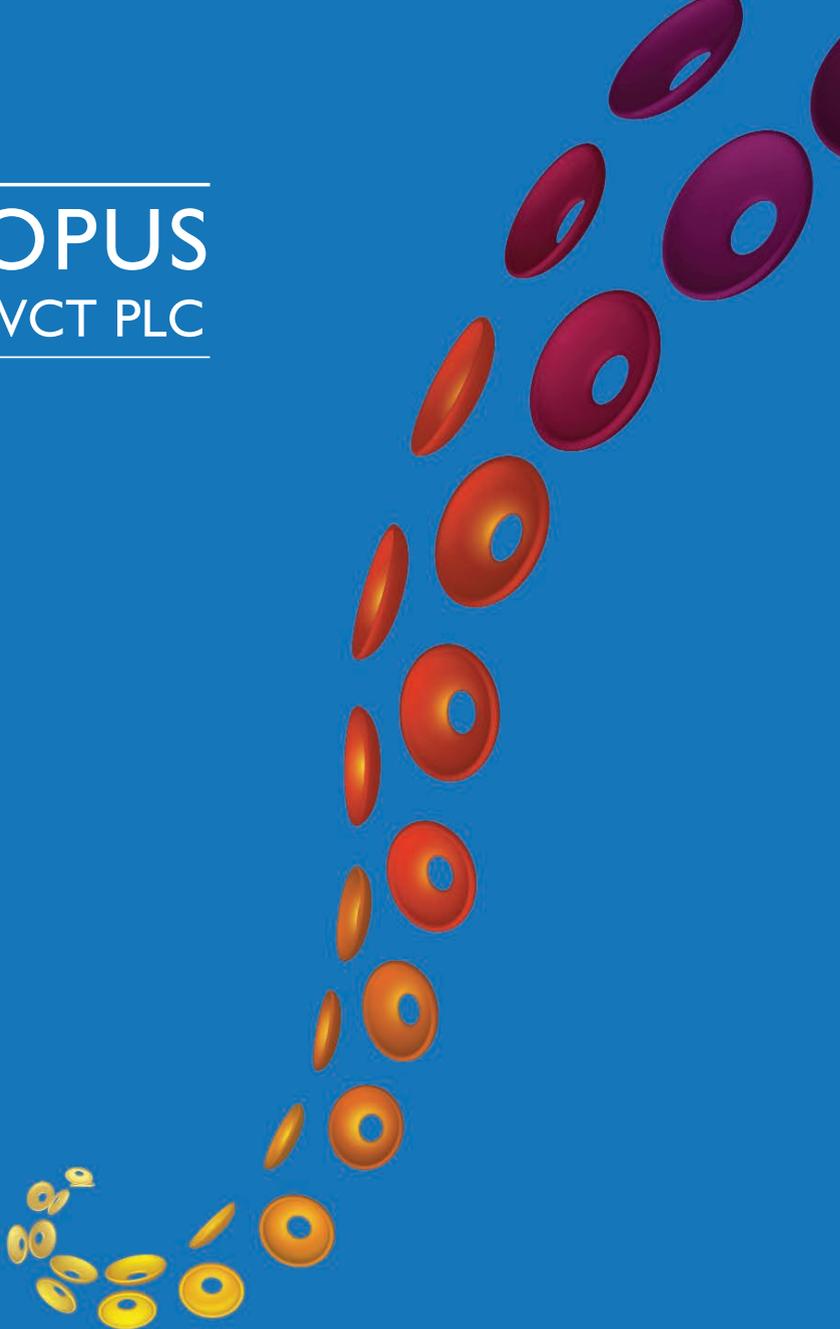
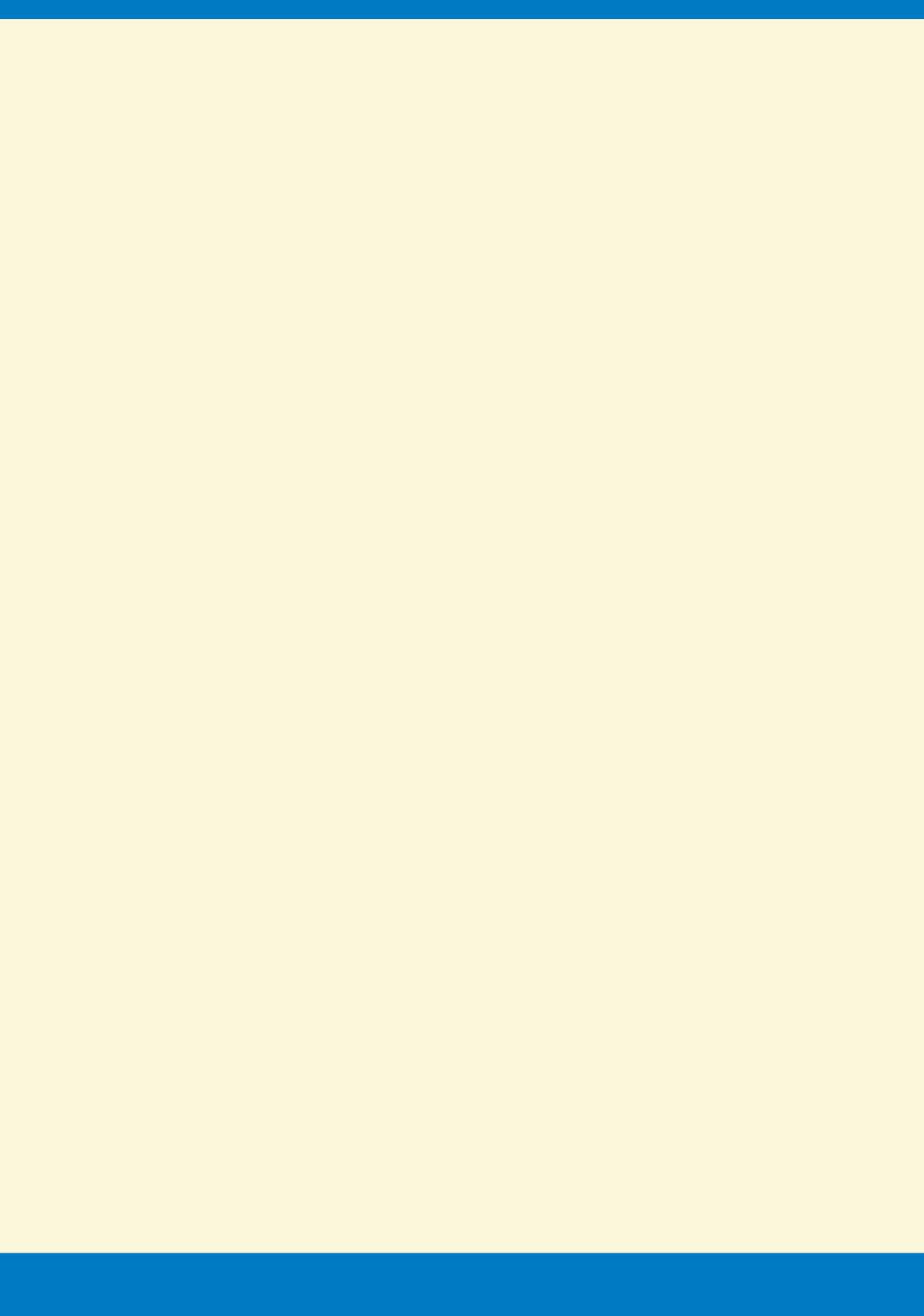

OCTOPUS

APOLLO VCT PLC



UNAUDITED
HALF-YEARLY REPORT
FOR THE SIX MONTHS ENDED 31 JULY 2014


OCTOPUS
INVESTMENTS



FINANCIAL HEADLINES

86.9p	Net Asset Value (NAV) at 31 July 2014
25.0p	Cumulative dividends paid since launch
111.9p	NAV plus cumulative dividends paid
2.5p	Interim dividend declared for the half-year to 31 July 2014

CONTENTS

2	Shareholder Information and Contact details
4	About Octopus Apollo VCT plc
5	Financial Summary
5	Reconciliation of the Movement in NAV per Share
6	Chairman's Statement
8	Investment Portfolio
10	Responsibility Statement of the Directors'
11	Income Statement
12	Reconciliation of Movements in Shareholders' Funds
13	Balance Sheet
14	Cash Flow Statement
16	Notes to the Half Yearly Report
18	Directors and Advisers

SHAREHOLDER INFORMATION AND CONTACT DETAILS

Financial Calendar

The Company's financial calendar is as follows:

- 7 November 2014 – 2014 half-year dividend paid
- May 2015 – Annual results for the year to 31 January 2015 announced; Annual Report and financial statements published
- July 2015 – 2015 final dividend paid

Dividends

Dividends will be paid by the Registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Queries relating to dividends, shareholdings and requests for mandate forms should be directed to the Company's Registrar, Capita Asset Services, by calling 0871 664 0324 (calls cost 10p per minute plus network extras. Lines are open Monday–Friday 9.00am–5.30pm), or by writing to them at:

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

The table below shows the movement in NAV per share and lists the dividends that have been paid since the launch of Octopus Apollo VCT plc:

Period Ended	NAV	Dividends paid in period	NAV + cumulative dividends
31 January 2007	93.7p	–	93.7p
31 July 2007	94.9p	–	94.9p
31 January 2008	95.5p	–	95.5p
31 July 2008	94.2p	1.5p	95.7p
31 January 2009	92.2p	1.5p	95.2p
31 July 2009	90.2p	1.5p	94.7p
31 January 2010	90.1p	1.5p	96.1p
31 July 2010	88.3p	1.5p	95.8p
31 January 2011	89.6p	1.5p	98.6p
31 July 2011	90.0p	1.5p	100.5p
31 January 2012	90.9p	2.0p	103.4p
31 July 2012	91.0p	3.0p	106.5p
31 January 2013	89.3p	2.0p	106.8p
31 July 2013	87.3p	2.5p	107.3p
31 January 2014	86.8p	2.5p	109.3p
31 July 2014*	86.9p	2.5p	111.9p

* The interim dividend of 2.5p will be paid on 7 November 2014 to shareholders on the register on 10 October 2014

Share Price

The Company's share price can be found on various financial websites with the following TIDM/EPIC code:

	Ordinary shares
TIDM/EPIC code	OAP3
Latest share price (29 September 2014)	80.5p per share

Buying and Selling Shares

The Company's Ordinary shares can be bought and sold via a stockbroker, in the same way as any other company quoted on the London Stock Exchange. 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.

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 in shares) and details of the price at which the Company has bought in 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

Notification of Change of Address

Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrar, Capita Asset Services, under the signature of the registered holder. Their contact details can be found at the end of this report.

Other Information for Shareholders

Previously published Annual Reports and Half-yearly Reports are available for viewing on the Investment Manager's website at www.octopusinvestments.com. All other statutory information will also be found there.

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 offer for free company reports.

Please note that it is very unlikely that either Octopus Investments or the Company's 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 veracity of an unsolicited phone call, please call either Octopus Investments or the Registrar, at the numbers provided at the back of this report.

ABOUT OCTOPUS APOLLO VCT PLC

Octopus Apollo VCT plc ('Apollo' or 'Company') is a venture capital trust ('VCT') 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').

The Company, formerly named Octopus Apollo VCT 3 plc, was launched in July 2006 and raised over £27.1 million (£25.9 million net of expenses) through an offer for subscription by the time it closed on 5 April 2007. 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. The objective of the Company is to invest in a diversified portfolio of UK smaller companies in order to generate income and capital growth over the long-term.

Further details of the Company's progress are discussed in the Chairman's Statement on pages 6 to 7.

Venture Capital Trusts (VCTs)

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

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

The Company has been approved as a VCT by HMRC. In order to maintain its approval the

Company must comply with certain requirements of the Income Tax Act 2007 on a continuing basis, specifically the provisions of chapter 3 and, in particular, s280A:

- at least 70% of the Company's investments must comprise 'qualifying holdings'* (as defined in the legislation);
- for cash raised 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 2011 at least 70% of the 70% of qualifying holdings must be invested into Ordinary shares with no preferential rights;
- no single investment made can exceed 15% of the total Company value at the time of investment; and
- a minimum of 10% of each Qualifying Investment must be in Ordinary shares with no preferential rights.

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

FINANCIAL SUMMARY

	Six months to 31 July 2014	Six months to 31 July 2013	Year to 31 January 2014
Net assets (£'000s)	66,801	64,867	63,905
Return on ordinary activities after tax (£'000s)	2,003	330	1,751
Net asset value per share ("NAV")	86.9p	87.3p	86.8p
Cumulative dividends declared since launch	25.0p	20.0p	22.5p
Total return (NAV plus cumulative dividends declared)	111.9p	107.3p	109.3p
Proposed dividend per share	2.5p*	2.5p	2.5p

*The interim dividend of 2.5p will be paid on 7 November 2014 to shareholders on the register on 10 October 2014.

RECONCILIATION OF THE MOVEMENT IN NAV PER SHARE

The breakdown of the movement in the NAV per share in the period is shown in the table below:

NAV per share as at 31 January 2014	86.8p
Income	1.8p
General Expenses	(0.8)p
Management fees	(0.7)p
Performance fees	(0.5)p
Unrealised gains on investments	2.7p
Realised gains on investments	0.1p
Dividends paid	(2.5)p
NAV per share as at 31 July 2014	86.9p

CHAIRMAN'S STATEMENT



Introduction

I am pleased to present the half-yearly report of Octopus Apollo VCT plc for the six months ended 31 July 2014.

Performance

During the period under review, the total return (net asset value plus cumulative dividends paid to date) increased from 109.3p as at 31 January 2014 to 111.9p as at 31 July 2014. This positive return comes largely as a result of an overall uplift in the value of the Company's portfolio. A further contributing factor is the revenue profits generated by the loan interest income exceeding the day-to-day running costs of the Company.

Fund Raising

The Company launched a Top Up Offer on 2 December 2013. I am pleased to report that this was well received and the offer closed on 21 February 2014 having raised in excess of £4.0 million of new funds.

Possible Merger and Fundraising

An announcement has been published today stating that your Board has entered into discussions with the Board of Octopus VCT PLC ("OVCT") regarding a possible merger between the Company and OVCT. These discussions may or may not lead to an agreement to merge the companies. Further details of any proposed merger will be provided to Shareholders in due course. The Company also proposes to launch an offer for subscription to raise up to £30 million.

Investment Portfolio

During the period under review, the Company increased its participation in Terido LLP, a limited liability trading partnership also managed by

Octopus, by £750,000, to £14,750,000. In April 2014 the Company invested £2,675,000 in Countrywide Healthcare Supplies, a company which provides a range of supplies to care homes. Additionally, in May 2014, £3,758,000 was invested in Vista Retail Support, a leading IT service and support company operating within the retail market.

A number of loans have been partially or fully repaid during the period: a partial loan repayment of £334,000 was received from Callstream in February 2014, together with a redemption premium of £95,000; the £3,500,000 loan to Borro was fully repaid in March 2014, along with all outstanding interest; and a partial loan repayment of £464,000 was received from Sula Power in July 2014.

The Company realised in full its investment in Hydrobolt, an investment which originally cost £1,000,000. Proceeds of £1,467,000 were received on 31 March 2014. This, combined with the £700,000 loan repayment in June 2013, resulted in an overall capital gain of £1,167,000. The Company also received £504,000 in loan interest over the life of this investment.

The investment in Bruce Dunlop and Associates was realised for proceeds of £415,000 in July 2014, which is a modest improvement on the written down value of this investment of £350,000 as at 31 January 2014. This, combined with £623,000 in loan interest received over the life of this investment, brings the total proceeds to £1,038,000, compared with the original investment of £2,035,000.

The portfolio has enjoyed a successful period with an overall uplift in its value of £2,064,000. Most notable were the uplifts in Clifford Thames Group (£698,000), Project Tristar (£518,000), Mablaw 555 (Technical Software Consultants)

CHAIRMAN'S STATEMENT (continued)

(£314,000), Callstream (£210,000) and Resilient Corporate Services (£198,000).

Investment Strategy

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

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

Dividend and Dividend Policy

Dividends paid by a VCT are attractive as they are received by shareholders free of income tax. It is for that reason that your Board makes every effort to maintain a consistent dividend flow when possible. Your Board has declared an interim dividend of 2.5 pence per share in respect of the six months ended 31 July 2014. The dividend will be paid on 7 November 2014 to shareholders on the register on 10 October 2014.

This follows the 2.5 pence dividend that was paid to shareholders on 22 July 2014 in relation to the year ended 31 January 2014.

VCT Qualifying Status

PricewaterhouseCoopers LLP provides the Board and Investment Manager with advice concerning ongoing compliance with Her Majesty's Revenue & Customs (HMRC) rules and regulations concerning VCTs. The Board is pleased to confirm

that it has been advised that Apollo is in compliance with the conditions laid down by HMRC for maintaining approval as a VCT.

A key requirement is to maintain at least the 70% qualifying investment level. As at 31 July 2014, 86.0% of the portfolio, as measured by HMRC rules, was invested in VCT qualifying investments.

Principal Risks and Uncertainties

The principal risks and uncertainties are set out in note 6 of the Notes to the Half-Yearly Report on page 17.

Outlook

The outlook for the economy continues to improve and we are delighted with the ongoing solid performance of our investments, with a pleasing uplift in the value of the portfolio in the six months to 31 July 2014. This, along with the profits generated by its income, has led to an increase in the total return of the Company.

Your Board and Investment Manager remain confident there will be further progress in the Company.

I shall write to you again in the new year with a more detailed update in the annual report and accounts. In the meantime, if you have any questions on any aspect of your investment, please call one of the team on 0800 316 2295.

Murray Steele

Murray Steele

Chairman
29 September 2014

INVESTMENT PORTFOLIO

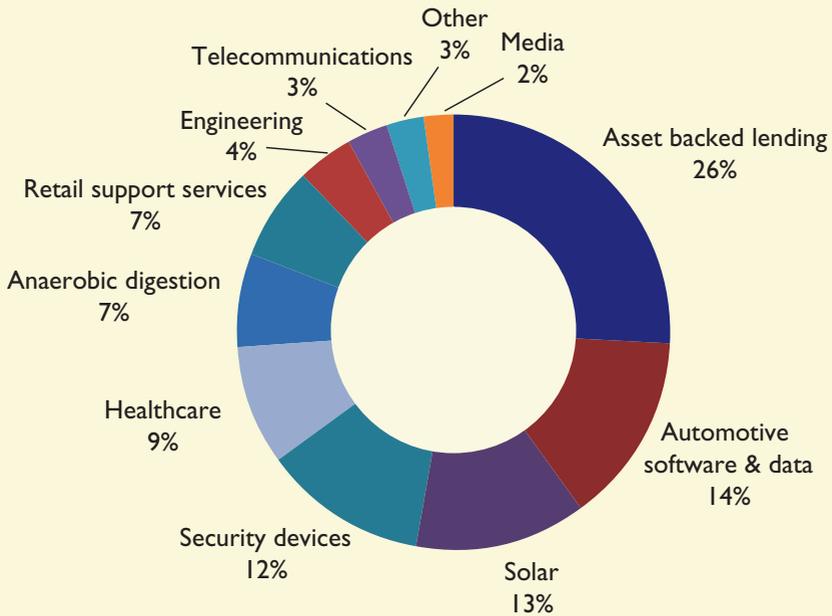
Investments	Sector	Investment at cost 31 July 2014 (£'000)	Move- ment in fair value to 31 July 2014 (£'000)	Fair value as at 31 July 2014 (£'000)	Move- ment in fair value in period (£'000)	% equity held by Apollo VCT	% equity held by all funds managed by Octopus
Terido LLP *	Asset backed lending	14,750	–	14,750	–	0.0%	0.0%
Clifford Thames Group Limited	Automotive Software & data	7,197	1,095	8,292	698	7.6%	7.6%
CSL DualCom Holdings Limited	Security devices	6,911	84	6,995	36	2.0%	3.4%
Vista Retail Support Limited	Retail support services	3,758	–	3,758	–	10.4%	10.4%
Countrywide Healthcare Supplies Limited	Healthcare	2,675	–	2,675	–	20.7%	20.7%
Healthcare Services and Technology Limited	Healthcare	2,500	–	2,500	–	49.9%	100.0%
Mablaw 555 Limited (Technical Software Consultants)	Engineering	2,000	345	2,345	314	6.6%	10.0%
Shakti Power Holdings Limited (100% owner of Shakti Power Limited)	Solar	1,825	446	2,271	86	47.7%	100.0%
Erie Heat Limited	Anaerobic digestion	2,000	–	2,000	–	49.9%	100.0%
Winnipeg Heat Limited	Anaerobic digestion	2,000	–	2,000	–	49.9%	100.0%
Resilient Corporate Services Limited	Solar	2,000	(54)	1,946	198	41.2%	100.0%
Callstream Limited	Telecommunications	1,462	423	1,885	210	6.5%	6.5%
Project Tristar Limited	Chauffeur services	798	673	1,471	518	3.9%	35.0%
Jutta Solar Limited (100% owner of Aashman Power Limited)	Solar	950	232	1,182	18	32.0%	100.0%
Hedwig Solar Limited (100% owner of Kala Power Limited)	Solar	709	173	882	14	26.0%	100.0%
Atlantic Screen International Limited	Media	600	34	634	–	3.0%	100.0%
Gretel Solar Limited (100% owner of Donoma Power Limited)	Solar	500	122	622	9	18.0%	100.0%
Klara Solar Limited (100% owner of Tonatiuh Trading 1 Limited)	Solar	420	103	523	8	17.0%	100.0%
3AM Music Limited	Media	500	–	500	(45)	33.3%	100.0%
Sula Power Limited	Solar	162	25	187	2	3.2%	100.0%
British Country Inns plc	Restaurants & bars	44	(24)	20	(2)	1.3%	1.3%
Total fixed asset investments		53,761	3,677	57,438	2,064		
Money market funds				4,262			
Cash at bank				4,392			
Debtors less creditors				709			
Total net assets				66,801			

* investment in limited liability partnership

INVESTMENT PORTFOLIO (continued)

SECTOR ANALYSIS

Investments by fair value as at 31 July 2014:



RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY REPORT

We confirm that to the best of our knowledge:

- the half-yearly financial statements have been prepared in accordance with the statement "Half-Yearly Financial Reports" issued by the UK Accounting Standards Board;
- the half-yearly report includes a fair review of the information required by the Financial Conduct Authority's Disclosure and Transparency Rules, being:
 - an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
 - a description of the principal risks and uncertainties for the remaining six months of the year; and
 - a description of related party transactions that have taken place in the first six months of the current financial year, that may have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Murray Steele

Murray Steele

Chairman

29 September 2014

INCOME STATEMENT

	Six months to 31 July 2014			Six months to 31 July 2013			Year to 31 January 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gain/(loss) on disposal of fixed asset investments	–	104	104	–	(11)	(11)	–	(10)	(10)
Fixed asset investment holding gains	–	2,064	2,064	–	–	–	–	1,116	1,116
Investment income	1,381	–	1,381	1,221	–	1,221	2,979	–	2,979
Investment management fees	(136)	(801)	(937)	(135)	(404)	(539)	(273)	(1,194)	(1,467)
Other expenses	(609)	–	(609)	(341)	–	(341)	(707)	–	(707)
Return on ordinary activities before tax	636	1,367	2,003	745	(415)	330	1,999	(88)	1,911
Taxation on return on ordinary activities	–	–	–	–	–	–	(400)	240	(160)
Return on ordinary activities after tax	636	1,367	2,003	745	(415)	330	1,599	152	1,751
Earnings per share – basic and diluted	0.8p	1.8p	2.6p	1.1p	(0.6)p	0.5p	2.3p	0.2p	2.5p

- The 'Total' column of this statement is the profit and loss account of the Company; the supplementary revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies.
- All revenue and capital items in the above statement derive from continuing operations.
- The Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds.
- The Company has no recognised gains or losses other than those disclosed in the income statement.
- The accompanying notes are an integral part of the half-yearly report.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Six months ended 31 July 2014 £'000	Six months ended 31 July 2013 £'000	Year to 31 January 2014 £'000
Shareholders' funds at start of period	63,905	47,774	47,774
Return on ordinary activities after tax	2,003	330	1,751
Issue of shares	3,866	36,737	20,585
Enhanced buyback	–	–	(737)
Purchase of own shares	(1,052)	(18,216)	(1,859)
Dividends paid	(1,921)	(1,758)	(3,609)
Shareholders' funds at end of period	66,801	64,867	63,905

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

BALANCE SHEET

	As at 31 July 2014		As at 31 July 2013		As at 31 January 2014	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		57,438		53,499		54,306
Current assets:						
Investments – money market funds*	4,262		4,245		4,254	
Debtors	1,716		890		1,653	
Cash at bank	4,392		6,669		7,910	
	10,370		11,804		13,817	
Creditors: amounts falling due within one year	(1,007)		(436)		(4,218)	
Net current assets		9,363		11,368		9,599
Total assets less current liabilities		66,801		64,867		63,905
Called up equity share capital		7,688		9,308		7,362
Share premium		–		35,151		35,140
Special distributable reserve		55,522		21,695		19,116
Capital redemption reserve		2,005		748		2,704
Capital reserve gains & losses on disposal		(3,146)		(3,452)		(2,445)
Capital reserve holding gains & losses		4,096		672		2,028
Revenue reserve		636		745		–
Total equity shareholders' funds		66,801		64,867		63,905
Net asset value per share		86.9p		87.3p		86.8p

*Held at fair value through profit and loss

The statements were approved by the Directors and authorised for issue on 29 September 2014 and are signed on their behalf by:

Murray Steele

Murray Steele

Chairman

Company Number: 05840377

CASH FLOW STATEMENT

	Six months to 31 July 2014 £'000	Six months to 31 July 2013 £'000	Year to 31 January 2014 £'000
Net cash outflow from operating activities	(3,439)	(915)	(89)
Financial investment:			
Purchase of fixed asset investments	(10,433)	(15,500)	(16,500)
Sale of fixed asset investments	9,469	1,967	3,276
Dividends paid	(1,921)	(1,758)	(3,609)
Management of liquid resources:			
Purchase of current asset investments	(8)	–	(17)
Sale of current asset investments	–	453	500
Financing:			
Enhanced share buyback	–	–	(737)
Purchase of own shares	(1,052)	(18,216)	(1,859)
Cash received from fund raising top-up offer, shares not yet allotted	–	–	2,497
Issue of own shares	3,866	36,775	20,585
(Decrease)/increase in cash at bank	(3,518)	2,806	4,047

CASH FLOW STATEMENT

(continued)

RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH FLOW FROM OPERATING ACTIVITIES

	Six months to 31 July 2014 £'000	Six months to 31 July 2013 £'000	Year to 31 January 2014 £'000
Return on ordinary activities after tax	2,003	330	1,751
(Increase)/decrease in debtors	(63)	46	(717)
Decrease in creditors	(3,211)	(1,302)	(17)
(Gain)/loss on disposal of fixed assets	(104)	11	10
Holding gain on fixed asset investments	(2,064)	–	(1,116)
Outflow from operating activities	(3,439)	(915)	(89)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Six months to 31 July 2014 £'000	Six months to 31 July 2013 £'000	Year to 31 January 2014 £'000
(Decrease)/increase in cash at bank	(3,518)	2,806	4,047
Movement in cash equivalent securities	8	(492)	(483)
Opening net funds	12,164	8,600	8,600
Net funds at end of period	8,654	10,914	12,164

NOTES TO THE HALF-YEARLY REPORT

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 31 July 2014 have been prepared in accordance with the Accounting Standard Board's (ASB) statement on half-yearly financial reports (July 2007) and adopting the accounting policies set out in the statutory accounts of the Company for the year ended 31 January 2014, which were prepared under UK GAAP and in accordance with the Statement of Recommended Practice for Investment Companies issued by the Association of Investment Companies in January 2009.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 31 July 2014 do not constitute statutory accounts within the meaning of s.415 of the Companies Act 2006. The comparative figures for the year ended 31 January 2014 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3 of part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

3. Earnings per share

The earnings per share at 31 July 2014 is calculated on the basis of 77,328,986 (31 July 2013: 65,723,882 and 31 January 2014: 69,891,331) shares, being the weighted average number of shares in issue during the period.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted earnings per share figures are relevant. The basic and diluted earnings per share are therefore identical.

4. Net asset value per share

The net asset value per share is based on net assets as at 31 July 2014 divided by 76,883,845 (31 July 2013: 74,319,046 and 31 January 2014: 73,620,903) shares in issue at that date.

5. Dividends

The interim dividend of 2.5 pence per share for the six months ending 31 July 2014 will be paid on 7 November 2014, to those shareholders on the register on 10 October 2014.

A final dividend, for the year ended 31 January 2014, of 2.5 pence per share was paid on 22 July 2014 to shareholders on the register on 27 June 2014.

NOTES TO THE HALF-YEARLY REPORT (continued)

6. Principal Risks and Uncertainties

The Company's assets consist of equity and fixed-rate interest investments, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include economic, loss of approval as a VCT, investment and strategic, regulatory, reputational, operational and financial risks. These risks, and the way in which they are managed, are described in more detail in the Company's Annual Report and Accounts for the year ended 31 January 2014. The Company's principal risks and uncertainties have not changed materially since the date of that report.

7. Related Party Transactions

Octopus acts as the investment manager of the Company. Under the management agreement, Octopus receives a fee of 2.0 per cent per annum of the net assets of the Company for the investment management services. During the period, the Company incurred management fees of £937,000 (31 July 2013: £539,000 and 31 January 2014: £1,467,000) payable to Octopus. At the period end there was £392,000 (31 July 2013: £nil and 31 January 2014: £375,000) outstanding to Octopus. These management fees include an accrual for £392,000 in performance fees due to Octopus Investments, which will be payable after the year end if the performance criteria continues to be met. Furthermore, Octopus provides administration and company secretarial services to the Company. Octopus receives a fee of 0.3 per cent per annum of net assets of the Company for administration services and £10,000 per annum for company secretarial services.

The Company has an investment in Terido LLP, a limited liability trading partnership also managed by Octopus. The designated members of Terido LLP are Terido DM1 Limited and Terido DM2 Limited, both of these companies being 100% subsidiaries of Octopus. The Company does not incur management fees on the balance held in Terido LLP, in order to avoid duplication, as Octopus's management fees are taken directly from Terido LLP.

8. Other Information

A version of this statement will be made available to all shareholders. Copies are also available from the registered office of the Company at 20 Old Bailey, London, EC4M 7AN, and will also be available to view on the Investment Manager's website at www.octopusinvestments.com.

DIRECTORS AND ADVISERS

Board of Directors

Murray Steele (Chairman)

Tony Morgan

Christopher Powles

Matt Cooper

Company Number

Registered in England & Wales

No. 05840377

Secretary and Registered office

Nicola Board ACIS

20 Old Bailey

London

EC4M 7AN

Investment Manager

Octopus Investments Limited

20 Old Bailey

London

EC4M 7AN

Tel: 0800 316 2295

www.octopusinvestments.com

Corporate Broker

Panmure Gordon (UK) Limited

One New Change

London

EC4M 9AF

Tel: 020 7886 2500

Independent Auditor and Taxation

Adviser

Grant Thornton UK LLP

Chartered Accountants and Registered Auditor

3140 Rowan Place

John Smith Drive

Oxford Business Park South

Oxford

OX4 2WB

VCT Status Adviser

PricewaterhouseCoopers LLP

1 Embankment Place

London

WC2N 6RH

Bankers

HSBC Bank plc

31 Holborn

London

EC1N 2HR

Registrars

Capita Assets Services

The Registry

34 Beckenham Road

Beckenham

Kent

BR3 4TU

Tel: 0871 664 0324

(calls cost 10p per minute plus network extras.

Lines are open Monday – Friday 9.00am –

5.30pm)

www.capitaassetservices.com

