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# OCTOPUS

## VCT 3 PLC

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Unaudited Half-Yearly  
Report for the Period Ended  
29 February 2016

Company Number: 07744056

FOR UK INVESTORS ONLY

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[octopusinvestments.com](http://octopusinvestments.com)

The logo features a stylized octopus tail composed of several circular segments, each containing a smaller circle, creating a trail effect. This graphic is positioned above the company name.

**OCTOPUS**  
INVESTMENTS

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## Financial Headlines

- 78.1p** Net asset value (NAV) at 29 February 2016
- 15.0p** Dividends paid since launch
- 93.1p** Total Value (NAV plus cumulative dividends paid)

# About Octopus VCT 3 plc

Octopus VCT 3 plc ('OVCT 3' or 'Company') is a venture capital trust ('VCT') with a portfolio of investments in the renewable energy sector, with a particular focus on solar energy, where the Investment Manager, Octopus Investments ("Octopus") is confident that investments have been structured to achieve a sustained and reasonable level of predictable income.

OVCT 3 was incorporated on 17 August 2011 with the first allotment of equity being on 6 March 2012. The total amount raised by 18 May 2012 was £8.2 million. The Offer for new subscriptions for shares closed on 19 June 2012. Whilst OVCT 3 has the ability to invest in a variety of sectors and technologies, the focus has been in the renewable energy sector and, in particular, on solar energy.

## 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.

OVCT 3 has been provisionally approved as a VCT by HM Revenue & Customs ('HMRC'). In order to maintain its approval the VCT must comply with certain requirements on a continuing basis. At least 70% of the VCT's investments must comprise 'qualifying holdings' of which at least 70% must be in eligible Ordinary shares. A 'qualifying holding' consists of up to £5 million invested in any one year in new shares or securities in an unquoted company (or companies quoted on AIM) 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. As at 29 February 2016, qualifying investments represented 92.31% of the Company's portfolio. OVCT 3 will continue to monitor its compliance with these qualification requirements.

## VCT LEGISLATION

The 2015 Summer Budget introduced legislation designed to ensure that VCTs comply with changes to the EU State Aid rules. 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. The Manager has reviewed the impact of the new legislation on the Company's investment strategy and has concluded that it expects there to be limited impact on the Company as a result of these changes.

# Financial Summary

	Six months to 29 February 2016	Six months to 28 February 2015	Year to 31 August 2015
Net assets (£'000s)	<b>6,443</b>	7,278	7,067
Return on ordinary activities after tax (£'000s)	<b>(212)</b>	210	15
Net asset value per share ("NAV")	<b>78.1p</b>	88.1p	85.7p
Dividends paid since launch	<b>15.0p</b>	10.0p	10.0p
Total Value per share	<b>93.1p</b>	98.1p	95.7p

# Chairman's Statement

I am pleased to present the half-yearly report for Octopus VCT 3 plc for the period ended 29 February 2016.

## PERFORMANCE

Due to the nature of the Company's investments, which have a planned 25 year life, the NAV is designed to fall to zero over the life of the Company. This is because the Company intends to pay annual dividends and the value of the investee solar companies reduces as their remaining years of operation decline over time. Because of this factor and others explained below the underlying NAV has decreased from 85.7 pence per share at 31 August 2015 to 78.1 pence per share at 29 February 2016, while the Total Value per share, including dividends paid to date of 15p stands at 93.1p (down from 95.7p at 31 August 2015).

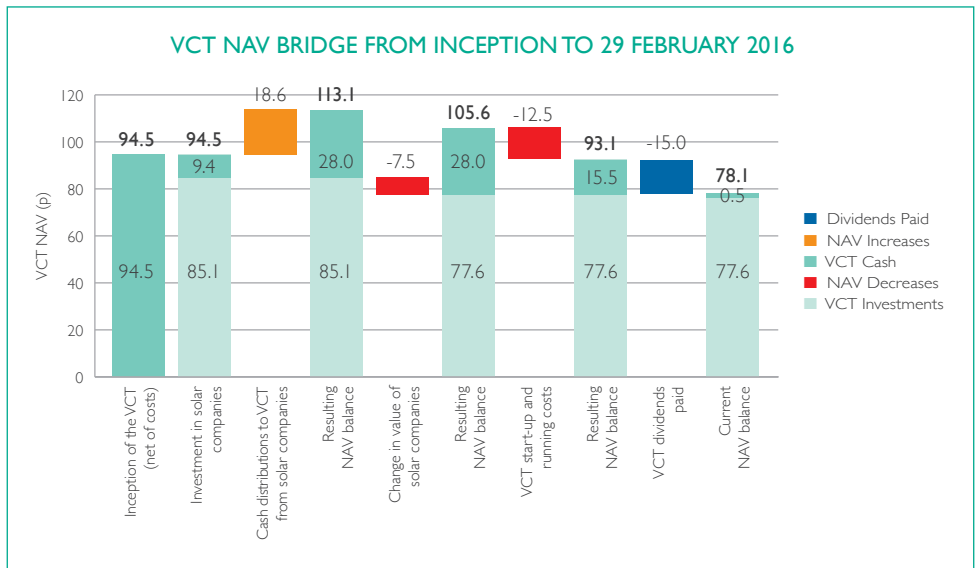
The power generating companies which together comprise the portfolio have been revalued to reflect current market conditions and the reduction in their revenue generating lives since inception. To date they have performed in line with expectations, and have made total distributions of £1,239,000 (equivalent to 12.5 pence per share) to the Company.

The drop in NAV is slightly higher than expected because valuations have been affected by falling power price forecasts in response to the reduction in global demand for energy. Projected power prices over the remaining life of the assets, as prepared by an industry expert, have been applied to forecast revenues with the result that the targeted NAV of 90p at the five year point is most unlikely to be achieved. In addition, if forecast power prices do not recover the continued payment of an annual dividend of 5p over the complete life of the Company is under threat. Forecast energy prices are volatile, so this conclusion may change over time. The current forecast energy price leads to a projection showing that the Company could pay an annual dividend of circa. 4.4p until the end of the investment horizon.

Regarding revenue generation, the level of irradiance during the winter months was lower than anticipated resulting in some under-performance leading in turn to a reduction in revenues over the past six months. On the other hand, the technical issues which affected two sites in the portfolio are being resolved and production is gradually returning to expected levels. Furthermore, the Company has entered into Power Purchase Agreements (PPAs) for sale of electricity at a fixed price which is higher than the current wholesale electricity price.

While recent performance has been below budget, revenue generated since the start of operations is greater than that budgeted, due largely to better than anticipated electricity revenues negotiated through the fixed price PPAs.

The chart below details the NAV movements since the commencement of operations August 2012:



Please see the table below for movements in NAV from 31 August 2015 to 29 February 2016, including dividends paid during the period.

NAV changes since August 2015	
NAV at 31 August 2015	85.7p
Cash distributions from SolarCos	+1.8p
Revaluation of SolarCos	-2.8p
VCT running costs	-1.6p
Dividends paid	-5.0p
<b>NAV at 29 February 2016</b>	<b>78.1p</b>

The focus remains on generating revenues to pay the targeted 5p annual dividend. In order to maintain returns to investors the fixed running costs of the Company are carefully controlled, but the smaller than anticipated amount of funds raised for the Company in 2011/2012 and the resulting reduction in economies of scale leaves less margin for protection of the dividend than would otherwise have been the case.

### INVESTMENT POLICY & PORTFOLIO

The Company is fully invested into seven companies, each containing an operational solar site. These sites have a range of capacities between 1 and 2MW and benefit from either the Feed in Tariff (FIT) or Renewable Obligations Certificates (ROCs), which form part of their revenue stream alongside the electricity they sell on the wholesale market.

The sites have been operating for over three years and have been performing satisfactorily as a portfolio since the start of operations. However, as mentioned in the Year End Financial Statements in August 2015, two sites in the portfolio had experienced a number of technical issues which resulted in under-performance and loss of revenues for those specific sites. The issues are being resolved and overall, the portfolio companies are generating revenues in line with their forecasts and receiving revenues on a regular basis.

There are no plans to make any further qualifying investments as the Company intends to hold the assets for their full operating lives of 25 years.

The Company also holds a small portion of funds for making short term non-qualifying loans from which it earns interest. Within the period under review repayments were received in from Daubree Energy (£172,000), Debes Energy (£102,000) and Lacaille Energy (£43,000), together with accrued interest.

There has been a change in legislation by HM Treasury in response to European regulations whereby the Company will no longer be able to make non-qualifying investments. All new investments have to be qualifying and there are restrictions on the type of investments used for liquidity management. However, the existing holdings of non-qualifying loans to Delambre Energy and Huygens Energy may continue until maturity.

### CASH AND LIQUID RESOURCES

Cash is held on deposit with HSBC. As the Company is fully invested the amount of cash held by the Company at the period end is modest. Cash is paid from the solar companies up to the Company as and when needed to fund expenditure or pay dividends and the Company therefore currently holds no other deposit accounts or money market funds.



## PRINCIPAL RISKS AND UNCERTAINTIES

Now that the Company owns a portfolio of fully operational assets the number of risks faced is reduced as the core construction phases have been completed. Indeed all sites have now passed and signed off their final acceptance certificates (full two year performance testing), largely releasing the Engineering Procurement Construction of their contractual obligations to the site. The key risks on the ongoing operations are:

- **Power Prices** – Revenues are derived from two sources; first, the Government backed subsidies such as the FIT or ROCs and secondly; from selling the wholesale electricity produced by the solar sites. The wholesale electricity revenues, which represent over 40% of the total revenues are variable and will be subject to market forces. The Investment Team uses industry recognised forecasts to predict the electricity prices for the life of the sites. It also mitigates price fluctuations in the short term via forward selling the electricity by Power Purchase Agreements (PPAs) to reduce income volatility. However, it should be noted that long term power price forecasts can rise and fall, and therefore can have an impact on the value or NAV of the underlying solar sites.
- **Site Technical Issues** – all sites are potentially vulnerable to unforeseen technical issues and, to the extent possible, all equipment is warranted to industry standard levels. In addition, each site has insurance in place so that, in the event of a fault occurring that causes the plant temporarily to cease operating and generating revenues, the insurance coverage can be invoked to claim for such losses.
- **Weather** – all forecasts are based on an assumed level of sunlight each year, but this does vary significantly year-on-year, with a concomitant effect on revenues. However, a prudent approach is taken in the revenue forecasting to reduce the likelihood of this occurring.
- **Site Market Value** – there are a number of drivers of the value of a solar site. Underlying assumptions are continually revised for macroeconomic changes (e.g. inflation), industry specific drivers (e.g. electricity price forecasts, business rates, embedded benefits) and track record of specific site performance.
- **Business Rates** –business rates are due to be assessed and determined by October 2016. Currently, there is uncertainty over the potential impact which this revaluation may have, but given the proportion of the site operation costs it represents, it could affect future dividends and the NAV.

## VCT QUALIFYING STATUS

PricewaterhouseCoopers LLP provides the Board and Octopus, the Company's Investment Manager, with advice on the ongoing compliance with HMRC rules and regulations concerning VCTs. The Company's portfolio already exceeds the HMRC threshold which requires that 70% of the VCT's investments must comprise 'qualifying holdings' by the end of its third accounting period. As at 29 February 2016, qualifying investments represented 92.31% of the Company's portfolio. Octopus expects the required investment hurdle to be maintained.

## OUTLOOK

Over the preceding six month period the oil and gas price, the key market driver for the wholesale power price, has suffered a steep decline and forecast electricity prices have followed suit. The negative impact of low energy prices has affected the whole industry.

As it stands today and as highlighted in the annual report for the year ended 31 August 2015, the downward pressure on energy prices means that the 5p per annum dividend and the total return of 110p per share at the five year point are under threat. As a reminder, the 110p total return comprises the sum of four annual dividends of 5p each and targeted NAV of the solar assets of 90p at the five year point (i.e.  $5p \times 4 + 90p = 110p$ ).

It should be highlighted that the announcement by the Government in respect of ending the various subsidy regimes for large scale solar PV in the UK has had positive effect on the value of existing portfolio of those assets which continue to attract the subsidy. Prospective buyers of such assets have lowered their earnings expectations by a marginal reduction in the discount rate they apply to purchases, and this has been reflected in the valuation of the two ROC sites in your portfolio.



Gregor Michie  
Chairman  
23 May 2016

# Investment Portfolio

For full details on the underlying investments please refer to the Annual Report for the year ended 31 August 2015. The updated half yearly valuations for each investee company are detailed below:

Investments	Sector	Investment cost as at 29 February 2016 (£'000)	Movement in fair value since investment to 29 February 2016 (£'000)	Fair Value as at 29 February 2016 (£'000)	Movement in fair value in the 6 months to 29 February 2016 (£'000)	% equity held by Octopus VCT 3 plc	% equity held by all funds managed by Octopus
Delambre Energy Limited	Solar	1,395	(148)	1,247	9	49.9%	100.0%
Huygens Energy Limited	Solar	1,202	(81)	1,121	(65)	49.9%	100.0%
Adala Solar Limited	Solar	875	58	933	(36)	49.9%	100.0%
Akycha Power Limited	Solar	750	72	822	(20)	49.9%	100.0%
Daubree Energy Limited	Solar	828	(56)	772	(44)	49.9%	100.0%
Debes Energy Limited	Solar	898	(128)	770	(48)	49.9%	100.0%
Lacaille Energy Limited	Solar	755	(25)	730	(29)	49.9%	100.0%
Fixed asset investments		6,703	(308)	6,395	(233)		
Cash at bank				34			
Debtors less creditors				14			
<b>Total net assets</b>				<b>6,443</b>			

All solar companies within the portfolio saw changes in valuations due to new assumptions for RPI and discount rate. The recent drop in long term electricity prices has also had an effect on valuations across all of the solar companies. Assumptions relating to operating expenditure have also been reviewed and updated.

# 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 'Interim Financial Reporting' issued by the Financial Reporting Council;
- the half-yearly report includes a fair review of the information required by the Financial Conduct Authority 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



Gregor Michie

Chairman

23 May 2016

# Income Statement

	Six months to 29 February 2016			Six months to 28 February 2015			Year to 31 August 2015		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments	–	–	–	–	–	–	–	–	–
Gain/(loss) on valuation of fixed asset investments	–	(233)	(233)	–	193	193	–	(62)	(62)
Income	148	–	148	155	–	155	309	–	309
Investment management fees	(6)	(19)	(25)	(12)	(36)	(48)	(37)	(12)	(49)
Other expenses	(92)	–	(92)	(79)	–	(79)	(164)	–	(164)
<b>Profit/(loss) on ordinary activities before tax</b>	<b>50</b>	<b>(252)</b>	<b>(202)</b>	<b>64</b>	<b>157</b>	<b>221</b>	<b>108</b>	<b>(74)</b>	<b>34</b>
Taxation on profit/(loss) on ordinary activities	(10)	–	(10)	(11)	–	(11)	(19)	–	(19)
<b>Profit/(loss) on ordinary activities after tax</b>	<b>40</b>	<b>(252)</b>	<b>(212)</b>	<b>53</b>	<b>157</b>	<b>210</b>	<b>89</b>	<b>(74)</b>	<b>15</b>
<b>Profit/(loss) per share – basic and diluted</b>	<b>0.5p</b>	<b>(3.1)p</b>	<b>(2.6)p</b>	<b>0.6p</b>	<b>1.9p</b>	<b>2.5p</b>	<b>1.1p</b>	<b>(0.9)p</b>	<b>0.2p</b>

There is no other comprehensive income for the period.

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

# Balance Sheet

	As at 29 February 2016		As at 28 February 2015		As at 31 August 2015	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		6,395		7,199		6,944
Current assets:						
Debtors	115		76		106	
Cash at bank	34		84		93	
	149		160		199	
Creditors: amounts falling due within one year	(101)		(81)		(76)	
Net current assets		48		79		123
<b>Net assets</b>		<b>6,443</b>		<b>7,278</b>		<b>7,067</b>
Called up equity share capital		82		83		82
Share Premium		99		99		99
Special Distributable Reserve		6,692		7,031		7,104
Capital Redemption Reserve		2		1		2
Capital Reserve – Unrealised		(309)		179		(76)
Capital Reserve – Realised		(163)		(168)		(144)
Revenue Reserve		40		53		–
<b>Total equity shareholders' funds</b>		<b>6,443</b>		<b>7,278</b>		<b>7,067</b>
<b>Net asset value per share</b>		<b>78.1p</b>		<b>88.1p</b>		<b>85.7p</b>

\*Held at fair value

The statements were approved by the Directors and authorised for issue on 23 May 2016 and are signed on their behalf by:



Gregor Michie

Chairman

Company Number: 07744056

# Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Special distributable reserves £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
As at 1 September 2014	83	99	7,444	(132)	(14)	1	–	7,481
Management fee allocated as capital expenditure	–	–	–	(12)	–	–	–	(12)
Current period losses on fair value of investments	–	–	–	–	(62)	–	–	(62)
Profit on ordinary activities after tax	–	–	–	–	–	–	89	89
<b>Contributions by and distributions to owners</b>								
Repurchase of own shares	(1)	–	(16)	–	–	1	–	(16)
Dividends paid	–	–	(324)	–	–	–	(89)	(413)
<b>Balance as at 31 August 2015</b>	<b>82</b>	<b>99</b>	<b>7,104</b>	<b>(144)</b>	<b>(76)</b>	<b>2</b>	<b>–</b>	<b>7,067</b>
Management fee allocated as capital expenditure	–	–	–	(19)	–	–	–	(19)
Current period losses on fair value of investments	–	–	–	–	(233)	–	–	(233)
Profit on ordinary activities after tax	–	–	–	–	–	–	40	40
<b>Contributions by and distributions to owners</b>								
Dividends paid	–	–	(412)	–	–	–	–	(412)
<b>Balance as at 29 February 2016</b>	<b>82</b>	<b>99</b>	<b>6,692</b>	<b>(163)</b>	<b>(309)</b>	<b>2</b>	<b>40</b>	<b>6,443</b>

# Cash Flow Statement

	Six months to 29 February 2016 £'000	Six months to 28 February 2015 £'000	Year to 31 August 2015 £'000
<b>Cash flows from operating activities</b>			
Return on ordinary activities before tax	(202)	221	34
Adjustments for:			
(Increase)/decrease in debtors	(9)	17	(13)
(Decrease)/increase in creditors	14	(14)	(6)
Gain/(loss) on disposal of fixed assets	–	–	–
(Gain)/loss on valuation of fixed asset investments	233	(193)	62
<b>Cash from operations</b>	<b>36</b>	<b>31</b>	<b>77</b>
Income taxes paid	–	–	(21)
<b>Net cash generated from operating activities</b>	<b>36</b>	<b>31</b>	<b>56</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments	–	–	–
Receipt of loan note principal	317	175	175
<b>Total cash flows from investing activities</b>	<b>317</b>	<b>175</b>	<b>175</b>
<b>Cash flows from financing activities</b>			
Purchase of own shares	–	–	(16)
Dividends paid	(412)	(413)	(413)
<b>Total cash flows from financing activities</b>	<b>(412)</b>	<b>(413)</b>	<b>(429)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(59)</b>	<b>(207)</b>	<b>(198)</b>
Opening cash and cash equivalents	93	291	291
<b>Closing cash and cash equivalents</b>	<b>34</b>	<b>84</b>	<b>93</b>



# Notes to the Half-Yearly Report

## 1. BASIS OF PREPARATION

The unaudited half-yearly results which cover the six months to 29 February 2016 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 Interim Financial Reporting (March 2015) and the Statement of Recommended Practice for Investment Companies issued by the Association of Investment Companies in November 2014.

## 2. PUBLICATION OF NON-STATUTORY ACCOUNTS

The unaudited half-yearly results for the six months ended 29 February 2016 do not constitute statutory accounts within the meaning of Section 415 of the Companies Act 2006.

## 3. EARNINGS PER SHARE

Earnings per share at 29 February 2016 are calculated on the basis of 8,245,592 shares (28 February 2015: 8,263,597 shares and 31 August 2015: 8,263,449 shares), being the weighted average number of Ordinary shares in issue during the period.

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

## 4. NET ASSET VALUE PER SHARE

Net asset value per share is based on net assets as at 29 February 2016 and 8,245,592 Ordinary shares in issue at that date (28 February 2015: 8,263,597 shares and 31 August 2015: 8,245,592 shares).

## 5. RELATED PARTY TRANSACTIONS

Katrina Shenton, a non-executive director of Octopus VCT 3 plc during the period ended 29 February 2016, was an employee of Octopus. Octopus VCT 3 plc paid Octopus £3,750 excluding VAT in the period for Katrina Shenton's Director's fees (28 February 2015: £3,750 and 31 August 2015: £7,500). However Katrina Shenton was not paid anything personally in the period as this was considered to be a normal part of her role as an Octopus employee.

Octopus provides investment management, administration & accounting services and company secretarial services to the Company under a management agreement which runs for a period of five years with effect from 17 August 2011 and 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.

Octopus is entitled to receive an annual management fee of 1.25% of net asset value. However, it is agreed that Octopus will reduce its annual management fee as necessary in order to avoid the Company exceeding its total expense cap of 2.15%. During the period to 29 February 2016, £25,000 was payable to Octopus in respect of management fees, of which £25,000 remained outstanding at the balance sheet date. During the period to 28 February 2015, £48,000 was payable to Octopus in respect of management fees, of which £24,000 remained outstanding at the balance sheet date. For the year to 31 August 2015, £50,000 was payable to Octopus, of which £1,149 remained outstanding at the balance sheet date.

Octopus is also entitled to receive an annual accounting and administration fee of 0.3% of net funds raised. During the period to 29 February 2016 £11,000 was paid to Octopus and there was £nil outstanding at the balance sheet date. During the comparative period to 28 February 2015, £12,000 was payable to Octopus and £nil remained outstanding. For the year to 31 August 2015, £23,000 was payable to Octopus and £nil remained outstanding at the balance sheet date.

In addition, Octopus also provides company secretarial services for an additional fee of £7,500 per annum. During the period to 29 February 2016 £3,750 was paid to Octopus Investments Limited and there was £nil outstanding at the balance sheet date. During the comparative period to 28 February 2015, £3,750 was payable to Octopus and £nil remained outstanding. For the year to 31 August 2015, £7,500 was payable to Octopus and £nil remained outstanding at the balance sheet date.

Octopus VCT 3 plc owns 49.9% of the equity in each of its investee companies, with Octopus VCT 4 plc also owning 49.9%. The remainder of the equity in each investee company is owned by OCS Services Limited, a wholly owned subsidiary of Octopus Capital Limited.

## 6. OTHER INFORMATION

Copies of this report are available from the registered office of the Company at 33 Holborn, London, EC1N 2HT.

# Shareholder Information and Contact Details

## FINANCIAL CALENDAR

The Company's financial calendar is as follows:

December 2016	Annual results for the year to 31 August 2016 announced; Annual Report and financial statements published
February 2017	Payment of final dividend

## SHARE PRICE

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

	Ordinary shares
TIDM/EPIC code	OCV3
Latest share price (23 May 2016)	81.5p per share

## 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, as well as Octopus under the signature of the registered holder. Their contact details are provided at the back of this report.

## OTHER INFORMATION FOR SHAREHOLDERS

Annual Reports and Half-Yearly Reports are available for viewing on the Investment Manager's website at [www.octopusinvestments.com](http://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 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 Octopus on the number provided at the back of this report.

# Directors and Advisers

## BOARD OF DIRECTORS

Gregor Michie (Chairman)  
Ian Leaman  
Katrina Shenton

## COMPANY NUMBER

Registered in England & Wales  
No. 07744056

## SECRETARY AND REGISTERED OFFICE

Nicola Board ACIS  
Octopus Investments Limited  
33 Holborn  
London  
EC1N 2HT

## INVESTMENT AND ADMINISTRATION MANAGER

Octopus Investments Limited  
33 Holborn  
London  
EC1N 2HT  
Tel: 0800 316 2295  
[www.octopusinvestments.com](http://www.octopusinvestments.com)

## INDEPENDENT AUDITOR AND TAXATION ADVISER

James Cowper Kreston LLP  
3 Wesley Gate  
Queen's Road  
Reading  
Berkshire  
RG1 4AP

## VCT STATUS ADVISER

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

## BANKERS

HSBC Bank plc  
31 Holborn  
London  
EC1N 2HR

## REGISTRARS

Capita Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU  
Tel: 0371 664 0300  
(calls cost 10p per minute plus network extras)  
[www.capitaassetservices.com](http://www.capitaassetservices.com)

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