining an understanding of how the valuations were performed, consideration of whether they were made in accordance with published guidance, discussions with Apollo, and reviewing and challenging the basis and reasonableness of the assumptions made by Apollo in conjunction with available supporting information. Apollo'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 10.

We found the resulting carrying amount of unquoted equity investments to be materially correct.

Revenue recognition

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

Our audit work included, but was not restricted to a detailed review of those sources of income recorded in the Financial Statements and further consideration of other potential sources of income. Apollo's accounting policy on income is included in note 1 and its disclosures about income are included in note 2.

We found the amount of revenue recognised to be materially correct.

Management override of financial controls

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

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

Our audit work included, but was not restricted to, a review of all significant management estimates and detailed consideration of all material judgements applied during the preparation of the Financial Statements. We also reviewed material journal entries processed by management during the period. Apollo's principal accounting policies are included in note 1.

Our audit work did not identify any instances of management override of financial controls.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the Financial Statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the Financial Statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information, would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the Financial Statements as a whole.

We established materiality for the Financial Statements as a whole to be £1.3 million, which is 1% of the value of Apollo's net assets. For income and expenditure items we determined that misstatements of lesser amounts than materiality for the Financial Statements as a whole would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. Accordingly, we established materiality for revenue items within the income statement to be £86,000.

Performance materiality was set at £917,000, 70% of Financial Statement materiality. We also determine a lower level of specific materiality for certain areas such as the statement of total comprehensive income, Directors' remuneration and related party transactions.

We determined the threshold at which will communicate misstatements to be £66,000. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the audit committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

An overview of the scope of our audit

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006 and the Listing Rules

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit:

- we have not identified material misstatements in the Strategic Report and the Directors' Report.
- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the directors' report have been prepared in accordance with applicable legal requirements.

Directors' Remuneration Report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our Financial Statements audit, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the statement on long term viability on page 6 that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;
- the risk management disclosures describing these risks and explaining how they are being managed and mitigated; and
- the Directors' explanation in the statement on long term viability of how they have assessed the prospects of the Company, over what period they have done so and where they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualification or assumptions.

Under the Listing Rules we are required to review the Statement on long-term viability. We have nothing to report in this respect.

Corporate governance disclosures

We are required to report to you if:

- we identify material inconsistencies between the knowledge we acquired during our Financial Statements audit and Directors' Statement that they consider that the annual report and Financial Statements taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or
- the section of the annual report describing work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the corporate governance statement does not properly disclose a departure from the eleven provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 30, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditscopeprivate**. This description forms part of our Auditor's Report.

Other matters which we are required to address

We were appointed by the Board of Directors on 9 February 2017. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is one year.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

We have performed one non-audit service in relation to the Company's corporation tax compliance.

The purpose of our audit work and to whom we owe our responsibilities

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 had 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.

Alex Peal BSc(Hons) FCA DChA (Senior Statutory Auditor)

For and on behalf of James Cowper Kreston, Statutory Auditor

8th Floor South
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

9 May 2018

Income Statement

	Notes	Year ended 31 January 2018 Revenue £'000	Capital £'000	Total £'000	Year ended 31 January 2017 Revenue £'000	Capital £'000	Total £'000
Realised gain on disposal of fixed asset investments		–	4,186	4,186	–	2,658	2,658
Change in fair value of fixed asset investments		–	1,063	1,063	–	4,525	4,525
Change in fair value of current asset investments		–	469	469	–	–	–
Investment income	2	3,627	–	3,627	4,128	–	4,128
Investment management fees	3	(724)	(2,858)	(3,582)	(647)	(2,844)	(3,491)
Other expenses	4	(2,068)	–	(2,068)	(2,654)	–	(2,654)
FX translation		–	4	4	–	6	6
Return on ordinary activities before tax		835	2,864	3,699	827	4,345	5,172
Taxation on return on ordinary activities	6	–	–	–	–	–	–
Return on ordinary activities after tax		835	2,864	3,699	827	4,345	5,172
Earnings per share – basic and diluted	8	0.3p	1.2p	1.5p	0.5p	2.5p	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 other comprehensive income for the period.

The accompanying notes are an integral part of the Financial Statements.

Balance Sheet

	Notes	As at 31 January 2018 £'000	As at 31 January 2018 £'000	As at 31 January 2017 £'000	As at 31 January 2017 £'000
Fixed asset investments	10		**71,326**		112,884
Current assets:					
Investments	11	**53,469**		–	
Debtors	12	**2,074**		4,077	
Cash at bank		**5,455**		29,229	
		60,998		33,306	
Creditors: amounts falling due within one year	13	**(1,947)**		(4,391)	
Net current assets			**59,051**		28,915
Net Assets			**130,377**		141,799
Share capital	14		**25,748**		22,603
Share premium			**52,162**		34,231
Special distributable reserve			**40,489**		76,144
Capital redemption reserve			**3,125**		2,832
Capital reserve realised			**9,445**		(1,537)
Capital reserve unrealised			**(602)**		7,520
Revenue reserve			**–**		–
Translation reserve			**10**		6
Total shareholders' funds	15		**130,377**		141,799
Net asset value per share – basic and diluted	9		**50.6p**		63.2p

The statements were approved by the Directors and authorised for issue on 9 May 2018 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.

Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Special distributable reserves £'000	Capital redemption reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Translation reserve £'000	Total £'000
As at 1 February 2017	**22,603**	**34,231**	**76,144**	**2,832**	**(1,537)**	**7,520**	**–**	**6**	**141,799**
Comprehensive income for the year:									
Management fee allocated as capital expenditure	–	–	–	–	(2,858)	–	–	–	(2,858)
Current year gains on disposal	–	–	–	–	4,186	–	–	–	4 ,186
Current period gains on fair value of investments	–	–	–	–	–	1,532	–	–	1,532
Current period currency gains	–	–	–	–	–	–	–	4	4
Profit on ordinary activities after tax	–	–	–	–	–	–	835	–	835
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**1,328**	**1,532**	**835**	**4**	**3,699**
Contributions by and distributions to owners:									
Repurchase and cancellation of own shares	(293)	–	(1,639)	293	–	–	–	–	(1,639)
Issue of shares	3,594	17,931	–	–	–	–	–	–	21,525
Dividends paid	–	–	(34,172)	–	–	–	(835)	–	(35,007)
Total contributions by and distributions to owners:	**3,301**	**17,931**	**(35,811)**	**293**	**–**	**–**	**(835)**	**–**	**(15,121)**
Other Movements:									
Prior year holding gains/losses now realised	–	–	–	–	9,654	(9,654)	–	–	–
Cancellation of Deferred Shares – D Shares	(156)	–	156	–	–	–	–	–	–
Total other movements	**(156)**	–	**156**	–	**9,654**	**(9,654)**	–	–	–
Balance as at 31 January 2018	**25,748**	**52,162**	**40,489**	**3,125**	**9,445**	**(602)**	**–**	**10**	**130,377**

	Share Capital £'000	Share Premium £'000	Special distributable reserves £'000	Capital redemption reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Translation reserve £'000	Total £'000
As at 1 February 2016	**13,896**	**48,893**	**60,748**	**2,557**	**(1,866)**	**3,510**	**3**	**–**	**127,741**
Comprehensive income for the year:									
Management fee allocated as capital expenditure	–	–	–	–	(2,844)	–	–	–	(2,844)
Current year gains on disposal	–	–	–	–	2,658	–	–	–	2,658
Current period gains on fair value of investments	–	–	–	–	–	4,525	–	–	4,525
Current period currency gains	–	–	–	–	–	–	–	6	6
Profit on ordinary activities after tax	–	–	–	–	–	–	827	–	827
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(186)**	**4,525**	**827**	**6**	**5,172**
Contributions by and distributions to owners:									
Repurchase and cancellation of own shares	(275)	–	(1,955)	275	–	–	–	–	(1,955)
Issue of shares	5,446	35,706	–	–	–	–	–	–	41,152
Dividends paid	–	–	(36,711)	–	–	–	(830)	–	(37,541)
Total contributions by and distributions to owners:	**5,171**	**35,706**	**(38,666)**	**275**	**–**	**–**	**(830)**	**–**	**1,656**
Other Movements:									
Prior year holding gains/losses now realised	–	–	–	–	515	(515)	–	–	–
Cancellation of Share Premium	–	(50,788)	50,788	–	–	–	–	–	–
Cancellation of Deferred Shares – C shares	(349)	–	349	–	–	–	–	–	–
Deferred Shares created – D shares	156	–	(156)	–	–	–	–	–	–
Shares issued on D share conversion	385	–	(385)	–	–	–	–	–	–
Dividends paid on D share conversion	–	–	(14,418)	–	–	–	–	–	(14,418)
Acquisition of D share class	(191)	(17,693)	17,884	–	–	–	–	–	–
Acquisition of Octopus Eclipse VCT plc	3,535	18,113	–	–	–	–	–	–	21,648
Total other movements	**3,536**	**(50,368)**	**54,062**	**–**	**515**	**(515)**	**–**	**–**	**–**
Balance as at 31 January 2017	**22,603**	**34,231**	**76,144**	**2,832**	**(1,537)**	**7,520**	**–**	**6**	**141,799**

The accompanying notes are an integral part of the Financial Statements.

Cash Flow Statement

	Notes	Year to 31 January 2018 £'000	Year to 31 January 2017 £'000
Cash from operating activities			
Return on ordinary activities after tax		**3,699**	5,172
Adjustments for:			
Decrease in debtors	12	**2,003**	1,228
Decrease in creditors	13	**(2,444)**	(76)
Debtors acquired in the transaction		**–**	848
Creditors acquired in the transaction		**–**	(157)
Gain on disposal of fixed assets		**(4,186)**	(2,658)
Gain on valuation of fixed asset investments		**(1,063)**	(4,525)
Gain on valuation of current asset investments		**(469)**	–
Cash from operations		**(2,460)**	(168)
Cash flows from investing activities			
Purchase of fixed asset investments	10	**(2,051)**	(9,269)
Purchase of current asset investments	11	**(53,000)**	–
Proceeds on sale of fixed asset investments		**48,858**	40,531
Cash acquired in the transaction		**–**	622
Dividend paid to exiting D Shareholders		**–**	(14,418)
Net cash flows from investing activities		**(6,193)**	17,466
Cash flows from financing activities			
Purchase of own shares	14	**(1,639)**	(1,955)
Share issues	14	**21,525**	41,152
Dividends paid	7	**(35,007)**	(37,541)
Net cash flows from financing activities		**(15,121)**	1,656
Increase/(decrease) in cash and cash equivalents		**(23,774)**	18,954
Opening cash and cash equivalents		**29,229**	10,275
Closing cash and cash equivalents		**5,455**	29,229

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 activity is to invest in a diverse portfolio of predominantly unquoted companies with the aim of providing shareholders with attractive tax-free dividends.

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 2017 Annual Report and Financial Statements.

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.

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.

Investments are regularly reviewed to ensure that the fair values are appropriately stated. Unquoted investments are valued in accordance with current IPEV 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. Quoted investments are valued at the closing bid price on the year end date.

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.

The Company pays an annual performance related incentive fee to Octopus. Details of the key estimates and judgements for this can be found in note 19.

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 and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

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 drawdown any borrowing facilities in the future to fund the acquisition of investments.

The Company does not have any externally imposed capital requirements.

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 5% of the issued Ordinary share capital in accordance with Special Resolution 8 in order to maintain sufficient liquidity in the Company's shares.

Reserves
Share Capital: represents the nominal value of shares that have been issued.

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

Special distributable reserves: includes realised profits and cancelled share premium available for distribution.

Capital redemption reserve: represents the nominal value of shares bought back from shareholders.

Capital reserve realised: arises when an investment is sold any balance held on the Capital reserve unrealised is transferred to the Capital reserve realised, as a movement in reserves.

Capital reserve unrealised: arises when the Company revalues the investments still held during the period, any gains or losses arising are credited/charged to the Capital reserve unrealised.

Revenue reserve: revenue profits and loss are credited/charged to this account.

Translation reserve: includes gains or losses that arise when assets (other than portfolio assets) that are not denominated in Sterling are revalued to Sterling at year-end.

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

2. Investment 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 probable that payment will be received. Fixed returns on debt and money market funds are recognised provided it is probable that payment will be received in due course.

Disclosure

	31 January 2018 £'000	31 January 2017 £'000
Loan note interest receivable	**3,567**	4,001
Dividends receivable	**37**	127
Other income	**23**	–
	3,627	4,128

3. Investment management fees

	31 January 2018			31 January 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**724**	**2,171**	**2,895**	647	1,941	2,588
Investment performance fee	**–**	**687**	**687**	–	903	903
	724	**2,858**	**3,582**	647	2,844	3,491

For the purpose of the revenue and capital columns in the Income Statement, the management fee 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 2018 which is then multiplied by the number of shares in issue, calculated on a daily basis.

Octopus provides investment management, accounting and administration services and company secretarial 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 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 2018 £687,000 was due to the Manager by way of annual performance fee (2017: £903,000).

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. Transaction costs incurred when purchasing or selling assets are written off to the Income Statement in the period that they occur.

Disclosure

	31 January 2018 £'000	31 January 2017 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**15**	15
Fees payable to the Company's auditor for other services – Tax compliance	**2**	2
Accounting and administration services	**451**	415
Legal and professional expenses	**–**	19
Transaction related expenses	**7**	160
Registrars fees	**128**	86
Ongoing commission	**583**	505
Directors fees	**100**	95
Impairment of accrued loan note interest receivable	**573**	1,160
Other expenses	**209**	197
	2,068	2,654

The total expense ratio for the Company for the year to 31 January 2018 was 2.9% (2017: 2.3%). Total annual running costs are capped at 3.3% of net assets. This figure excludes any extraordinary items, costs related to mergers, adviser charges and performance fees.

5. Directors' remuneration

Total Directors' fees paid during the year were £100,000 (2017: £95,000). The highest paid director received £30,000 (2017: £27,000. 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 (2017: 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.

Deferred tax is only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Disclosure

	31 January 2018 £'000	31 January 2017 £'000
Profit on ordinary activities before tax	**3,699**	5,172
Tax at 19.1% (2017: 20%)	**706**	1,034
Effects of:		
Non-taxable dividend income	**(7)**	(25)
Non-taxable capital gains on valuations and disposals	**(1,092)**	(1,437)
Expenses not deductible for tax purposes	**5**	37
Excess management expenses on which deferred tax not recognised	**388**	391
Total taxation charge	**–**	–

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.

At 31 January 2018 there is an unrecognised deferred tax asset of £675,000 (2017: £332,000) in respect of surplus management expenses, based on a prospective tax rate of 17%. This deferred tax asset could be used in future to offset any taxable profits. The reduction in the standard rate of corporation tax was substantively enacted on 26 October 2016 and will be effective from 1 April 2020.

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 on the record date, the date on which those shareholders on the share register are entitled to the dividend.

Disclosure

	31 January 2018 £'000	31 January 2017 £'000
Dividends paid on ordinary shares		
Final dividend – 1.7p per share paid 28 July 2017 (2017: 2.5p)	**4,241**	4,257
Interim dividend – 1.6p per share paid 15 December 2017 (2017: 2.5p)	**4,111**	4,379
Special dividend – 10.7p per share paid 17 November 2017 (2017: 16.5p)	**26,655**	28,905
	35,007	37,541

	31 January 2018 £'000	31 January 2017 £'000
Dividends paid and proposed in respect of the year – Ordinary shares		
Interim dividend – 1.6p per share paid 15 December 2017 (2017: 2.5p per share)	**4,111**	4,379
Special dividend – 10.7p per share paid 17 November 2017 (2017: 16.5p per share)	**26,655**	28,905
Final dividend proposed – 1.6p per share payable 27 July 2018(2017: 1.7p per share)	**4,120**	4,241
	34,886	37,100

The final dividend of 1.6p per share for the year ended 31 January 2018, which is subject to shareholder approval at the Annual General Meeting, will be paid on 27 July 2018 to shareholders on the register on 29 June 2018.

8. Earnings per share

	31 January 2018			31 January 2017		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Profit attributable to ordinary shareholders (£'000)	**835**	**2,864**	**3,699**	827	4,345	5,172
Profit per ordinary share (p)	**0.3**	**1.2**	**1.5**	0.5	2.5	3.0

The earnings per share is based on 248,105,555 (2017: 169,230,581) shares, being the weighted average number of shares in issue during the year.

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

	31 January 2018 Ordinary Shares	31 January 2017 Ordinary Shares
Net Assets (£)	**130,377,000**	141,799,000
Shares in issue	**257,483,600**	224,470,119
Net Asset Value per share (p)	**50.6**	63.2

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, 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 unrealised. 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 subsidiaries, 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 (para 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 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date. The Company's quoted investments are included in level 1.

Level 2: Inputs other than quoted prices included within level 1 that are observable i.e. developed using market data, for the asset or liability, either directly or indirectly. The Company holds no such investments in the current or prior year.

Level 3: Inputs are unobservable, i.e. for which market data is unavailable, for the asset or liability. The Company's unquoted investments are included in level 3 in the current and prior year.

There have been two transfers between these classifications in the year (2017: none). Eve Sleep listed on the AIM Market, and the Company received shares in Time Out Group as deferred consideration for the acquisition of Yplan. 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 2018 are summarised below.

Disclosure

	Level 1: AIM-quoted investments £'000	Level 3: Unquoted investments £'000	Total investments £'000
Book cost at 1 February 2017	5,599	99,765	105,364
Unrealised gain/(loss) at 1 February 2017	68	7,452	7,520
Valuation at 1 February 2017	**5,667**	**107,217**	**112,884**
Movement in the year:			
Purchases at cost	–	2,051	2,051
Disposal Proceeds	(26)	(48,832)	(48,858)
Gain on realisation of investments	(1)	4,187	4,186
Reclassifications between levels	637	(637)	–
Change in fair value in year	1,924	(861)	1,063
Closing valuation at 31 January 2018	**8,201**	**63,125**	**71,326**
Cost at 31 January 2018	6,211	66,187	72,398
Unrealised gain at 31 January 2018	1,990	(3,062)	(1,072)
Valuation at 31 January 2018	**8,201**	**63,125**	**71,326**

During the year the Company completed the process of liquidating the two remaining 100% owned investment companies, which involved the investment companies undertaking a capital reduction approving a special distribution to the Company to return the cash held within the companies. Therefore, included within disposal proceeds of £48,832,000 is £5,478,000 relating to dividends received from the investments companies. The directors do not consider it appropriate to recognise these dividends within the revenue account as, in their opinion, it relates to proceeds received on exit of the investments and therefore should be recognised within the capital account to show a true and fair view.

Level 3 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 the portfolio's 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 10 to 16.

Subsidiaries

The following company is deemed to be a subsidiary of Apollo because the Company owns more than 50% of the equity:

Investee company	Country of incorporation	Sector	Profit/(loss) before tax £'000	Net assets/ (liabilities) £'000	% equity held by Octopus Apollo VCT plc
Superior Heat Limited	United Kingdom	Ground source heat	(274)	(67)	100
Dyscova Limited	United Kingdom	Healthcare	(118)	2,206	62.2
Acquire Your Business Limited	United Kingdom	Business Services	82	1,095	81.0

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 to those of its subsidiaries.

11. Current Asset Investments and Cash at Bank

Accounting Policy
For the purpose of the Cash Flow Statement, cash at bank comprises cash in hand and any deposits payable on demand, less any overdrafts payable on demand.

Current asset investments on the Balance Sheet comprise Open Ended Investment Companies (OEICs) and are designated as FVTPL. 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 unrealised. The current asset investments are readily convertible into cash at the option of the Company, within seven days. The current asset investments are held for trading, are actively managed and the performance is evaluated on a fair value basis in accordance with a documented investment strategy. Information about them is provided internally on that basis to the Board.

Disclosure
Current asset investments comprised of OEICs. These fall into Level 1 of the fair value hierarchy as defined in the Fixed asset investment accounting policy in Note 10 above.

	Level 1: OEIC investments £'000
Book cost at 1 February 2017	–
Valuation at 1 February 2017	–
Movement in the year:	
Purchases at cost	72,000
Disposal Proceeds	(19,000)
Change in fair value in year	469
Closing valuation at 31 January 2018	**53,469**
Cost at 31 January 2018	53,000
Unrealised gain at 31 January 2018	469
Valuation at 31 January 2018	**53,469**

	31 January 2018 £'000	31 January 2017 £'000
OEICs:		
Octopus Portfolio Manager – Cash	**24,216**	–
Octopus Portfolio Manager – Cash Plus	**14,604**	–
Octopus Portfolio Manager – Defensive Capital Growth	**14,649**	–
Total current asset investments	**53,469**	–
Cash at bank	**5,455**	29,229

12. Debtors

	31 January 2018 £'000	31 January 2017 £'000
Prepayments	**22**	86
Accrued income	**1,219**	1,359
Other debtors	**833**	2,632
	2,074	4,077

13. Creditors: amounts falling due within one year

	31 January 2018 £'000	31 January 2017 £'000
Accruals	**1,793**	1,886
Trade creditors	**153**	491
Other creditors	**1**	2,014
	1,947	4,391

At 31 January 2018, Other creditors included £nil (2017: £2,014,000) of new funds raised from the offer for which new shares had not been allotted.

Accruals included £687,000 for the performance fee due to Octopus (2017: £903,000).

14. Share capital

	31 January 2018			31 January 2017		
	Ordinary Shares £'000	**Deferred shares £'000**	**Total £'000**	Ordinary Shares £'000	Deferred shares £'000	Total £'000
Allotted and fully paid up:	**25,748**	**–**	**25,748**	22,447	156	22,603

On 5 August 2016, the Company completed the Octopus VCT 2 plc ("OVCT 2") merger by converting D ordinary shares into Ordinary shares or by paying a dividend of 92.3p to those D ordinary shareholders who elected to exit. Those shareholders who converted their D Ordinary shares did so at a conversion ratio of 1.11205. A total of 3,850,093 Ordinary shares were issued. Shareholders who held 15,620,519 D Ordinary shares elected to receive the D share dividend, resulting in a total dividend payment of £14.4 million. Their shares were reclassified as deferred shares which have no value and were cancelled during the year.

On 19 December 2016, the Company completed the Octopus Eclipse VCT plc ("Eclipse") merger by converting Eclipse Ordinary shares into Apollo Ordinary shares at a conversion ratio of 0.355628. A total of 35,349,838 Ordinary shares were issued.

Each share has full voting, dividend and capital distribution rights.

	10p Ordinary Shares 000's	**0.1p Deferred Shares 000's**	**Total 000's**
As at 31 January 2017	224,470	15,621	240,091
Shares issued	35,941	–	35,941
Shares repurchased for cancellation	(2,928)	–	(2,928)
Deferred Shares Cancelled	–	(15,621)	(15,621)
As at 31 January 2018	**257,483**	**–**	**257,483**

The Company issued the following Ordinary shares during the year:

Date	Number of shares	Price per share (p)	Net proceeds from share issues (£)
17 March 2017	24,976,019	66.9	15,721,000
27 March 2017	45,964	66.9	29,000
12 April 2017	530,622	66.9	336,000
28 July 2017 (DRIS)	1,059,402	61.5	652,000
08 August 2017	53,415	65.1	33,000
17 November 2017 (DRIS)	7,791,003	51.5	4,012,000
15 December 2017 (DRIS)	1,448,023	49.9	723,000
19 December 2017 (DRIS)	36,934	51.5	19,000
Total	**35,941,382**		**21,525,000**

The Ordinary shares issued during the year were issued at a weighted average price of 59.9p.

The Company purchased for cancellation the following shares during the year:

Date	Number of shares	Price per share (p)	Total cost of shares repurchased (£)
02 May 2017	285,000	60.6	173,000
05 May 2017	182,669	60.6	111,000
26 June 2017	80,000	60.6	48,000
30 June 2017	397,207	59.0	234,000
31 July 2017	318,494	59.0	188,000
10 October 2017	415,000	59.6	247,000
13 October 2017	333,222	59.6	199,000
21 December 2017	596,544	48.0	286,000
31 January 2018	319,765	48.0	153,000
Total	**2,927,901**		**1,639,000**

The Ordinary shares repurchased for cancellation during the year were cancelled at a weighted average price of 56.0p. The total nominal value of the shares repurchased for cancellation was £292,790 representing 1.1 per cent of the issued share capital.

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 2. The Company is not subject to any externally imposed capital requirements.

Capital management is monitored and controlled using the internal control procedures set out on page 23 of this report. The capital being managed includes equity and fixed-interest investments, cash balances and liquid resources including debtors and creditors.

15. Reconciliation of movements in equity

	31 January 2018 £'000	31 January 2017 £'000
Shareholders' funds at start of year	**141,799**	127,741
Profit on ordinary activities after tax	**3,699**	5,172
Shares bought for cancellation	**(1,639)**	(1,955)
Issue of shares (net of issue costs)	**21,525**	41,152
Dividends paid	**(35,007)**	(37,541)
Dividends paid on D share conversion	**–**	(14,418)
Acquisition of Octopus Eclipse VCT plc	**–**	21,648
Shareholders' funds at end of year	**130,377**	141,799

When the Company revalues its investments during the year, any gains or losses arising are credited/charged to the Income Statement. Unrealised gains/(losses) are then transferred to the 'Capital reserve unrealised'. When an investment is sold, any balance held on the 'Capital reserve unrealised' is transferred to the 'Capital reserve realised' as a movement in reserves.

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

	£'000
As at 1 February 2017	74,607
Movement in year	(25,265)
As at 31 January 2018	**49,342**

This is the minimum value of reserves available for potential distribution, which will be impacted by the future convertibility, into cash, of gains and losses included in the Capital reserve unrealised.

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

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 2018 and 31 January 2017:

	31 January 2018 £'000	31 January 2017 £'000
Financial assets at fair value through profit or loss		
Fixed asset investments	**71,326**	112,884
Current asset investments	**53,469**	–
Total	**124,795**	112,884
Financial assets at amortised cost		
Cash at bank	**5,455**	29,229
Accrued income	**1,219**	1,359
Total	**6,674**	30,588
Financial liabilities at amortised cost		
Accruals and other creditors	**1,947**	4,391
Total	**1,947**	4,391

Fixed and current asset investments (see note 10 and 11) are valued at fair value. For quoted investments this is bid price. 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 creditors 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 2. 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' Report on pages 18 to 24, 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 page 10.

48.4% (31 January 2017: 75.6%) 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 2018 would have increased net assets and the total profit for the year by £6,313,000 (31 January 2017: £10,722,000). 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.

Interest rate risk
Some of the Company's financial assets and OEIC investments 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 interest-bearing financial instruments:

	31 January 2018			31 January 2017		
	Total interest rate portfolio by value £'000	**Weighted average interest rate %**	**Weighted average time for which rate is fixed Years**	Total interest rate portfolio by value £'000	Weighted average interest rate %	Weighted average time for which rate is fixed Years
Unquoted interest bearing investments	**23,895**	**9.7**	**3.9**	50,638	11.2	4.1

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 0.50% at 31 January 2018 (31 January 2017: 0.25%). The amounts held in floating rate investments at the Balance Sheet date were as follows:

	31 January 2018 £'000	31 January 2017 £'000
Cash on deposit	**5,455**	29,229

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 £54,550 (2017: £292,290).

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 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 2018 the Company's financial assets exposed to credit risk comprised the following:

	31 January 2018 £'000	31 January 2017 £'000
Investments in interest bearing instruments	**23,895**	50,638
Cash on deposit	**5,455**	29,229
Accrued dividends and interest receivable	**1,219**	1,359
	30,569	81,226

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 and preference shares in unquoted companies is considered to be part of market risk. The investments in OEICs are uncertified.

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 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 Manager will move the cash holdings to another bank.

Other than cash there were no significant concentrations of credit risk to counterparties at 31 January 2018 or 31 January 2017.

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 liquidity risk is managed on a continuing basis by the 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 2018 these investments were valued at £58,924,000 (2017: £29,229,000).

17. Events after the end of the reporting period

The following events occurred between the Balance Sheet date and the signing of these financial statements:

- The Company invested a total of £7.2 million into two new qualifying investments.
- Two follow-on investments completed totalling £386,000. 18.
- The Company has fully disposed of holdings in Tailsco Limited and Tanfield plc. The Company also made a partial disposal of shares in Time Out Group plc."

18. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments as at 31 January 2018 (2017: none).

19. Transactions with manager

Apollo has employed Octopus throughout the year as the Manager.

Apollo has incurred £2,895,000 (2017: £2,588,000) in management fees due to Octopus in the year. At 31 January 2018 there was £647,000 outstanding (2017: £632,000). The management fee is payable quarterly in arrears and is based on 2% of the NAV calculated daily from 31 January.

No performance related incentive fee was payable over the first five years. Now this time has passed, Octopus is entitled to an annual performance related incentive fee. This performance fee is equal to 20% of the amount by which the NAV from the start of the sixth accounting and subsequent accounting period exceeds simple interest of the Bank of England 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 is entitled to £687,000 in performance fees (2017: £903,000), of which £687,000 was outstanding at the Balance Sheet date (2017: £603,000).

Octopus also provides accounting and administrative services to the Company, payable quarterly in arrears, for a fee of 0.3% of the NAV calculated daily as at 31 January. During the year £353,000 (2017: £320,000) was paid to Octopus and there was £98,000 (2017: £95,000) outstanding at the Balance Sheet date, for the accounting and administrative services. In addition, Octopus also provided company secretarial services for a fee of £20,000 per annum (2017: £20,000).

The Company is also invested into a discretionary management service operated by a separate investment team within Octopus, included in Current Asset Investments on the Balance Sheet. An arrangement is in place whereby the Company receives a reduction in management fees as a percentage of the value of these investments, to ensure the Company is not double charged on these investments.

20. Related Party transactions

Octopus receives transaction fees and directors' fees from investee companies. During the year ended 31 January 2018, fees of £241,000 attributable to the investments of the Company were received by Octopus (2017: £556,000).

During the year to 31 January 2018, the Directors received the following dividends from the Company:

	Dividends received £
Murray Steele (Chairman)	7,623
Christopher Powles	1,981
James Otter	893
Alex Hambro	1,530

Please see note 5 for details of Directors' Remuneration.

Shareholder Information and Contact Details

Apollo, 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 2015 the Company acquired the net assets of Octopus VCT plc ("OVCT") in consideration for the issue of 52,035,840 C Ordinary shares. On 27 January 2016 the Company acquired the net assets of Octopus VCT 2 plc in consideration for the issue of 19,082,726 D Ordinary shares. On 19 December 2016 the Company acquired the net assets of Octopus Eclipse VCT plc in consideration for the issue of 35,349,838 Ordinary 10p 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
- £31.2 million (£30.3 million net of expenses) during the year to 31 January 2016
- £37.4 million (£35.9 million net of expenses) during the year to 31 January 2017
- £16.6 million (£16.1 million net of expenses) during the year to 31 January 2018.

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 and Investment Manager's Review on pages 3 to 4 and pages 8 to 9 respectively.

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), increasing to 80% from 6 April 2019;
- 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;
- for cash raised post 5 April 2018 at least 30% of the funds raised must be invested into qualifying holdings within twelve months of the end of the accounting period in which they were raised;
- 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 NEX Exchange) 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.

Dividends

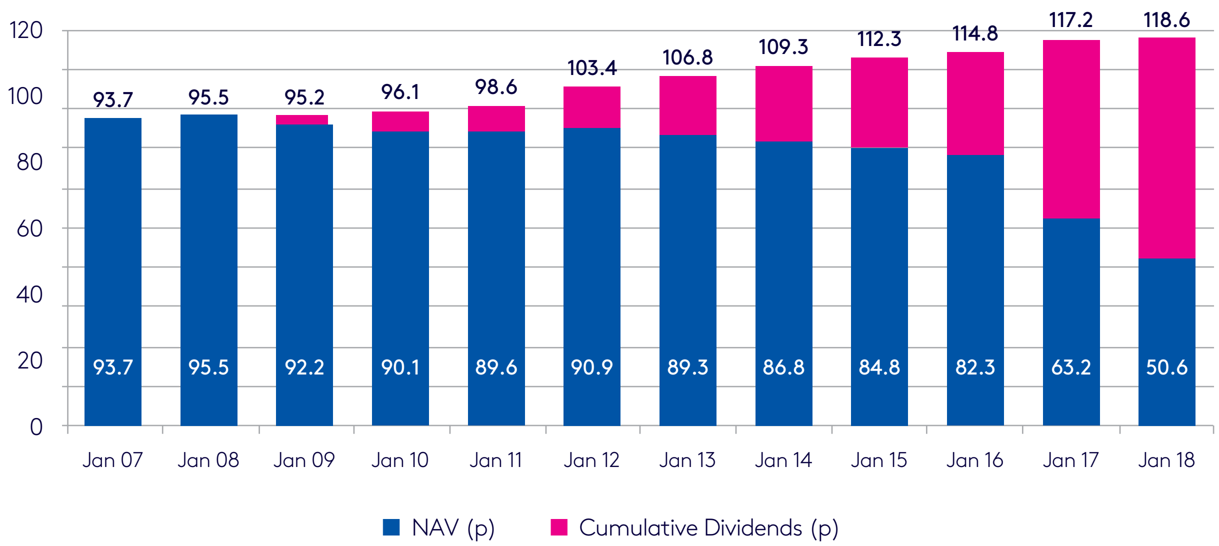
Dividends are paid by Computershare Investor Services PLC ("Computershare") on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose or complete an instruction electronically by visiting the Computershare Investor Centre at: **www-uk.computershare.com/investor/**.

Queries relating to dividends, shareholdings or requests for mandate forms should be directed to Computershare by calling **0370 703 6327** (calls to this number cost the same as a normal local or national landline call and may be included in your service providers tariff. Calls outside the United Kingdom will be charged at the applicable international rate. Computershare Investor

Services PLC are open between 8.30 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales), or by writing to them at:

The Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Total Value Since Inception



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

Year Ended	NAV	Dividends paid in year	NAV + cumulative dividends
31 January 2008	95.5p	–	95.5p
31 January 2009	92.2p	3.0p	95.2p
31 January 2010	90.1p	3.0p	96.1p
31 January 2011	89.6p	3.0p	98.6p
31 January 2012	90.9p	3.5p	103.4p
31 January 2013	89.3p	5.0p	106.8p
31 January 2014	86.8p	5.0p	109.3p
31 January 2015	84.8p	5.0p	112.3p
31 January 2016	82.3p	5.0p	114.8p
31 January 2017	63.2p	21.5p	117.2p
31 January 2018	50.6p	14.0p	118.6p

The final dividend of 1.6p per Ordinary share will be paid on 27 July 2018 to shareholders on the register on 29 June 2018.

At the General Meeting held in November 2014 shareholders approved a Dividend Reinvestment Scheme ("DRIS") and gave the Directors authority to offer shareholders the right to elect to receive Ordinary shares instead of a cash dividend. Any shareholder wishing to reinvest their dividends, and who has not already elected to do so, can request a DRIS mandate form by calling Computershare on **0370 703 6327**. The DRIS mandate form can also be found on the Octopus website: **www.octopusinvestments.com**.

Share Price

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

	Ordinary shares
TIDM/EPIC code	OAP3
Latest share price (4 May 2018)	46.6p per share

Buying and Selling Shares

The Company's Ordinary 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. 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, Computershare, under the signature of the registered holder or via the Computershare Investor Centre at: **www-uk.computershare.com/investor/**. Computershare's contact details are provided on page 59.

Other Information for Shareholders

Previously published Annual Reports and Half-yearly Reports are available for viewing on the 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 complete the enclosed form or contact Octopus on **0800 316 2295** or Computershare on **0370 703 6327**. Alternatively you can sign up to receive e-communications via the Computershare Investor Centre at: **www-uk.computershare.com/investor/**.

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**.

Directors and Advisers

The Board of Directors
Murray Steele (Chairman)
James Otter
Christopher Powles
Alex Hambro

Company Number
Registered in England & Wales
No 05840377

Secretary and Registered Office
Parisha Kanani*
33 Holborn
London
EC1N 2HT

*Nicola Board resigned on 9 April 2018.

Investment and Administration Manager
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Corporate Broker
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020 7886 2500

Independent Auditor and Taxation Adviser
James Cowper Kreston
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VCT Status Adviser
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Bankers
HSBC Bank plc
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Registrars
Computershare Investor Services PLC
The Pavilions
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www.computershare.com/uk
www-uk.computershare.com/investor/

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 Wednesday, 12 July 2018 at 4.00 pm for the purposes of considering and if thought fit, passing the following resolutions of which Resolutions 1 to 6 will be proposed as Ordinary Resolutions and Resolutions 7, 8 and 9 will be proposed as Special Resolutions:

Ordinary Business

1. To receive and adopt the financial statements for the year to 31 January 2018 and the Directors' and Auditor's Reports thereon.

2. To approve a final dividend of 1.6 pence per share.

3. To approve the Directors' Remuneration Report.

4. To re-elect Chris Powles as a Director.

5. To appoint BDO 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 6 as an Ordinary Resolution and Resolutions 7, 8 and 9 as Special Resolutions:

6. 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 25,748,360 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).

7. 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 existing authorities.

8. Authority to make market purchases
THAT the Company be and is hereby generally and unconditionally authorised to make one or more market purchases (within the meaning of s693(4) of the Companies Act 2006) of Ordinary shares of 10p each in the Company ("Ordinary shares") provided that:

(a) the maximum number of Ordinary shares so authorised to be purchased shall not exceed 38,596,791 Ordinary shares, representing approximately 14.99% of the present issued Ordinary share capital of the Company as at the date of this notice;

(b) the minimum price which may be paid for an Ordinary share shall be 10p;

(c) the maximum price, exclusive of expenses, which may be paid for an Ordinary share is an amount equal to (i) 105% of the average of the middle market quotation for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary share is contracted to be purchased; and (ii) the amount stipulated by Article 5(6) of the Market Abuse Regulation;

(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) 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.

9. Amendment to the Articles of Association

THAT new Articles of Association ("Articles") are adopted to amend Article 148.2 to permit the distribution of capital profits where, as is the case now, investment company status under company legislation does not require a company to prohibit the distribution of capital profits in its articles.

By Order of the Board

Parisha Kanani
Secretary
6 June 2018

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) 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 close of business on the day which is two days before the day of the 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.

(c) A form of proxy is enclosed which, to be effective, must be completed and delivered to the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or alternatively, you may register your proxy electronically at **www.investorcentre.co.uk/eproxy**, in each case, so as to be received by no later than 48 hours before the time the Annual General Meeting is scheduled to begin. To vote electronically, you will be asked to provide your Control Number, Shareholder Reference Number and PIN which are detailed on your proxy form.

Appointment of a proxy, or any CREST proxy instruction (as described in paragraph (d) below) will not preclude a member from subsequently attending and voting at the meeting should he or she choose to do so. This is the only acceptable means by which proxy instructions may be submitted electronically.

(d) To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 48 hours (excluding non-working days) before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(e) 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.

(f) 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.

(g) 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.

(h) 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 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.

(i) 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. 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.

(j) As at 8 May 2018 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 257,483,600 Ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 8 May 2018 are 257,483,600.