Octopus Apollo VCT plc

Annual Report and Accounts for the year ended 31 January 2022

Company number: 05840377

For UK investors only

octopus investments

Octopus Apollo VCT plc ("Apollo" or the "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").

Contents

Financial Summary

	Year to 31 January 2022	Year to 31 January 2021
Net assets (£'000)	**262,959**	168,237
Profit after tax (£'000)	**31,457**	19,767
Net asset value ("NAV") per share (p)	**50.2**	49.2
Cumulative dividends paid since launch (p)	**82.1**	76.4
NAV plus cumulative dividends paid (p)	**132.3**	125.6
Total return %*	**13.6**	12.7
Dividends per share paid in the year (p)	**5.7**	2.3
Proposed dividend (p)**	**1.3**	1.3

*Total Return is an alternative performance measure calculated as movement in NAV in the period plus dividends paid in the period, divided by the NAV at the beginning of the period.

**The proposed second interim dividend of 1.3p per Ordinary share for the year ended 31 January 2022 will be paid on 31 May 2022 to all Ordinary shareholders on the register on 22 April 2022.

Definitions of key terms and alternative performance measures shown above and throughout this report are shown in the Glossary of Terms on page 65.

Dividend History

The table below shows the total shareholder return, NAV plus dividends paid, over the last five years.

Year Ended	NAV	Dividends paid in year	Cumulative dividends	NAV + cumulative dividends
31 January 2018	50.6p	14.0p	68.0p	118.6p
31 January 2019	47.1p	3.1p	71.1p	118.2p
31 January 2020	45.7p	3.0p	74.1p	119.8p
31 January 2021	49.2p	2.3p	76.4p	125.6p
31 January 2022	50.2p	5.7p	82.1p	132.3p

Key Dates

Second interim dividend payment date	31 May 2022
Shareholder event	29 June 2022
Annual General Meeting	7 July 2022
Interim results to 31 July 2022 published	September 2022

Chair's Statement

Performance
I am pleased to present the annual results for Apollo for the year ended 31 January 2022. The NAV plus cumulative dividends per share at 31 January 2022 was 132.3p, an increase of 6.7p per share from 31 January 2021. The NAV per share increased during the year from 49.2p to 50.2p which represents, after adding back the 5.7p of dividends paid in the year, a total return for the year of 13.6% compared to 12.7% in the previous year.

I am delighted to say that Apollo has once again performed strongly, and despite these uncertain times, has delivered the strongest year ever, with a 13.6% total return. Our focus on the technology sector played a major role in Apollo's performance and we have seen exciting growth in the value of a number of our portfolio companies.

Further details of the year's performance are highlighted in the Investment Manager's Review on pages 4 to 11.

Fundraising
On 30 September 2021, we launched a new offer to raise up to £40 million, with an over-allotment facility of up to £35 million. The Board decided to close this offer 26 days later having raised £42 million. This represents our fastest fundraising by far and is a testament to the strong performance of Apollo. This means that Apollo raised just over £100 million during the year – another milestone. We would like to take this opportunity to welcome all new shareholders and thank all existing shareholders for their continued support.

Investment Activity
In the year under review Apollo invested £55.7 million, comprising £40.8 million into eight new investments and £14.9 million of follow-on capital into existing portfolio companies to fund their growth plans, further details of which can be found in the Investment Manager's report. There was one partial exit and 20 full exits of portfolio companies during the year generating total proceeds to Apollo of £53.9 million.

Dividend and Dividend Policy
It is your Board's policy to maintain a regular dividend flow where possible in order to take advantage of the tax-free distributions a VCT is able to provide, and work towards the targeted 5% annual dividend yield policy.

I am pleased to confirm that the Board has proposed a second interim dividend of 1.3p per share in respect of the year ended 31 January 2022. This is in addition to the 1.3p interim dividend and the 3.1p special dividend paid during the year, and will bring the total dividends declared to 5.7p for the year, a tax-free yield of 11.6%. The dividend will be payable on 31 May 2022 to shareholders on the register at 22 April 2022.

Dividend Reinvestment Scheme (DRIS)
In common with a number of VCTs, Apollo has a dividend reinvestment scheme which was introduced in November 2014. This is an attractive scheme for investors who would prefer to benefit from additional income tax relief on their re-invested dividend. I hope that shareholders will find this scheme beneficial.

During the year to 31 January 2022, 13,197,197 shares were issued under the DRIS, equating to a reinvested amount of £6.4 million.

Share Buybacks
Apollo has continued to buy back and cancel shares as required. Subject to shareholder approval of resolution 8 at the forthcoming Annual General Meeting (AGM), this facility will remain in place to provide liquidity to investors who may wish to sell their shares, subject to Board discretion. Details of the share buybacks undertaken during the year can be found in the Directors' Report on page 24 and in note 14 to the financial statements on page 57.

Dividends, whether paid in cash or re-invested under the DRIS, and share buybacks are always at the discretion of the Board, are never guaranteed and may be reviewed when necessary.

VCT Regulations Status
Following a review in the year the Board decided to change to Shoosmiths LLP to provide both the Board and Manager with advice concerning ongoing compliance with HMRC's rules and regulations concerning VCTs. The Board 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 an 80% qualifying investment level which, at 31 January 2022, was at 100%.

Further information on VCT regulation is detailed in the Directors' Report on page 23.

Board of Directors

James Otter resigned from the Board of Apollo on 31 July 2021. James was Chair of Octopus VCT plc and joined the Board when it was merged into Apollo in 2014. On behalf of shareholders and other Board members, I would like to thank James for his insightful contributions to the Board during the uncertain and challenging times which we have experienced.

I am pleased to announce that Claire Finn was appointed to the Board as a Non-Executive Director on 21 September 2021. Claire spent the majority of her professional career working for BlackRock, where she held a variety of leadership positions. She now has a portfolio of Non-Executive Director roles and has already made a significant contribution to the Board.

Claire and I will be standing for election and re-election respectively, at the forthcoming AGM.

Annual General Meeting

The Annual General Meeting ("AGM") will be held on 7 July 2022 at 10.00am. Full details of the business to be conducted at the AGM are given in the Notice of the Meeting on pages 67 and 68 of the Financial Statements. I would like to draw your attention to Resolution 11: "That the Company continue in being". This derives from a provision in the Company's Articles of Association, whereby shareholders are required to vote on the continuation of the Company, at the 15th AGM, and every 5 years thereafter. This resolution should have been put to last year's AGM and on behalf of the Board I apologise for this omission.

Shareholders' views are important, and the Board encourages shareholders to vote on the resolutions within the Notice of Annual General Meeting on pages 67 and 68 of the Financial Statements using the proxy form, or electronically at **www.investorcentre.co.uk/eproxy**. The Board has carefully considered the business to be approved at the Annual General Meeting and recommends shareholders to vote in favour of all the resolutions being proposed. We encourage shareholders to submit their votes by proxy.

Shareholder Event

We will also be hosting a virtual shareholder event on 29 June 2022. This is an opportunity for shareholders to receive an update from the Investment Manager and put questions to the Chair and the Investment Manager. You can register for the event at **octopusinvestments.com/apollo-shareholder-event/**.

Outlook and Future Prospects

We continue to be optimistic about Apollo's future investment prospects and its current portfolio. Even during the past year which was filled with Coronavirus and wider market uncertainties, Apollo has shown great resilience and has delivered a record 13.6% total return in the year. The majority of our portfolio companies have been performing very well and only a very small minority have been negatively influenced by recent events. As we look set to face further uncertain times with rising inflation rates and the conflict in Ukraine, the Investment Manager will continue to work closely with portfolio companies to ensure they have identified the risks to their business operations and manage any mitigations effectively. The Apollo portfolio has no exposure to Russia or Ukraine.

The investment team completed eight new investments and seven follow-on investments during the year and expects to be able to continue with further new investment activity in the upcoming year, with two new investments of £12.1 million and a follow-on investment of £2.7 million already made since the year end. In addition, a significant number of realisations were made during the year, returning £53.9m to Apollo. This, in part, led to the declaration of a special dividend during the period. The payment of any future special dividends will depend upon a range of factors and, as mentioned above, these are never guaranteed.

This strong performance and position led your Board to announce on 23 March 2022 that it is in the interest of Apollo shareholders to re-open the recent offer for subscription by utilising the over allotment facility from the September 2021 Fundraise. This will allow the investment team to continue making investments on behalf of Apollo, helping to further widen the portfolio and create opportunities for future growth.

Murray Steele

Murray Steele
Chair
18 May 2022

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. Octopus Investments Limited also acts as Investment Manager to four other listed investment companies, with over £1.9 billion of funds under management in VCTs. If you have any questions about this report, or if it would help to speak to one of the fund managers, please do not hesitate to contact us on **0800 316 2295**.

Investment Policy

The majority of companies in which the Company invests operate in sectors where there is a strong opportunity for growth. In general, we invest in technology companies that have recurring or repeating revenues from a diverse base of customers. We also seek to invest into companies that will provide an opportunity for the Company to realise its investment typically within three to seven years.

Performance

The Company made a total return per share of 13.6% in the year to 31 January 2022, which I am pleased to say is the highest total return since the inception of Octopus Apollo VCT plc. The NAV per share increased from 49.2p to 50.2p. In addition, 5.7p of dividends were paid in the period, representing a dividend yield of 11.6% and bringing cumulative dividends paid to date to 82.1p and the total return (NAV plus cumulative dividends) to 132.3p per share.

Through another year of uncertainties relating to Coronavirus and the wider market, the Company continued to perform well. In the first six months of the year, the Company reported a total return per share of 6.3%. The second half of the year generated a total return of 7.3%. This demonstrates a good level of resilience and builds on the significantly improved performance of the fund since the change in Apollo's investment strategy in 2017-18.

Apollo provides three pillars of growth from its funding – expansion of sales and marketing functions, incremental research and development spend, and geographic expansion. These were the common themes running through the portfolio companies in the period, with the resulting company growth being the key driver of performance.

As seen through the Top 10 Investments in the year on pages 6 to 11, the performance during the year was largely attributable to strong performance in the Technology portfolio that has been constructed in recent years. Performance is discussed further in the Portfolio Review below.

Portfolio Review

As at 31 January 2022 the Company's invested portfolio was comprised of 39 companies with a total valuation of £190.7 million. This represents 72.5% of the net assets of the fund. The portfolio includes eight quoted AIM investments (2.7% of net assets), eight unquoted co-investments (3.4% of net assets) with Octopus Titan VCT plc (an Octopus managed VCT), with the balance (66.4% of net assets) being Apollo-only investments in private companies.

During the year, the value of the invested portfolio increased by £45.0 million, including assets invested into or exited in the year. The increase is as a result of positive valuation movements across a number of investments in the portfolio including investments in Sova Assessment Limited, Ubisecure Limited, N2JB Limited (trading as Natterbox), Tendable Limited, Hasgrove Limited and The Safeguarding Company Limited. These increases were very slightly offset by a small number of negative valuation adjustments during the year, being the Company's investments in Countrywide Healthcare Supplies Holdings Limited and Renalytix plc.

As part of liquidity management, £5 million was invested in the Sequoia Economic Infrastructure Fund (SEQI) in May 2021. This investment in combination with the previously held investment in the Octopus Portfolio Manager (OPM) fund took the total liquid investments as at 31 January 2022 to £21.4 million, at year end valuations. Octopus has waived its management fees in relation to OPM.

The Company's investment portfolio is set out on page 6. It continues to hold appropriate investments to meet VCT requirements.

Investment Activity

During the year, the Company disposed of 20 investments and made one part-disposal for total sale proceeds of £53.9 million. In the year, we recognised a net realised gain of £4.4 million on these transactions, primarily as a result of the disposals of Anglo European Group Limited, Veeqo Limited, and Health and Socialcare Technology Group Limited.

The Company made the following new investments during the year:

- **Tendable £4.0 million** – Tendable is a quality inspection app used across NHS trusts, care homes and social care sites. Tendable's platform replaces carrying out inspections using non-digital formats, enabling better decisions, and empowering frontline staff to own improvements.
- **Zapnito £2.8 million** – Zapnito is an expert community management software-as-a-service ("SaaS") platform, which provides B2B customers with the ability to deliver knowledge, expert content and active forums within online community networks.
- **Turtl £10.0 million** – Turtl is an enterprise SaaS product which enables corporates to produce high quality, brand consistent and personalized marketing collateral at scale.
- **APLYiD £3.3 million** – APLYiD is a digital onboarding and identity verification SaaS business based in New Zealand. It allows companies to seamlessly complete the necessary regulatory checks to satisfy internal policies and government legislation, and the Company's funding is facilitating its growth in the UK market.
- **Synchtank £3.5 million** – Synchtank is a cloud-based music rights and licensing management software platform for music, media and broadcast companies. Its core platform provides a centralised database to manage digital media assets.
- **Homesearch £3.0 million** – Homesearch is a SaaS provider of property data for both reporting and prospecting to estate agents across the UK.
- **Mention Me £10.0 million** – Mention Me is a marketing SaaS platform that helps B2C businesses acquire new customers more successfully through their referral channel. Their technology allows brands to gain deep insights into customer segmentation and run referral schemes across multiple products and geographies.
- **Value Blue £4.2 million** – Value Blue is a Netherlands based provider of enterprise architecture management software, that is growing in the UK The product allows companies to map their existing technology architecture in a single location to easily plan, collaborate and execute both large scale transformational and everyday IT projects.

In addition to the new investments above, the Company invested £14.9 million in follow-on capital to seven existing portfolio companies to continue their growth plans.

Since the year end, the Company has also made one follow-on investment of £2.7 million and two new investments of £12.1 million.

Outlook and Future Prospects

This time last year we wrote about the hope that the Coronavirus pandemic would be brought under control as vaccines were starting to be rolled out. Whilst it has been a highly challenging year for the UK population, and the human and economic impacts are still being felt, I am pleased to report that the Company was able to operate and invest essentially normally throughout the financial year. The investment team adjusted well to hybrid working patterns and demonstrated an ability to find and execute new investments against a backdrop of many companies still operating remotely.

I am therefore delighted to say that it has been a second consecutive record year for the Company, with a 13.6% total return and a dividend yield of 11.6%. The nature of the current investment portfolio and the characteristics of the technology-focused businesses that the Company invests in means that the majority of assets have been insulated from any impact from the pandemic. They generally have recurring revenues and are therefore well positioned to be more resilient than impacted sectors such as travel, leisure or retail. Indeed, the last year reinforced that technology investing has become increasingly mainstream and that there is a growing population of potentially suitable companies for the Company to select its future investments from, as economies and Governments realise that these companies are likely to drive economic growth in a post-pandemic world.

We therefore remain optimistic and confident about the Company's future investment prospects and its current diverse portfolio. The investment team has continued to create a healthy pipeline of new growth capital investments that meet the investment criteria of the Company owing to its ongoing origination activities. A sustained strong level of investment activity, as noted in the Chair's Statement, has led to re-opening fundraising to ensure that the Company has sufficient capital available for the investment team to make new and follow-on investments for the foreseeable future. This will support ongoing diversification of the investment portfolio and help to facilitate further growth in the value of existing portfolio companies. We believe that this growth will ensure that the Company continues to thrive despite wider market uncertainties such as rising inflation rates and the escalating conflict in Ukraine, for which we hope that there will be a swift resolution.

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

Richard Court
Octopus Investments Limited
18 May 2022

Valuation Methodology

Overview

Each unquoted portfolio investment is valued at least twice a year, usually at the Company's interim and year end dates (31 July and 31 January, respectively), although additional valuations may be carried out if there have been material movements in the Company's portfolio. The portfolio investments are valued in accordance with International Private Equity and Venture Capital (IPEV) valuation guidelines. This means the investments are valued at fair value. The value of the unquoted portfolio investments will be combined with the value of the quoted portfolio investments, together with the value of the Company's other assets, investments and liabilities to generate the overall Net Asset Value of the Company.

General Principles

For all companies we invest in, we consider several triangulated valuation methodologies. These include recent funding rounds and using comparable valuations from similar trading businesses, recent M&A activity and investments made in similar companies to inform the company valuation, and we may adjust valuations up or down accordingly. For companies that have raised funds recently, the price of the most recent funding round may be an indicator of fair value. However, it may be appropriate to update this value, if this value is no longer deemed to be fair value. This may include both downward revisions reflecting underperformance, or valuation increases.

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

Investment Portfolio

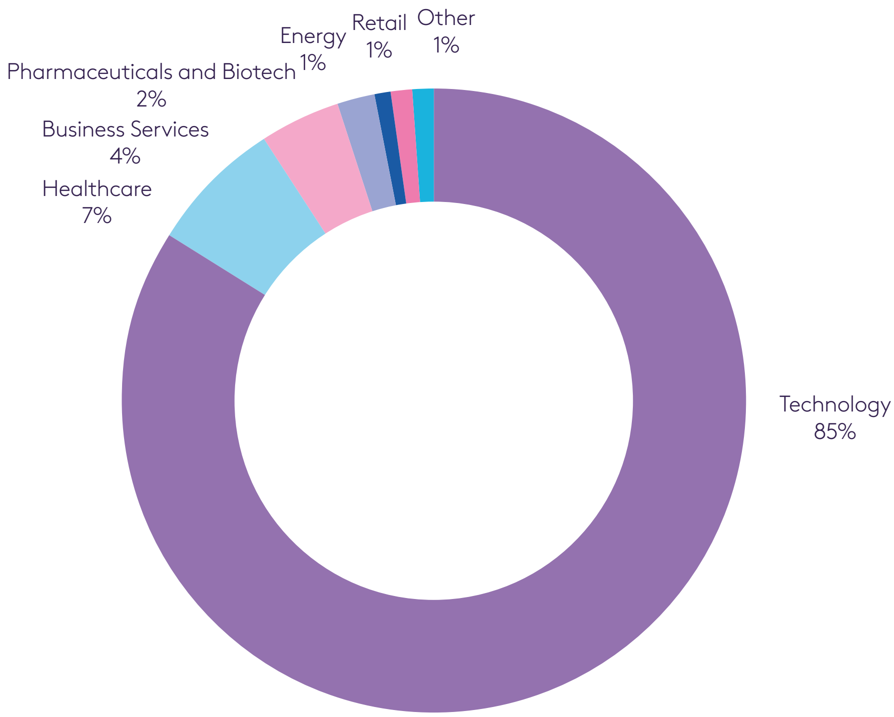
Top 10 Investments	Sector	Investment cost as at 31 January 2022 £'000	Total movement in fair value since investment £'000	Fair value as at 31 January 2022 £'000	Movement in fair value in year to 31 January 2022 £'000	% equity held by Apollo VCT
N2JB Limited (trading as Natterbox)	Technology	17,490	12,129	29,619	3,858	8.5%
Sova Assessment Limited	Technology	7,500	9,074	16,574	7,515	30.5%
Ubisecure Holdings Limited	Technology	5,575	9,144	14,719	4,723	30.0%
Turtl Surf & Immerse Limited	Technology	10,000	422	10,422	422	13.6%
Fuse Universal Limited	Technology	8,000	2,119	10,119	1,517	0.0%
Mention Me Limited	Technology	10,000	–	10,000	–	13.8%
The Safeguarding Company Limited (previously One Team Logic)	Technology	4,951	4,749	9,700	2,417	20.0%
Hasgrove Limited	Technology	308	7,509	7,817	2,603	5.4%
Tendable Limited	Technology	4,000	3,327	7,327	3,327	17.5%
Countrywide Healthcare Supplies Holdings Limited	Healthcare	2,675	4,547	7,222	(1,019)	20.7%
Other*		54,249	12,903	67,152	15,218	
Total investments		124,748	65,923	190,671	40,581	
Current asset investments				21,429		
Cash at bank				58,332		
Debtors less creditors				(7,473)		
Net assets				**262,959**		

*Other comprises the remaining 29 investments whose valuation is outside the top 10: Fiscaltec Group Limited, Triumph Holdings Limited, Value Blue B.V, Ryte GMBH, Synchtank Limited, Pollen Technology Group UK, Homesearch Limited, Ergomed plc, Zapnito Limited, Dyscova Limited, Behaviosec Inc, Artesian Solutions Limited, Superior Heat Limited, EKF Diagnostics plc, Trafi Limited, Rotolight Group Ltd, Vertu Motors plc, Origami Energy Limited, Ecrebo Limited, Luther Pendragon Limited, CurrencyFair Limited, Secret Escapes Limited, Renalytix plc, Oxifree UK Limited, Eve Sleep plc, Trellus Health plc, Verici Dx plc, Segura Systems Limited and Nektan plc.

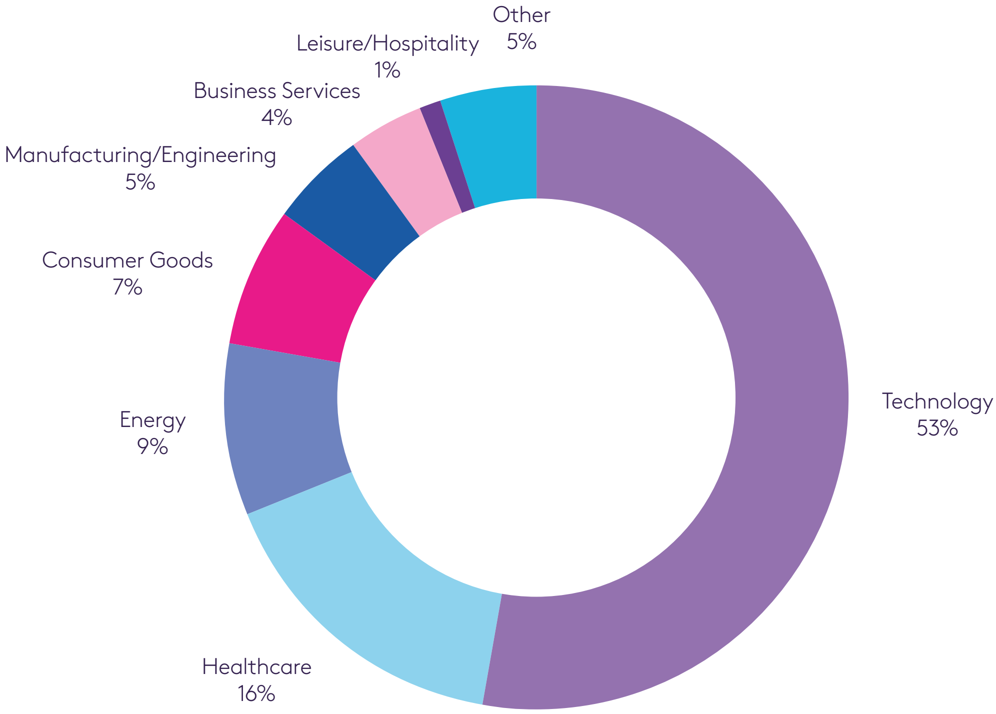
Sector Analysis

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 2022



31 January 2021



Review of Investments

At 31 January 2022 the Company's portfolio comprised investments in 31 unquoted companies and 8 AIM-traded investments. The unquoted investments comprise a mix of qualifying Ordinary shares as well as some loan note securities.

Unquoted investments are valued in accordance with the valuation methodology set out on page 6 and the accounting policy set out on pages 52 to 54, which takes account of current industry guidelines for the valuation of venture capital portfolios and is compliant with the latest IPEV guidelines (2018) and current financial reporting standards.

Ten Largest Holdings

Listed below are the ten largest investments by value as at 31 January 2022:

N2JB Limited (trading as Natterbox)

Natterbox is a London-based provider of business to business cloud telephony services that are uniquely integrated into Customer Resource Management ("CRM") software platforms, most notably Salesforce. Further information can be found at the company's website **www.natterbox.com**.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	925	4,718
Preference shares	15,070	23,406
Loan stock	1,495	1,495
Total	**17,490**	**29,619**

Investment date: March 2018
Equity held: 8.5%
Valuation basis: Revenue multiple
Last submitted accounts: 31 December 2020
Consolidated turnover: £11,615,000
Consolidated loss before tax: £(4,665,000)
Consolidated net assets: £3,780,000

Sova Assessment Limited

Sova Assessment is a UK based end-to-end digital candidate assessment SaaS platform targeting large blue-chip organisations conducting large volumes of hiring. Further information can be found at the company's website **www.sovaassessment.com.**

Asset class	Cost £'000	Valuation £'000
A ordinary shares	6,900	15,974
Loan stock	600	600
Total	**7,500**	**16,574**

Investment date: November 2020
Equity held: 30.5%
Valuation basis: Revenue multiple
Last submitted group accounts: 31 March 2021
Consolidated turnover: £2,497,000
Consolidated loss before tax: £(2,129,000)
Consolidated net assets: £(2,808,000)

Ubisecure Holdings Limited

Ubisecure is a customer identity access management software provider and issuer of legal-entity identifiers, serving a wide-range of sectors including financial services, public sector and media customers. Further information can be found at the company's website **www.ubisecure.com**.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	255	5,890
Preference shares	4,245	7,753
Loan stock	1,075	1,075
Total	**5,575**	**14,719**

Investment date: May 2018
Equity held: 30.0%
Valuation basis: Revenue multiple
Last submitted group accounts: 31 December 2020
Consolidated turnover: £4,630,000
Consolidated loss before tax: £(2,047,000)
Consolidated net assets: £2,300,000

Turtl Surf & Immerse Limited

Turtl is an enterprise SaaS product which enables corporates to produce high quality, brand consistent and personalised marketing collateral at scale. Further information can be found at the company's website **https://turtl.co/**.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	10,000	10,422
Total	**10,000**	**10,422**

Investment date: September 2021
Equity held: 13.6%
Valuation basis: Revenue multiple
Last submitted accounts: 31 December 2020
Turnover: Not available[1]
Profit before tax: Not available[1]
Net assets: £1,137,000

Fuse Universal Limited

Fuse is a business to business software provider of a cloud-based learning technology platform for corporates, founded in 2008 and based in London (with further offices in South Africa and Australia). Further information can be found at the company's website **www.fuseuniversal.com**.

Asset class	Cost £'000	Valuation £'000
A Preferred ordinary shares	4,000	5,080
B Preferred ordinary shares	3,000	4,039
Loan stock	1,000	1,000
Total	**8,000**	**10,119**

Investment date: August 2019
Ordinary equity held: 0%
Valuation basis: Fair value of accrued return
Last submitted group accounts: 31 December 2021
Consolidated turnover: £9,912,000
Consolidated loss before tax: £(6,201,000)
Consolidated net assets: £(2,479,000)

[1]These numbers are not available per the latest public filings on Companies House.

Mention Me Limited

Mention Me is a referral engineering SaaS platform that helps B2C businesses acquire new customers more successfully through their referral channel. Their technology allows brands to gain deep insights into customer segmentation and run referral across multiple products and geographies. Further information can be found at the company's website **www.mention-me.com**.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	10,000	10,000
Total	**10,000**	**10,000**

Investment date: December 2021
Equity held: 13.8%
Valuation basis: Revenue multiple
Last submitted accounts: 31 December 2021
Turnover £8,043,000
Loss before tax: £(2,765,000)
Net assets: £10,162,000

The Safeguarding Company Limited (previously One Team Logic)

The Safeguarding Company is the vendor of the safeguarding software MyConcern, the Queen's-Award winning SaaS solution used by organisations around the world to help protect children and adults at risk. Further information can be found at the company's website **www.myconcern.co.uk**.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	3,466	8,215
Loan stock	1,485	1,485
Total	**4,951**	**9,700**

Investment date: August 2019
Equity held: 20.0%
Valuation basis: Revenue multiple
Last submitted accounts: 31 December 2020
Turnover: Not available[1]
Profit before tax: Not available[1]
Net assets: £(1,321,000)[1]

Hasgrove Limited

Hasgrove is the holding company for Interact, a SaaS business which provides an intranet product which focuses on the communication and collaboration requirements of large organisations. Further information can be found at the company's website **www.interactsoftware.com**.

Asset class	Cost £'000	Valuation £'000
Ordinary shares	308	7,817
Total	**308**	**7,817**

Investment date: November 2006
Equity held: 5.4%
Valuation basis: Revenue multiple
Last submitted group accounts: 31 December 2020
Consolidated turnover: £19,911,000
Consolidated profit before tax: £5,513,000
Consolidated net assets: £6,955,000

[1]These numbers are not available per the latest public filings on Companies House.

Tendable Limited

Tendable is a quality inspection app used across NHS trusts, care homes and social care sites. Tendable's platform replaces carrying out inspections using paper, enabling better decisions, and empowering frontline staff to own improvements. Further information can be found at the company's website **www.tendable.com.**

Asset class	Cost £'000	Valuation £'000
Ordinary shares	2,800	6,127
Loan stock	1,200	1,200
Total	**4,000**	**7,327**

Investment date:	February 2021
Equity held:	17.5%
Valuation basis:	Revenue multiple
Last submitted accounts:	31 March 2021
Turnover:	Not available[1]
Profit before tax:	Not available[1]
Net assets:	£1,737,000

Countrywide Healthcare Supplies Holdings Limited

Countrywide Healthcare Supplies 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	4,822
B ordinary shares	147	147
Loan stock	2,252	2,253
Total	**2,675**	**7,222**

Investment date:	April 2014
Equity held:	20.7%
Valuation basis:	Earnings multiple
Last submitted group accounts:	30 September 2021
Consolidated turnover	£33,618,000
Consolidated profit before tax:	£2,613,000
Consolidated net assets:	£7,159,000

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

[1]These numbers are not available per the latest public filings on Companies House.

Business Review

The Company's Objective

The objective of the Company is to invest in a diversified portfolio of smaller unquoted UK companies which meet the relevant criteria for VCTs in order to generate income and capital growth over the long-term. Investments are made selectively, primarily in the Technology sector, 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 invests predominantly in unquoted smaller companies and expects that this will continue to make up the significant majority of the portfolio. It will also retain holdings 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.

Unquoted investments are structured using various 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 VCT legislation. Although the Company invests primarily in the Technology sector, the portfolio is diversified by investing in a broad range of sub-sectors. The normal investment period into portfolio companies is typically expected to be between the range of three to seven years. Any uninvested funds are held in cash, Open Ended Investment Companies (OEICs) and similar investment vehicles.

Although the Directors cannot be sure of the overall impact of macroeconomic and geopolitical uncertainties on the investment portfolio and performance over the medium term, the Company spreads the risk of the portfolio by investing in portfolio companies operating in a diverse range of sub-sectors, using a variety of securities. Concentration risk is mitigated by ensuring that at the point of investment no more than 15% of the Company by value will be in any one investment, complying with the HMRC rules.

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. This is a two-fold assessment, to ensure we optimise the time for the sale and to give comfort on the liquidity of unquoted investments if ever cash is required. 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 currently 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 Chair's Statement and Investment Manager's Review which form part of the Strategic Report on pages 2 to 5. This Business Review also forms part of the Strategic Report on pages 12 to 19.

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 by Octopus in how they split this across their funds as at the date of the investment. 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 continue to achieve the following four targets:

- to support further permissible investment in existing portfolio companies if required;
- to take advantage of new investment opportunities as they arise;
- to support a target dividend flow; and
- to provide liquidity to investors through the ability to buy back the Company's shares as they become available.

The Investment Manager and Board have considered the effect of macroeconomic and geopolitical uncertainties on the investment portfolio in their assessment of viability, discussed later in the report.

VCT Regulation

Compliance with the required VCT rules and regulations is considered when all investment decisions are made. Internally, this is measured on a continuous basis and it is reviewed by external advisors every six months who perform a comprehensive validation exercise. The primary purpose of the investment policy is to ensure the Company continues to qualify and is approved as a VCT by HMRC. The main criteria to which the Company must adhere are detailed on page 62.

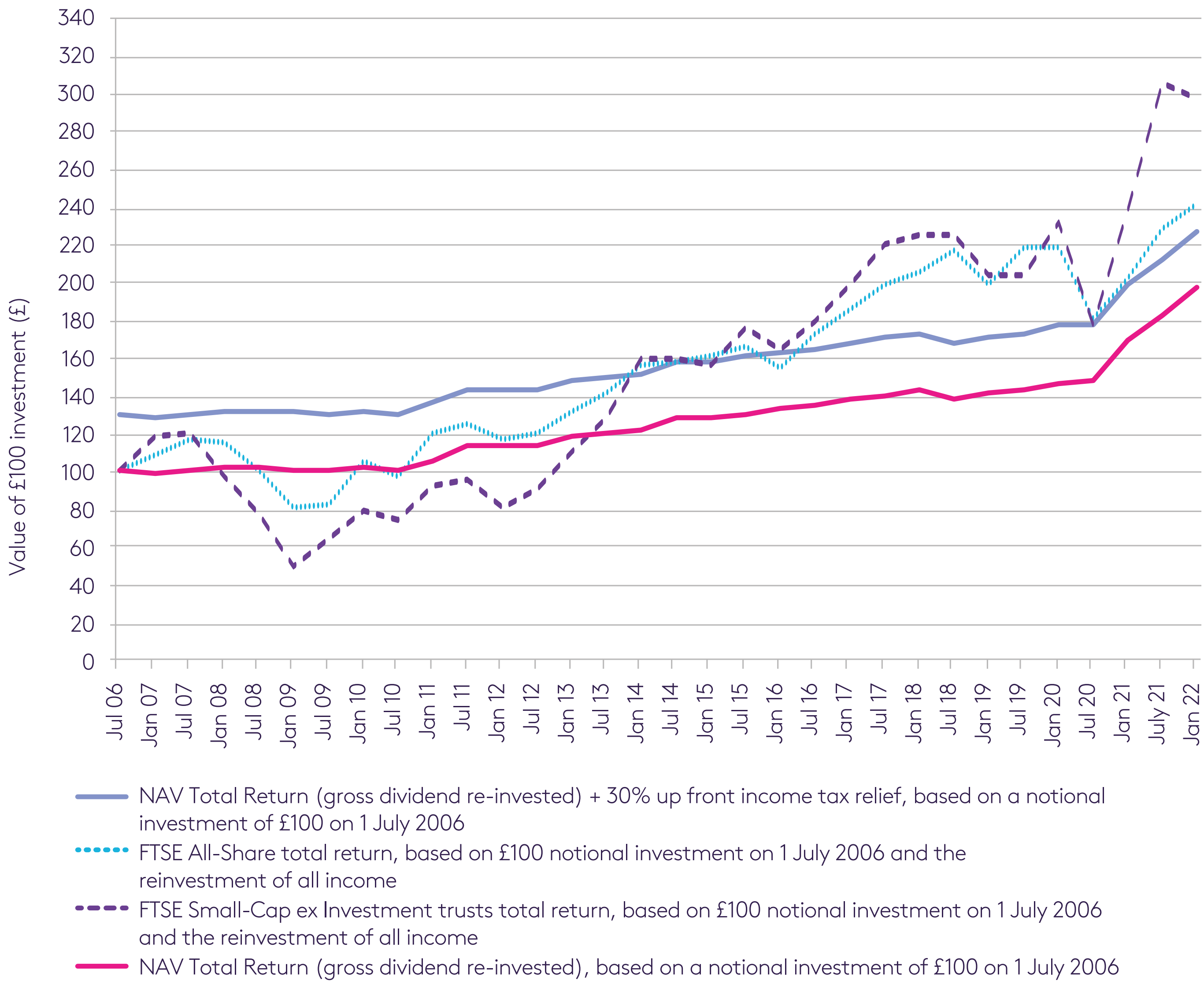
The manager will continue to monitor the Company's compliance with the VCT rules to ensure it meets the requirements at all times.

Performance

The Board is responsible for setting the Company's investment strategy and performance, although the management of the investment portfolio is delegated to Octopus through the Investment Management Agreement, as referred to in the Directors' Report on page 23.

The graph below compares NAV total return (gross dividends reinvested) of the Company over the period from July 2006 to January 2022 with the total return from a notional investment in relevant indices over the same period (all rebased to £100). The Company's historic returns are lower as it has historically been positioned much more defensively than Equity Funds, however these indices are considered to be the most appropriate broad equity market indices for comparative purposes. 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.

NAV total return since launch against relevant indices[1]



[1]Total return is an alternative performance measure calculated as movement in NAV per share in the period plus dividends paid in the period, divided by the NAV per share at the beginning of the period.

Results and Dividend

	Year to 31 January 2022 £'000	Year to 31 January 2021 £'000
Net return attributable to shareholders	**31,457**	19,767
Appropriations:		
Interim dividend paid – 1.3p per share (2021: 1.2p per share)	**6,689**	4,101
Special dividend paid- 3.1p per share (2021: 0p)	**15,952**	n/a
Second interim dividend proposed – 1.3p per share (2021: Final dividend 1.3p per share)	**6,771**	5,573

*The second interim dividend proposed of 1.3p per Ordinary share for the year ended 31 January 2022 will be paid on 31 May 2022 to all Ordinary shareholders on the register on 22 April 2022.

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 unquoted companies which meet the relevant criteria for VCTs.

The Board has identified five key performance measures to assess the Company's success in meeting these objectives. Some of these are classified as alternative performance measures ("APMs") in line with Financial Reporting Council ("FRC") guidance. The Glossary of terms on page 65 has further details:

1. NAV per share;
2. Total return per share;
3 Dividends per share paid in the year;
4. Total ongoing charges; and
5. Qualifying % under VCT rules.

1. NAV per share

The NAV per share of the Company is the sum of the underlying assets less the liabilities of the Company divided by the total number of shares in issue. The Company's target is for the NAV to stay flat or increase after deducting dividends.

Current year (pence per share)	Prior year (pence per share)	Reason for movement
50.2	49.2	The NAV per share has increased from last years' value of 49.2p to 50.2p. This uplift of 2.0% is mainly driven by the portfolio benefitting from its relative high exposure in the technology sector.

2. Total return per share*

Total return is calculated as movement in NAV per share in the period plus dividends paid in the period, divided by the NAV per share at the beginning of the period. Total return on the NAV enables shareholders to evaluate more clearly the performance of the Company, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector. The Company's target is for the Total Return per share to increase by 5% per annum, covering the target annual dividend.

Current year %	Prior year %	Reason for movement
13.6%	12.7%	As previously considered the NAV per share has increased from last year's value of 49.2p to 50.2p. This gives a total return of 13.6% or 6.7p per share, after adding back dividends paid in the year. This return is higher than previous years and reflects the improved performance under the revised investment strategy.

*These KPIs are defined as alternative performance measures ("APMs") and are defined in more detail on the Glossary of terms on page 65.

3. Dividends per share paid in the year

The Company has a target of paying an annual dividend of 5% yield based on the opening NAV.

Current year (pence per share)	Prior year (pence per share)	Reason for movement
5.7p	2.3p	The Company paid 5.7p of dividends in the current year compared to 2.3p in the prior year. The dividend of 5.7p represents an annual yield of 11.6% based on the NAV per share of 49.2p at the beginning of the year, which exceeds the Board's policy of the targeted 5% annual dividend yield. The target yield was exceeded due to the special dividend that was paid.

4. Total ongoing charges*

The ongoing charges ratio has been calculated using the AIC recommended methodology and excludes performance fee, exceptional costs and trail commission.

Current year %	Prior year %	Reason for movement
2.7	2.5	As a result of increased fundraising in the year, registrars fees and listing fees increased, resulting in the slight increase in the ongoing charges ratio, which is a ratio of ongoing costs to average net assets over the year.

The total ongoing charges percentage for the year to 31 January 2022 is 2.7%. This is within the annual limit of 3% of average net assets (2021 annual limit: 3.3%) as stated in the Prospectus and is in line with the Board expectations. There are a number of costs involved in operating a VCT, some of these expenses are outlined in note 4 on page 50.

5. Qualifying % under VCT rules

The Company must comply with VCT legislation laid down by HMRC. A key requirement is to maintain at least an 80% qualification investment level.

Current year %	Prior year %	Reason for movement
100.0	87.4	100% (as measured by HMRC rules) by value of the Company's investments has been represented throughout the period by shares or securities comprised in qualifying holdings of the Company. The qualification level has increased by 12.6% due to the deployment of funds into qualifying assets.

The Company has continued to meet the 80% Qualification investment level. There continues to be sufficient investment opportunities to enable the Manager to comply with these ratios.

The Chair's Statement on pages 2 and 3 includes a review of the Company's activities and future prospects; further details are also provided within the Investment Manager's Review on pages 4 and 5.

Viability Statement

In accordance with the FRC UK Corporate Governance Code published in 2018 and provision 36 of the AIC Code of Corporate Governance, the Directors have assessed the prospects of the Company over a period of five years, consistent with the expected investment holding period of a VCT investor. 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 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 emerging and principal risks facing the Company and its current position. This includes the impact of the pandemic, the emerging situation in Ukraine, and any other risks which may adversely impact its business model, future performance, solvency or liquidity, and focused on the major factors which affect the economic, regulatory and political environment. Particular consideration was given to the Company's reliance on, and close working relationship with, the Investment 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 carried out robust stress testing of cashflows which included; assessing the resilience of portfolio companies, including the requirement for any future financial support and the ability to pay dividends and buybacks. The Board has additionally considered the ability of the Company to comply with the ongoing conditions to ensure it maintains its VCT qualifying status under its current investment policy.

*These KPIs are defined as alternative performance measures ("APMs") and are defined in more detail on the Glossary of terms on page 65.

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 2027. The Board is mindful of the ongoing risks and will continue to ensure that appropriate safeguards are in place, in addition to monitoring the cashflow forecasts to ensure that the Company has sufficient liquidity.

Emerging and 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:

Risk	Mitigation	Movement in year
VCT qualifying status risk: the Company is required at all times to observe the conditions for the maintenance of approved VCT status. The loss of such approval could lead to the Company and investors losing access to the various tax benefits associated with VCT status and investment.	The Manager tracks the Company's VCT qualifying status throughout the year, and reviews this at key points including investment, realisation, and at each monthly reporting date. This status is reported to the Board at each board meeting. The Board has also retained Shoosmiths LLP to undertake an independent VCT status monitoring role.	= No change
Investment performance: the majority of the Company's investments are in small 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 Board and the Manager aim to limit the risk attached to the portfolio as a whole by careful selection and timely realisation of investments and by carrying out due diligence procedures. A member of the investment team is typically appointed to the board of a portfolio company, and regular portfolio monitoring reports are prepared and examined by the Manager. The overall risk in the portfolio is mitigated by maintaining a wide spread of holdings in terms of financing stage, age and sector. The Board reviews the investment portfolio with the Manager on a regular basis.	= No change
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.	Valuations of portfolio companies are performed by appropriately experienced staff, with detailed knowledge of both the portfolio company and the market it operates in. These valuations are then subject to review and approval by Octopus's independent Valuation Committee, comprised of staff with relevant knowledge of unquoted company valuations. They are then reviewed and approved by the Company's Board of directors. The IPEV guidelines were revised in March 2020 to cater for the Coronavirus pandemic and these have been applied to subsequent valuations. Although there was a reduction in valuation risk due to the end of restrictions relating to the Covid-19 pandemic, this was offset by an increase in valuation risk as a result of the situation in Ukraine, resulting in net no change.	= No change
Financial risk: the Company is exposed to market price risk, credit risk, fair value risk, liquidity risk and interest rate risk. Details of the management of these risks can be found in Note 16 of the financial statements.	The Company is financed through equity and does not have any borrowings or derivative instruments. The Company invests in financial assets that may not always be readily realisable. Accordingly, the Manager seeks to maintain a proportion of the Company's assets in cash or cash equivalents and liquid investments in order to balance irregular cash flows from realisations. At the balance sheet date the cash and cash equivalents (including cash held in liquid funds) was 30.3% of net assets (2021: 18.6%).	= No change

Economic and price risk: macroeconomic conditions such as government regulation, political instability or recession could cause volatility in the markets, damaging some of the underlying assumptions in the valuations and therefore the value of Company investments. The risk is amplified for smaller companies earlier in their life cycle.	To mitigate these risks the Manager constantly monitors the markets and the portfolio companies, providing performance updates to the Board at each meeting. The risk of material decline in the value of a single security is further mitigated by holding a diversified portfolio, across a broad range of sub sectors. The Manager is continually assessing the implications of the Coronavirus pandemic as well as other macroeconomic and geopolitical uncertainties including the war in Ukraine. This continuous assessment is intended to ensure that exposure to the risks for each portfolio company will be addressed, and appropriate actions, where possible, will be implemented.	= No change
Regulatory risk: in addition to specific VCT legislation mentioned above, 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.	Day-to-day operational oversight of the Company is carried out by Octopus. Octopus conduct rigorous on-boarding procedures for new employees and conduct regular staff reviews and training to ensure that teams charged with oversight of the Company are appropriately qualified to conduct their roles and ensure compliance with relevant legislation. The Board is updated regularly on all regulatory and compliance matters and takes specific legal advice where appropriate.	= No change
Cash flow risk: there is a risk that the Company's available cash will not be sufficient to meet its financial obligations.	This is mitigated by frequent forecasting and close monitoring of available cash resources by the Company. The Board receives reports from the Investment Manager on future cash flows and together they carefully consider if any cash flow related risk has been identified.	= No change
Market risk: investment in unquoted companies involves a higher degree of risk than investing in quoted companies, 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 expected 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.	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 Corporate Governance statement on pages 27 to 30, having regard to the possible effects of adverse price movements, with the objective of maximising overall returns to shareholders. Investments in unquoted companies, by their nature, usually involve a higher degree of risk than investments in 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.	= No change

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 Company's liquidity is managed on a continuing basis by the Manager in accordance with policies and procedures laid down by the Board. The Board performs regular reviews of performance and monitors 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 29.	= No change

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

Climate-related matters

While not a requirement, the Directors acknowledge the recommendations under Task Force on Climate-related Financial Disclosures (TCFD) and have given some initial disclosure under the main headings below, which we will continue to evolve over future periods:

Governance:
On an annual basis the Octopus Investments Responsible Investment Committee (comprised of an Octopus Founder, the Chief Investment Officer, the Heads of the Investment Teams and the Impact Centre of Expertise) reviews climate-related risks and opportunities that have been identified as being financially material to the management of the Company.

Strategy:
The Company primarily makes its new investments into software businesses with limited direct climate-related risk; typically, the key climate consideration for these businesses is the reliance on data centres, which in aggregate are a growing part of global energy usage. Exposure to climate-related risks is assessed on a deal-by-deal basis and analysis considers the physical impact of climate for businesses where this has been identified as a material risk. For these businesses the Manager reviews physical climate-related risks, as well as transition risks relating to emissions, air quality, water, energy management, waste and ecological impact and tracks how the investment team manages its exposure to these risks. Any red flags are reported back to the Responsible Investment Committee.

Risk Management:
Where potential material climate-related risks have been identified in a potential new investment, the investment team assesses how well the risk is managed by the company. This is raised with the management team and the board, where appropriate, as part of the investment process and is continually monitored through investment committee meetings. As part of climate-related reporting to the Environmental, Social and Governance ("ESG") Committee, the investment team must highlight the risks and opportunities that have been identified.

Metrics:
Where relevant for the industry and sector, the investment team reviews metrics reported by the portfolio company to understand material exposures, how they are being managed and portfolio company performance. This includes areas such as energy management, energy use, carbon footprint disclosures and commitments to appropriate carbon reduction pathways for the sector and industry.

The team will report any red flags to the ESG Committee, as well as progress made towards any climate-related initiatives.

ESG Statement

Funding from the Company helps growth businesses scale to success, and as part of this, we believe in a responsible and considered approach to ESG matters. The Company's patient approach to investing allows its portfolio companies to build long-term, sustainable businesses.

The Company supports the UN Sustainable Development Goals ("SDGs"). Specifically, we aim to support:

- **Goal 5: Gender Equality –** Promote female representation in the boardroom
- **Goal 8: Decent Work and Economic Growth –** Commit to full and productive employment
- **Goal 9: Industry, Innovation and Infrastructure –** Encourage cultures that foster innovation

The investment team has a robust ESG framework which ensures ESG factors (both risks and opportunities) are embedded in our investment process, with all new investments including an ESG section in Investment Committee papers. The investment team also uses its portfolio company board positions to proactively engage with the boards on ESG matters. The investment team monitor and report against identified ESG key performance indicators in line with the 3 SDGs it aims to support.

Octopus Investments is a signatory of the internationally recognised Principles for Responsible Investment, demonstrating their commitment to responsible investment, which we as a Board support. A number of our portfolio companies have positively contributed to society including:

- Tendable provides a quality inspection app used across the NHS, care homes and social sites. The platform uses software to improve inspections and audits of clinical areas, leading to clinically safer environments. During the pandemic Tendable developed a Covid-19 audit solution to support healthcare organisations.
- The Safeguarding Company provides safeguarding software to over 4,000 schools who use it to protect vulnerable students. Over the pandemic it gave the software out for free to support remote working and home-schooling.
- Sova Assessment is a candidate assessment and talent management software platform that helps eliminate hiring biases which support organisations with meeting diversity and inclusion objectives.

Gender and Diversity

The Board of Directors currently comprises three male and one female Non-Executive Directors, with considerable experience of the VCT industry and portfolio 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 24.

This report was approved by the Board on 18 May 2022 and signed on its behalf by:

Murray Steele

Murray Steele
Chair
18 May 2022

Section 172 (1) Statement

Introduction

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 duties under Section 172 of the Companies Act 2006 to act in good faith and to promote the success of the Company for the benefit of the shareholders as a whole as set out in the Business Review on page 12. As a Venture Capital Trust company Octopus Apollo VCT plc has no employees; however, the Directors also assessed the impact of the Company's activities on other stakeholders in particular Shareholders and our third party advisers, as well as the portfolio companies.

Shareholder relations

Shareholder relations are given high priority by the Board. The prime medium by which the Company communicates with shareholders is through the interim and annual report and accounts, which aim to provide shareholders with a full understanding of the Company's activities and its results. This information is published via the Stock Exchange and on our website at **www.octopusinvestments.com**.

Shareholders have the opportunity to communicate directly with the Board after the Annual General Meeting at the shareholder event. Shareholders can also communicate with the Chair or any other member of the Board by writing to the Company, for the attention of the company secretary at the address set out on page 66.

The Company monitors the 20% threshold for votes cast against board recommendations for a resolution but has not yet been required to take any actions in this regard.

Relations with other key stakeholders

The requirement for the Company to consider the interests of its other key stakeholders is limited as it does not have any employees. The Board considers Octopus Investments Limited to be its key business partner with responsibility for the provision of investment management, administration, custody and company secretarial services.

The directors of a company are required to act in the way they consider will most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires directors to include these factors:

- likely consequences of any decisions in the long-term;
- need to act fairly as between members of the company;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- interests of the company's employees.

In discharging our section 172 duties we have regard to these factors set out above (although we do not have any employees). We also have regard to other factors where relevant. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose and objectives together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

It is normal practice for Venture Capital Trusts to delegate authority for day-to-day management of the Company to an Investment Manager and then to engage with the Manager in setting, approving and overseeing the execution of the business strategy and related policies. At every Board meeting a review of financial and operational performance, as well as legal and regulatory compliance, is undertaken. The Board also review other areas over the course of the financial year including the Company's business strategy; key risks; stakeholder-related matters; diversity and inclusivity; environmental matters; corporate responsibility and governance, compliance and legal matters.

The Board works with Octopus Investments in the selection of third-party providers such as the Registrars, Corporate Broker, Depositary and VCT Status Adviser. Their selection is on the basis of quality of service, accuracy, and price. Any errors or delays reflect badly on Apollo, but more importantly can cause inconvenience, and potential loss, for shareholders. The performance of third party providers is generally reviewed annually.

During the period we received information to help the Board to understand the interests and views of the Company's key stakeholders; investors, investee companies and service providers to the Company, including the Investment Manager.

Investee companies

The Company's performance and the performance of its underlying investee companies are directly and intrinsically linked. The Investment Manager monitors the investee companies through a programme of regular company meetings as part of its investment process.

The Board has also given the Investment Manager discretionary authority to vote on investee company resolutions on its behalf as part of its approach to corporate governance.

Business ethics and governance

The Board is responsible for ensuring that the activities of the Company and its various businesses are conducted in compliance with the law and applicable governance and regulatory regimes, and in adherence with prevailing best practice for the relevant industry. This includes reviewing internal controls, ensuring that there is an appropriate balance of skills and experience represented on the Board, and ensuring that the financial statements give a true and fair view of the state of affairs of the Company. Further detail can be found in the statement of directors' responsibilities on page 36. In the year to 31 January 2022 no areas of concern have been flagged in this regard.

The impact of key decisions on stakeholders in financial year 2022

The Company raised £102 million in the year. In deciding to fundraise the Board considered:

- the impact of dilution on shareholder's holdings;
- the ability to adhere to the Company's dividend policy;
- the effect on the Net Asset Value and the ability of the Company to be able to meet HMRC's VCT investment rules and timelines;
- the costs involved in issuing a prospectus; and
- the advantages to shareholders of meeting requests to buy back shares balancing that with the requirement for the Company to have adequate liquidity.

Cash can only be paid out of the Company, as a VCT, if there are sufficient reserves under the Companies Act and VCT regulations (for example to pay dividends, or facilitate buy backs). These reserves are monitored by Octopus with oversight from the Board and external advisers. In November 2021, the Board conducted a careful review of the Company's distributable reserves, following which the Board decided to create additional distributable reserves so as to provide it with greater flexibility for the purposes of: buy backs of shares, thereby improving the liquidity of its shares; dividend distributions; and other corporate purposes capable of being undertaken by the Company from time to time. This was done by way of cancellation of the Company's share premium account, cancellation of the capital redemption reserve and a reduction in the nominal value of the Company's shares from 10p each to 0.1p each. The General Meeting to approve these cancellations was held on 13 January 2022 with the cancellation being approved by Court Order in February 2022.

During the year the Board decided to change from PwC to Shoosmiths LLP for advice concerning ongoing compliance with HMRC's rules and regulations concerning VCTs.

The Board also resolved to reduce the fee cap from 3.3% to 3.0% although this year the Company is comfortably under this. Please see KPI 4 on page 15.

The Board considers that the Company's investment operations create employment, aid economic growth, generate tax revenues and produce wealth, thus benefiting the community and the economy more generally. The investment proposals considered by the Board include any relevant information on any social, employee, ethical or environmental matters relevant to that investment.

Details of Directors

Murray Steele (Chair)
Murray was appointed as Director and Chair 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 Chair of Surface Generation Limited, a hi-tech engineering company; spotlite inc. a youth oriented social media platform and Non-Executive Director of AUGA Group, Lithuania, Europe's largest integrated organic food producer which is listed on the Vilnius Stock Exchange. 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 (Chair of the Audit Committee)
Chris was appointed as a Director 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. Chris was the principal founder of Pi Capital, a private client fund management company that specialised 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 PwC, and has a BA Hons degree from Oxford University. Chris was formerly a director of Octopus Apollo 4 VCT plc.*

Alex Hambro
Alex was formerly Chair 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 27 years in the venture capital and private equity sector. 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, 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 Chair of Judges Scientific Plc, OTAQ Plc and Falanx Group and a Non-Executive Director of a number of private companies.

Claire Finn
Claire was appointed as a Director on 21 September 2021. Claire has spent the majority of her professional career working for BlackRock, where she held a variety of leadership positions. Claire now has a portfolio of Non-Executive Director and advisory roles. Her other current roles include being Non-Executive Director of Artemis Fund Managers Limited, The Law Debenture Corporation plc, Sparrows Capital Limited and Baillie Gifford Shin Nippon plc.

*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 2022. The Corporate Governance Report on pages 27 to 30, and the Audit Committee Report on pages 31 and 32 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, performance, business model and strategy.

Directors

In accordance with the Articles of Association and the Association of Investment Companies Code of Corporate Governance, Mr Steele will retire as Director at the AGM, and being eligible, offer himself for re-election. Ms Finn will stand for election by shareholders, having been appointed to the Board since the 2021 AGM.

The Board has considered provisions of The UK Corporate Governance Code and, following a formal performance evaluation as part of the Board evaluation, believes that Mr Steele and Ms Finn continue to be effective and demonstrate commitment to their role, the Board and the Company. The Board therefore has no hesitation in recommending them for re-election and election respectively, at the forthcoming AGM. Further details can be found in the Corporate Governance report on pages 27 to 30.

Directors' and Officers' Liability Insurance

The Company has, as permitted by 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 Regulations

Compliance with required rules and regulations is considered when all investments 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 62.

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.

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 21. Further details on the management of financial risk may be found in Note 16 to the Financial Statements.

The Board receives regular reports from the Manager 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.

As mentioned in the Business Review, the Board has considered the Company's cash flow projections and found these to be realistic and reasonable.

The assets of the Company include securities (OEICs investments) and cash which are readily realisable (30.3% 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 Investments 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 Directors who are all independent, have taken into account the performance of the investment portfolio and the ability of the Manager to produce satisfactory investment performance in the future. They also considered the twelve month 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 certain performance criteria are met. Further details of this scheme are disclosed within Note 19 to the Financial Statements.

The Board has delegated the routine management decisions such as the payment of standard running costs to the Manager. The Manager has delegated authority for investment decisions.

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

The Manager has an Anti-Bribery Policy with 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 the Manager, are aware of their legal obligations when conducting company business.

Environmental Policy and Greenhouse Gas Emissions

The Company 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. As Apollo has no employees or operations, it is not responsible for any direct emissions. The Company is a low carbon user, using less than 40,000 kWh of energy in the reporting year, and is therefore exempt from scope of the detailed requirements under the Streamlined Energy and Carbon Reporting (SECR) regulations.

Share Issues and Open Offers

During the year under review 13,197,197 shares were issued to those shareholders who elected to receive shares under the DRIS as an alternative to dividends. This raised £6.4 million to the Company. See Note 14 of the Financial Statements for details.

On 30 September 2021, a prospectus offer was launched to raise up to £40 million, with a £35 million over allotment facility. On 26 October 2021, the Company announced that the Offer was closed to further applications and that the Company reserved the right to re-open the Offer. On 12 November 2021, the Board resolved that £1.6m of the over-allotment facility may be used. The Company has continued to identify and make new investments and on 25 April 2022 and the Board resolved that the remaining £33,400,000 of the over-allotment facility may be used in relation to the Offer.

Share Buybacks and Redemptions

During the period the Company purchased for cancellation 21,257,604 Ordinary shares, with a nominal value of £2,125,760, at a weighted average price of 48.2p per share for total consideration of £10,254,000 (2021: shares at a weighted average price of 42.6p 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 30 June 2021 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.

Post Balance Sheet Events

A full list of post balance sheet events since 31 January 2022 can be found in Note 17 to the financial statements on page 61.

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

The Company's Ordinary share capital as at 31 January 2022 was 523,651,962 Ordinary shares of 10p (2021: 342,057,670). No shares were held in Treasury. On 8 February 2022, the nominal value of Ordinary shares was reduced to 0.1p each. 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 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 Resolutions 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. Such authority would expire 15 months after the date of the passing of the Resolution or, if earlier, the conclusion of the next AGM of the Company, giving the Directors authority to allot up to 30% of the Company's issued share capital at the date of the Notice of AGM. This authority is in addition to existing authorities. The Board intends to utilise this authority in respect of the Company's fundraising activities. Any shares allotted under this authority would be issued at prices at or above NAV.

Resolution 7 authorises the Directors to allot Ordinary shares in connection with the Dividend Re-investment Scheme (DRIS), up to 7% of the Company's issued share capital at the date of the Notice of AGM. Such authority would expire 15 months after the date of the passing of the Resolution or, if earlier, the conclusion of the next AGM of the Company.

Resolutions 8 and 9 renew and extend the Directors' authority to allot equity securities for cash without pre-emption rights applying in certain circumstances. These resolutions 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 AGM 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 Ordinary shares (representing approximately 10% of the Company's issued share capital as at the date of this report). These powers will be exercised only if, in the opinion of the Directors, it would be in the best interests of shareholders, as a whole. Any shares allotted under this authority would be issued at prices at or above NAV.

Directors' Authority to Make Market Purchases of its Own Shares

The authority proposed under Resolution 10 is required so that the Directors may make purchases of up to 77,739,642 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 0.1p (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 10 will expire 15 months after the passing of the Resolution or, if earlier, the conclusion of the next AGM of the Company 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.

Continuation of the Company

The Company's Articles require an ordinary resolution be put to shareholders at the 15th AGM of the Company, and every 5 years thereafter, that the Company continues. The Company was incorporated in July 2006 and held its first AGM in 2007 and, therefore, the continuation vote should have been put to the Company's 2021 AGM. Due to an oversight this did not happen. The Board are, therefore, putting a resolution that the Company continues in being to the meeting taking place on 7 July 2022 and, if passed, the first of the further resolutions will proposed at the Company's AGM to be held in 2026, which will bring the vote back in accordance with the timings set out in the 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).

Independent Auditor and Disclosure of Information to Auditor

BDO LLP is the appointed auditor of the Company and offer themselves for re-appointment as auditor. A Resolution to re-appoint BDO LLP as auditor and to authorise the Directors to determine their remuneration will be proposed at the forthcoming AGM.

As far as the Directors are aware, there is no relevant audit information of which the auditor is unaware and the Directors have taken all the steps they ought to have taken as a Director in order to make them aware of any relevant audit information and to establish that the Company's auditor is aware of that 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.

On behalf of the Board

Murray Steele

Murray Steele
Chair
18 May 2022

Corporate Governance Report

The Board of Apollo VCT plc has considered the principles and provisions of the Association of Investment Companies Code of Corporate Governance ("AIC Code") published in 2019.

The AIC Code, addresses the principles and provisions set out in The UK Corporate Governance Code ("the UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council provides more relevant 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 Code with the exceptions set out in the Compliance Statement on page 30. The UK Code includes provisions relating to the chief executive, executive Directors' remuneration and the need for an internal audit function. For reasons set out in the AIC Code, the Board considers these provisions are not relevant to the Company as it is an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive Directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The AIC Code is available on the AIC website (**www.theaic.co.uk**). It includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

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 Investments.

The director rotation for re-election is as follows:

	Date of Original Appointment	Due date for Election/ Re-election
Murray Steele (Chair)	28/09/2012	AGM 2022
Christopher Powles	28/09/2012	AGM 2023
Alex Hambro	19/12/2016	AGM 2023
Claire Finn	21/09/2021	AGM 2022

Following the appointment of Claire Finn, the Board undertook a review of Apollo's governance. This involved an analysis of the governance practices and standards of other UK VCTs and consultation with our legal advisers. As a result, the Board has decided that each year two Directors will offer themselves for re-election. The Board believes that this is in the best interests of shareholders as it complies with the Company's Articles of Association, the Companies Act for a listed company and the UK Listing Rules to have a minimum of two Directors.

The Board meets a minimum of 5 times per annum, 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 Chair leads the Board in the determination of its strategy and in the achievement of its objectives. The Chair 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 Chair 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 independent 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.

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 (Chair)	6	6	2	2
Chris Powles	6	6	2	2
James Otter (resigned 31/07/2021)	6	2	2	1
Alex Hambro	6	6	2	2
Claire Finn (appointed 21/09/2021)	6	3	2	n/a

Additional meetings not included above 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 22.

Performance Evaluation

Each year a formal performance evaluation is undertaken of the Board as a whole, its Committees and the Directors in the form of a questionnaire, The Directors were made aware of the annual performance evaluation on their appointment. The Chair provides a summary of the findings to the Board, which are discussed at the next meeting and an action plan agreed. There were no issues requiring action in the period. The performance of the Chair was evaluated by the other Directors.

The Board also conducts an evaluation of Octopus, as the Manager, and feedback of the results of the evaluation is provided to Octopus.

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 re-appointed a Director at any general meeting unless he or she is recommended by the Directors or, not less than 7 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 or her 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 AGM of the Company following his or her appointment. At each AGM 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 meetings 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.

The Board does not have a policy limiting the tenure of any Director, including the Chair, as the Board does not consider that a Director's length of service reduces their ability to act independently of the Investment Manager.

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 AGM held on 30 June 2021 to make market purchases of up to 63,569,418 Ordinary shares, as per the terms set out in the relevant resolution. Renewed authority is being sought at the 2022 AGM 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 Nomination Committee as such matters are dealt with by the full Board, nor does it 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 33.

The Board has appointed one committee to make recommendations to the Board in specific areas, the Audit Committee.

Audit Committee:
Christopher Powles (Chair)
Murray Steele
Claire Finn
Alex Hambro

The Audit Committee, chaired by Christopher Powles, consists of all four Directors. The independence of the Audit Committee is not impaired and due to the size of Apollo this is appropriate. The Audit Committee believes Mr Powles possesses appropriate and relevant financial experience as per the requirements of the UK Corporate Governance Code and the AIC Code of Corporate Governance. The Board considers that the members of the Committee are independent and have collectively the skills and experience required to discharge their duties effectively.

The Audit Committee Report is given on pages 31 and 32.

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 Manager 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. The Manager 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 relevant to financial reporting 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 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 16 to 18 and in Note 16 to the Financial Statements.

Relations with Shareholders

A shareholder event is planned for 29 June 2022 which provides shareholders with an opportunity to receive an update from the Manager and raise any questions within the Manager and the Board. The AGM will be held at the Company's registered office, 33 Holborn, London EC1N 2HT.

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 Board recognises the importance of good governance. With the exception of the limited items detailed below, the Board believes, for the year ended 31 January 2022, the Company has complied with the principles and provisions of the AIC Code:

1. The Company does not have a Senior Independent Director. The Board does not consider this necessary for the size of the Company.
2. The Company does not have a separate Nomination Committee due to the relatively small size and structure of the Company. Appointments are dealt with by the full Board as and when appropriate
3. The Company does not have a Remuneration Committee as it does not have any executive directors.
4. 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 AGM. There is a opportunity to ask questions at the shareholder event and shareholders are welcome to contact the Board or Octopus at any time.
5. The Directors do not all stand for annual re-election. This is to ensure experience is retained on the Board and that the Company has two Directors at all times. As highlighted earlier, the Board considers all the Directors to be independent.

On behalf of the Board

Murray Steele

Murray Steele
Chair
18 May 2022

Audit Committee Report

This report is submitted in accordance with the UK Corporate Governance Code and the AIC Code of Corporate Governance in respect of the year ended 31 January 2022 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 Directors forming the Audit Committee can be found on page 29.

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;
- reviewing the viability and going concern assessment;
- 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 BDO LLP, the Company's external auditor. Non-audit services were not provided by the external auditor during the period and therefore the Audit Committee does not believe there are any influences on their independence or objectivity. When considering whether to recommend the appointment or re-appointment 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 Company does not have an independent internal audit function as it is not deemed necessary 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 reports to the Board on the outcome of the internal audits that have taken place, in so far 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 2022, 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 23.

The Committee has considered the Annual Report and Accounts for the year ended 31 January 2022 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 significant issues that arise in relation to 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 the Manager. The impact of this risk could be a large movement in the Company's net asset value. The valuations are supported by portfolio companies 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. The Manager 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 the Manager 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 2022.

Christopher Powles
Audit Committee Chair
18 May 2022

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 2022. 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, BDO LLP, is required to give its opinion on certain information included in this report; this comprises the Directors' emoluments section and share information below. Their report on these and other matters is set out on pages 37 to 42.

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 half of all Directors are subject to retirement by rotation at subsequent AGMs. Re-election will be recommended by the Board but is dependent upon the shareholder vote.

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

The maximum level of Directors' remuneration is fixed by the Company's Articles of Association, 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 Chair of the Board and the Chair 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.

An Ordinary Resolution to approve the Directors' Remuneration Policy of the Company was put to shareholders at the 2020 AGM and will remain in force for a three year period. The Board, in conjunction with the Investment Manager, will review the Remuneration of the Directors if thought appropriate and monitors competitors in the VCT industry on an annual basis.

Annual Remuneration Report
This section of the report is subject to approval by a simple majority of shareholders at the AGM in June 2022, as in previous years.

Statement of Voting at the Annual General Meeting
The most significant portion of the votes cast against a resolution at the 2021 AGM were for the resolutions relating to the dis-application of pre-emption rights (6.41%) and the approval of the Directors Remuneration Report (5.64%). No communication was received from shareholders giving reasons for the votes against the resolutions.

Shareholders' views are always welcomed and considered by the Board.

Relations with Shareholders
The Company will be holding a shareholder event on 29 June 2022 to enable shareholders to receive an update from the Manager. This will also provide an opportunity for shareholders to ask questions of the Board relating to the AGM resolutions and the Annual Report and Accounts.

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 13 shows the performance of the Company.

Directors' Fees (audited)

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

	Year ended 31 January 2022 £	Year ended 31 January 2021 £	2022 % change	2021 % change
Murray Steele (Chair)	**30,000**	30,000	0%	0%
Christopher Powles	**25,000**	25,000	0%	0%
James Otter (resigned on 31 July 2021)	**11,250**	22,500	(50)%	0%
Alex Hambro	**22,500**	22,500	0%	0%
Claire Finn (appointed on 21 September 2021)	**9,375**	n/a	n/a	n/a
Total	**98,125**	100,000	(1.9)%	0%

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

The Chair of the Company and Audit Chair receive additional remuneration over the basic Director's fee in recognition of the additional responsibilities and time commitment of their roles. There has been no increase in Directors fees in the reporting period. However, following a review of VCT Director fees in conjunction with the Manager, whereby the Manager made recommendations on the appropriate levels of remuneration, it has been determined that with effect from 1 February 2022 fees will be paid at the following rates: Chair £40,000, Audit Committee Chair £35,000 and Non-Executive Directors £30,000. Prior to this increase, fees had not increased for 5 years.

Relative Importance of Spend on Pay

The actual expenditure in the current year is as follows:

	Year to 31 January 2022 £'000	Year to 31 January 2021 £'000	% change
Total buybacks	**10,254**	5,414	89.4%
Total dividends paid	**28,366**	7,471	279.7%
Total management and performance fees	**13,509**	7,538	79.2%*
Total directors fees	**98**	100	(1.9)%

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

*The increase is mainly due to increased performance fee, for more details see page 49.

Directors' Interests in Shares (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 2022	As at 31 January 2021
Murray Steele (Chair)	**307,776**	98,256
Christopher Powles	**34,982**	25,029
James Otter	**n/a**	17,630
Alex Hambro	**98,385**	58,792
Claire Finn	**0**	n/a

There have been no changes in the Directors' share interests between 31 January 2022 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 at the AGM held on 30 June 2021 were as follows:

	For		**Discretion**		**Against**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Approval of Directors' Remuneration Report	8,313,469	84.65	953,750	9.71	553,454	5.64

The votes received for the approval of the Directors' Remuneration Policy at the AGM held in 2020 were as follows:

	For		**Discretion**		**Against**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Approval of Directors' Remuneration Policy	8,585,836	86.20	1,064,828	10.69	309,831	3.11

By Order of the Board

Murray Steele

Murray Steele
Chair
18 May 2022

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations. They are also responsible for ensuring that the Annual Report and Accounts include information required by the Listing Rules of the Financial Conduct Authority.

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

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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.

The Directors confirm that, to the best of their knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Annual Report and Accounts (including the strategic report), give 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
Chair
18 May 2022

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Octopus Apollo VCT plc (the 'Company') for the year ended 31 January 2022 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cashflow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation 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 (United Kingdom Generally Accepted Accounting Practice).

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 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.

Independence

Following the recommendation of the audit committee, we were appointed by Board of Directors on 12 July 2018 to audit the financial statements for the year ending 31 January 2019 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 4 years covering the years ended 31 January 2019 to 31 January 2022. We remain 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. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports prepared by management's expert during the year and as at year end and reviewing the calculations therein to check that the Company was meeting its requirements to retain VCT status;
- Consideration of the Company's expected future compliance with VCT legislation, the absence of bank debt, contingencies and commitments and any market or reputational risks;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts, and assessing them for reasonableness, by taking into account the available cash resources relative to the forecast expenditure which was assessed against the prior year for reasonableness, as well as the quantum of liquid investments, such as the Open Ended Investment Companies (OEICs) and the quoted investments, at year end;
- Considering the impact of market volatility and uncertainty, including as a result of the impact of Russian aggression in Ukraine;
- Calculating financial ratios to ascertain the financial health of the Company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing 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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2022	2021
Key audit matters	Valuation of Unquoted Investments	✔	✔
Materiality	£4,250,000 (2021: £3,200,000) based on 2% of adjusted net assets (2021: 2% of fixed asset investments and current investments).		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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) that 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. This matter was 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 this matter.

Key Audit Matter	How the scope of our audit addressed the key audit matter
Valuation of Unquoted investments (Notes 10 and 12 to the financial statements) There is a high level of estimation uncertainty involved in determining the unquoted investment valuations; consisting of both equity and loan stock instruments. 34% of the unquoted portfolio is based on valuations using cost (where the investment was recently acquired) or the price of a recent investment. The remaining 66% of the investment portfolio is valued with reference to more subjective techniques, such as multiple methodologies using revenue or earnings, as described in note 10. We consider the valuation of investments to be the most significant audit area as there is a high level of estimation uncertainty involved in determining the unquoted investment valuations. There is an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Manager, who is remunerated based on the value of the net assets of the fund, as shown in note 3. For these reasons we considered the valuation of unquoted to be a key audit matter.	For a sample of investments: Challenged whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and the applicable accounting standards. We have checked that the valuation methodology remains applicable given the impact of Covid-19, and recalculated the value attributable to the Company, having regard to the application of enterprise value across the capital structures of the investee companies. For investments sampled that were valued using less subjective valuation techniques (cost and price of recent investment reviewed for changes in fair value) we: • Verified the cost or price of recent investment to supporting documentation; • Considered whether the investment was an arm's length transaction through reviewing the parties involved in the transaction and checking whether or not they were already investors of the investee Company; • Considered whether there were any indications that the cost or price of recent investment was no longer representative of fair value considering, inter alia, the current performance of the investee company and the milestones and assumptions set out in the investment proposal; and • Considered whether the price of recent investment is supported by alternative valuation techniques. For investments sampled that were valued using more subjective techniques (such as earnings multiples and revenue multiples) we: • Challenged and corroborated the inputs to the valuation with reference to management information of investee companies, market data and our own understanding and assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements; • Reviewed the historical financial statements and any recent management information available to support assumptions about maintainable revenues, earnings or cash flows used in the valuations;

	• Considered the revenue or earnings multiples applied and the discounts applied by reference to observable listed company market data; and • Challenged the consistency and appropriateness of adjustments made to such market data in establishing the revenue, cash flow or earnings multiple applied in arriving at the valuations adopted by considering the individual performance of investee companies against plan and relative to the peer group, the market and sector in which the investee company operates and other factors as appropriate. Where appropriate, we performed a sensitivity analysis by developing our own point estimate where we considered that alternative input assumptions could reasonably have been applied and we considered the overall impact of such sensitivities on the portfolio of investments in determining whether the valuations as a whole are reasonable and free from bias. **Key observations:** Based on the procedures performed we consider the investment valuations to be appropriate considering the level of estimation uncertainty.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company Financial statements	
	2022	**2021**
Materiality	£4,250,000	£3,200,000
Basis for determining materiality	2% of adjusted net assets	2% of fixed asset investments and current investments
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of adjusted net assets (2021: 2% of fixed asset investments and current investments). The benchmark used is lower than the net asset value to take into account cash that has been recently raised from fund raising during the year. This was changed from the prior year benchmark of fixed asset and current asset investment value to align to a standardised benchmark across the investment company sector.	
Performance materiality	£3,180,000	£2,400,000
Basis for determining performance materiality	75% of materiality The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Lower Testing Threshold
We determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined a lower testing threshold for those items impacting revenue return of £1,570,000 (2021: £900,000) based on 10% (2021: 10%) of gross expenditure.

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £171,000 (2021: £30,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements 2022 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 23 ; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 15 .
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 23 ; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 16 to 18 ; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 29 ; and • The section describing the work of the audit committee set out on page 31.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • 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. 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.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	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, 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, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") and updated in February 2018 with consequential amendments and the applicable financial reporting framework. We also considered the Company's qualification as a VCT under UK tax legislation.

Our procedures included:

- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- agreeing the financial statement disclosures to underlying supporting documentation;
- enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- obtaining the VCT compliance reports prepared by management's expert during the year and as at year end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status; and
- Reviewing minutes of board meetings and legal correspondence and invoices throughout the period for instances of non-compliance with laws and regulations and fraud.

We assessed the susceptibility of the financial statement to material misstatement including fraud and considered the fraud risk areas to be the valuation of unquoted investments and management override of controls.

Our procedures included:

- The procedures set out in the Key Audit Matters section above;
- Obtaining independent evidence to support the ownership of a sample of investments;
- Recalculating investment management fees in total;
- Obtaining independent confirmation of bank balances; and
- Testing journals which met a defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Vanessa-Jayne Bradley (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom
Date: 18 May 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

		Year ended 31 January 2022			Year ended 31 January 2021		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gain on disposal of fixed asset investments	10	–	4,439	4,439	–	946	946
Realised loss on disposal of current asset investments	11	–	–	–	–	(3)	(3)
Change in fair value of fixed asset investments	10	–	40,581	40,581	–	25,857	25,857
Change in fair value of current asset investments	11	–	(228)	(228)	–	10	10
Investment income	2	2,260	85	2,345	2,063	–	2,063
Investment management fees	3	(1,178)	(12,331)	(13,509)	(653)	(6,885)	(7,538)
Other expenses	4	(2,171)	–	(2,171)	(1,568)	–	(1,568)
(Loss)/profit before tax		(1,089)	32,546	31,457	(158)	19,925	19,767
Tax	6	–	–	–	–	–	–
(Loss)/profit after tax		(1,089)	32,546	31,457	(158)	19,925	19,767
(Loss)/earnings per share – basic and diluted	8	(0.2)p	7.4p	7.2p	(0.1)p	6.5p	6.4p

- 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 2022 £'000	As at 31 January 2022 £'000	As at 31 January 2021 £'000	As at 31 January 2021 £'000
Fixed asset investments	10		**190,671**		143,832
Current assets:					
Investments	11	**21,429**		16,657	
Debtors	12	**3,889**		2,335	
Cash at bank		**58,332**		14,680	
		83,650		33,672	
Creditors: amounts falling due within one year	13	**(11,362)**		(9,267)	
Net current assets			**72,288**		24,405
Net assets			**262,959**		168,237
Share capital	14		**52,365**		34,206
Share premium			**81,600**		45,141
Special distributable reserve			**58,918**		52,397
Capital redemption reserve			**8,441**		6,315
Capital reserve realised			**(5,197)**		(9,046)
Capital reserve unrealised			**68,079**		39,382
Revenue reserve			**(1,247)**		(158)
Total shareholders' funds			**262,959**		168,237
Net asset value per share – basic and diluted	9		**50.2p**		49.2p

The statements were approved by the Directors and authorised for issue on 18 May 2022 and are signed on their behalf by:

Murray Steele

Murray Steele
Chair

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	Total £'000
As at 1 February 2021	**34,206**	**45,141**	**52,397**	**6,315**	**(9,046)**	**39,382**	**(158)**	**168,237**
Total comprehensive income for the year	–	–	–	–	(7,807)	40,353	(1,089)	31,457
Contributions by and distributions to owners:								
Repurchase and cancellation of own shares	(2,126)	–	(10,254)	2,126	–	–	–	(10,254)
Issue of shares	20,285	85,825	–	–	–	–	–	106,110
Share issue cost	–	(4,225)	–	–	–	–	–	(4,225)
Dividends paid	–	–	(28,366)	–	–	–	–	(28,366)
Total contributions by and distributions to owners:	**18,159**	**81,600**	**(38,620)**	**2,126**	**–**	**–**	**–**	**63,265**
Other movements:								
Prior year fixed asset gains now realised	–	–	–	–	11,656	(11,656)	–	–
Cancellation of share premium	–	(45,141)	45,141	–	–	–	–	–
Total other movements	**–**	**(45,141)**	**45,141**	**–**	**11,656**	**(11,656)**	**–**	**–**
Balance as at 31 January 2022	**52,365**	**81,600**	**58,918**	**8,441**	**(5,197)**	**68,079**	**(1,247)**	**262,959**

	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	Total £'000
As at 1 February 2020	**28,994**	**70,947**	**16,975**	**5,046**	**5,714**	**4,697**	**–**	**132,373**
Total comprehensive income for the year	–	–	–	–	(5,942)	25,867	(158)	19,767
Contributions by and distributions to owners:								
Repurchase and cancellation of own shares	(1,269)	–	(5,414)	1,269	–	–	–	(5,414)
Issue of shares	6,481	23,070	–	–	–	–	–	29,551
Share issue cost	–	(569)	–	–	–	–	–	(569)
Dividends paid	–	–	(7,471)	–	–	–	–	(7,471)
Total contributions by and distributions to owners:	**5,212**	**22,501**	**(12,885)**	**1,269**	**–**	**–**	**–**	**16,097**
Other movements:								
Prior year fixed asset gains now realised	–	–	–	–	942	(942)	–	–
Transfer between reserves	–	–	–	–	(9760)	9760	–	–
Cancellation of share premium	–	(48,307)	48,307	–	–	–	–	–
Total other movements	**–**	**(48,307)**	**48,307**	**–**	**(8,818)**	**8,818**	**–**	**–**
Balance as at 31 January 2021	**34,206**	**45,141**	**52,397**	**6,315**	**(9,046)**	**39,382**	**(158)**	**168,237**

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

*Included in these reserves is an amount of £52,474,000 (2021: £43,193,000) which is considered distributable to shareholders per the Companies Act.

Cash Flow Statement

	Notes	Year to 31 January 2022 £'000	Year to 31 January 2021 £'000
Cash flows from operating activities			
Profit after tax		**31,457**	19,767
Adjustments for:			
Increase in debtors	12	**(1,554)**	(353)
Increase in creditors	13	**4,641**	4,343
Gain on disposal of fixed assets	10	**(4,439)**	(946)
Loss on disposal of current assets	11	**–**	3
Gain on valuation of fixed asset investments	10	**(40,581)**	(25,857)
Loss/(Gain) on valuation of current asset investments	11	**228**	(10)
In-specie dividends	2	**(85)**	–
Net cash utilised in operating activities		**(10,333)**	(3,053)
Cash flows from investing activities			
Purchase of fixed asset investments	10	**(55,673)**	(15,851)
Proceeds on sale of fixed asset investments	10	**53,939**	3,356
Purchase of current asset investments	11	**(5,000)**	(12,000)
Proceeds on sale of current asset investments	11	**–**	9,000
Net cash utilised in investing activities		**(6,734)**	(15,495)
Cash flows from financing activities			
Movement in applications account	13	**(2,546)**	495
Purchase of own shares	14	**(10,254)**	(5,414)
Proceeds from share issues	14	**99,691**	28,108
Cost of share issues	14	**(4,225)**	(569)
Dividends paid (net of DRIS)	7	**(21,947)**	(6,029)
Net cash generated from financing activities		**60,719**	16,591
Increase/(Decrease) in cash and cash equivalents		**43,652**	(1,957)
Opening cash and cash equivalents		**14,680**	16,637
Closing cash and cash equivalents		**58,332**	14,680

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

Notes to the Financial Statements

1. Principal accounting policies

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 and long-term capital growth.

Basis of Preparation

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 (issued 2014 and updated in April 2021 with consequential amendments)'.

The principal accounting policies have remained unchanged since those set out in the Company's 2021 Annual Report and Accounts. A summary of the principal accounting policies is set out below.

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 ("FVTPL"); therefore all gains and losses arising from such investments held are attributable to financial assets held at FVTPL. Accordingly, all interest income, fee income, expenses and gains and losses on investments are attributable to assets held at FVTPL.

Going Concern

After reviewing the Company's forecasts and expectations, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The annual expenses of the Company are around £6.9 million and the Company had £58.3 million in cash at the year end therefore if there was a serious downturn, the Company could continue by choosing to retain cash in order to pay these expenses as they fall due. The ability to retain cash is largely in our control as we can shift investment strategy to ensure we have a sufficient cash buffer. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements. In reaching this conclusion the Directors have had regard to the potential impact on the economy and the Company of the current coronavirus pandemic. See Director's Report on page 23 to 26 for further details.

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.

Investment valuation policies are important to the depiction of the Company's financial position and require the application of subjective and complex judgements, notably with regards to unquoted holdings, 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 main accounting and valuation policies used by the Company are disclosed below.

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 portfolio 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 (see note 10).

Revenue and capital
The Company presents its Income Statement in a three column format to give shareholders additional details of the performance of the Company, split between items of a revenue or capital nature as required by the SORP.

The revenue column of the Income Statement includes revenue 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 and any capital dividends received. Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement. Investment Management fees are split between the revenue (25%) and capital (75%) in the same way that the income streams are derived.

Cash and liquid resources
Cash, for the purposes of the cash flow statement, comprises cash at bank. Cash equivalents are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. This comprises investments in OEIC funds subject to insignificant changes in fair value.

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 have 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 14.99% 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 cancelled share premium available for distribution.

Capital redemption reserve: includes nominal share capital which has been bought back by the Company for cancellation and cannot be distributed to shareholders.

Capital reserve realised: when an investment is sold, any balance held in Capital reserve unrealised is transferred to Capital reserve realised on disposal, as a movement in reserves. The portion of the management fee allocated to capital expenditure is also included in this reserve.

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

Revenue reserve: includes all net revenue profits and losses of the Company.

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 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 are recognised provided it is probable that payment will be received in due course. The nature of dividends received is assessed to establish whether they are revenue or income dividends. During the year the Company received shares in Trellus Health plc and Verici Dx plc as a result of in-specie dividends. These have been treated as capital income.

Disclosure

	31 January 2022 £'000	31 January 2021 £'000
Loan note interest receivable	**1,972**	2,063
Dividends receivable	**288**	–
In-specie dividend	**85**	–
	2,345	2,063

3. Investment management fees

	31 January 2022			31 January 2021		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**1,178**	**3,534**	**4,712**	653	1,959	2,612
Investment performance fee	**–**	**8,797**	**8,797**	–	4,926	4,926
	1,178	**12,331**	**13,509**	653	6,885	7,538

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 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 2022 £8,797,000 was due to the manager by way of annual performance fee (2021: £4,926,000).

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 2022 £'000	31 January 2021 £'000
Impairment of accrued loan note interest receivable	**–**	5
Ongoing trail commission	**690**	499
Accounting and administration services	**662**	413
Legal fees	**28**	24
Other administration expenses	**531**	412
Directors' fees	**98**	100
Registrars' fees	**114**	75
Fees payable to the Company's auditor for audit services	**48**	40
	2,171	1,568

The ongoing charges ratio of the Company for the year to 31 January 2022 was 2.7% (2021: 2.5%). Total annual running costs are capped at 3% of average net assets (2021 cap: 3.3% of average net assets). This figure excludes any extraordinary items, costs related to mergers, adviser charges, impairment of interest and performance fees.

VAT is included within other administration expenses. No non-audit services were provided by the Company's auditor.

5. Directors' remuneration

Total Directors' fees paid during the year were £98,125 (2021: £100,000). This excludes Employer's National Insurance contributions of £8,000 (2021: £9,000) which has been included within other administration expenses. The highest paid director received £30,000 (2021: £30,000). 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 (2021: four).

6. Tax

Accounting Policy

Current tax is recognised for the amount of income tax payable in respect of the taxable profit/(loss) for the current or past reporting periods using the current UK corporation tax 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 assets are 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 2022			31 January 2021		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
(Loss)/profit before tax	**(1,089)**	**32,546**	**31,457**	(158)	19,925	19,767
Tax at 19% (2021: 19%)	**(207)**	**6,184**	**5,977**	(30)	3,786	3,756
Effects of:						
Non-taxable dividend income	**(55)**	**(16)**	**(71)**	–	–	–
Non-taxable capital gains on valuations and disposals	**–**	**(8,511)**	**(8,511)**	–	(5,094)	(5,094)
Expenses not deductible for tax purposes	**–**	**12**	**12**	–	5	5
Excess management expenses on which deferred tax not recognised	**262**	**2,331**	**2,593**	30	1,303	1,333
Total tax charge	**–**	**–**	**–**	–	–	–

Approved VCTs 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 VCT, no deferred tax has been provided in respect of any capital gains or losses arising on the revaluation or disposal of investments. In March 2021, the UK Government announced that from 1 April 2023, the main rate of Corporation Tax will be increased to 25%. Consequently, deferred tax has been calculated at the year end using a tax rate of 25%. As at 31 January 2022, there is an unrecognised deferred tax asset of £6,622,000 (2021: £2,446,000) in respect of surplus management expenses, based on a prospective tax rate of 25% (2021: 19%). This deferred tax asset could in future be used against taxable profits. Provided the Company continues to maintain its current tax status, it is unlikely that the expenses will be utilised and that the Company will obtain any benefit from this asset.

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. Interim dividends to equity shareholders are declared by the directors.

Disclosure

	31 January 2022 £'000	31 January 2021 £'000
Dividends paid on ordinary shares		
Final dividend– 1.3p paid 23 July 2021 (2021: 1.1p)	**5,725**	3,370
Interim dividend– 1.3p paid 14 January 2022 (2021: 1.2p)	**6,689**	4,101
Special dividend– 3.1p paid 14 January 2022 (2021: N/A)	**15,952**	–
	28,366	7,471

During the year £6,419,000 (2021: £1,442,000) of dividends were reinvested under DRIS, see Note 14.

	31 January 2022 £'000	31 January 2021 £'000
Dividends paid and proposed in respect of the year – Ordinary shares		
Interim dividend– 1.3p paid 14 January 2022 (2021: 1.2p)	**6,689**	4,101
Special dividend– 3.1p paid 14 January 2022 (2021: N/A)	**15,952**	–
Second interim dividend proposed– 1.3p payable 31 May 2022 (2021: Final dividend of 1.3p)	**6,771**	5,573
	29,412	9,674

The second interim dividend proposed of 1.3p per share for the year ended 31 January 2022 will be paid on 31 May 2022 to shareholders on the register on 22 April 2022.

8. Earnings per share

	31 January 2022			31 January 2021		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
(Loss)/profit attributable to ordinary shareholders (£'000)	**(1,089)**	**32,546**	**31,457**	(158)	19,925	19,767
Earnings per ordinary share (p)	**(0.2)**	**7.4**	**7.2**	(0.1)	6.5	6.4

The earnings per share is based on 438,445,830 (2021: 308,643,164) 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 identical.

9. Net asset value per share

	31 January 2022 Ordinary Shares	31 January 2021 Ordinary Shares
Net assets (£)	**262,959,000**	168,237,000
Shares in issue	**523,651,962**	342,057,670
Net asset value per share (p)	**50.2**	49.2

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

10. Fixed asset investments at fair value through profit or loss

Accounting Policy

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

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

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

In the case of unquoted investments, fair value is established by assessing different methods of valuation, such as price of recent transaction, earnings or revenue-based multiples, discounted cash flows and net assets. This is consistent with current IPEV guidelines. Where price of a recent transaction is used, the valuation is calibrated to a valid methodology.

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 associates due to the shareholding and level of influence exerted over the portfolio company are measured at fair value using a consistent methodology to the rest of the Company's portfolio as permitted by FRS 102 and highlighted in 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 portfolio companies.

Fair value hierarchy

Paragraph 34.22 of FRS 102 recognises a hierarchy of fair value measurements, for financial instruments measured at fair value in the Balance Sheet, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). This methodology is adopted by the Company and requires disclosure of financial instruments to be dependent on the lowest significant applicable input, as laid out below:

Level 1: The unadjusted, fully accessible and current quoted price in an active market for identical assets or liabilities that an entity can access at the measurement date. The Company's quoted investments are included in level 1.

Level 2: Inputs for similar assets or liabilities other than the quoted prices included in Level 1 that are directly or indirectly observable, which exist for the duration of the period of investment. The Company holds no such investments in the current or prior year.

Level 3: This is where inputs are unobservable, where no active market is available and recent transactions for identical instruments do not provide a good estimate of fair value for the asset or liability. The Company's unquoted investments are included in Level 3 in the current and prior year.

There have been no transfers between these classifications in the year (2021: none). The change in fair value for the current and previous year is recognised through the income statement.

All items held at fair value through profit or loss were designated as such upon initial recognition. Movements in investments at fair value through profit or loss during the year to 31 January 2022 are summarised below in and in Note 11.

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments at 'fair value through profit and loss' (FVTPL). All investments held by the Company are classified as FVTPL and measured in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines, as updated in December 2018 (as updated by Special Valuation guidance issued in March 2020). For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date.

Unquoted investments are stated at fair value by the Directors at each measurement date in accordance with appropriate valuation techniques, which are consistent with the IPEV guidelines:

(i) Each investment is considered as a whole on a 'unit of account' basis, i.e. that the value of each portfolio company is considered as a whole, alongside consideration of:

The price of new or follow-on investments made, if deemed to be made as part of an orderly transaction, are considered to be at fair value at the date of the transaction. The inputs that derived the investment price are calibrated within individual valuation models and, at every subsequent semi-annual measurement date, are reconsidered for any changes in light of more recent events or changes in the market performance of the portfolio company. The valuation bases used are the following:

- a multiple basis. The enterprise value of the investment may be determined by applying a suitable price-earnings ratio, revenue or gross profit multiple to that company's historic, current or forecast post-tax earnings before interest, depreciation and amortisation, or revenue, or gross profit (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Portfolio Manager compared to the sector including, inter alia, scale and liquidity); or
- where a company's underperformance against plan indicates a diminution in the value of the investment, provision against the price of a new investment is made, as appropriate.

(ii) Premiums, to the extent that they are considered capital in nature, and that they will be received upon repayment of loan stock investments, are accrued at fair value when the Company receives the right to the premium and when considered recoverable.

(iii) Where a multiple or the price of recent investment less impairment basis is not appropriate and overriding factors apply, a discounted cash flow, net asset valuation, realisation proceeds, or a weighted average of these bases may be applied.

Capital gains and losses on investments, whether realised or unrealised, are dealt with in the profit and loss and revaluation reserves and movements in the period are shown in the Income Statement. All figures are shown net of any applicable transaction costs incurred by the Company. All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

A key judgement made in applying the above accounting policy relates to investments that are permanently impaired. Where the value of an investment has fallen permanently below the price of recent investment, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Manager, will agree the values that represent the extent to which an investment loss has become realised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value.

Disclosure

	Level 1: AIM-quoted investments £'000	Level 3: Unquoted investments £'000	Total investments £'000
Cost at 1 February 2021	3,406	112,050	115,456
Unrealised gain at 1 February 2021	4,600	23,776	28,376
Valuation at 1 February 2021	**8,006**	**135,826**	**143,832**
Movement in the year:			
Purchases at cost	–	55,673	55,673
In-specie dividend	85	–	85
Disposal proceeds	(1,044)	(52,895)	(53,939)
Gain on realisation of investments	467	3,972	4,439
Change in fair value in year	(187)	40,768	40,581
Closing valuation at 31 January 2022	**7,327**	**183,344**	**190,671**
Cost at 31 January 2022	3,205	121,543	124,748
Unrealised gain at 31 January 2022	4,122	61,801	65,923
Valuation at 31 January 2022	**7,327**	**183,344**	**190,671**

Level 1 valuations are valued in accordance with the closing bid-price on the relevant date. Further details of the fixed asset investments held by the Company are shown within the Investment Manager's Review.

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 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 4 to 11.

Subsidiaries
The following company is deemed to be a subsidiary of Apollo because the Company owns more than 50% of the voting rights in that company:

Investee company	Country of incorporation	Sector	Profit/(loss) before tax £'000	Net assets/ (liabilities) £'000	% equity held by Octopus Apollo VCT plc	Voting rights held by Octopus Apollo VCT plc
Superior Heat Limited*	United Kingdom	Ground source heat	(51)	(232)	100	100

*Registered address: 33 Holborn, London, EC1N 2HT.

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 portfolio companies and are held at fair value. These financial statements are therefore separate financial statements to those of its subsidiaries.

11. Current asset investments, cash and cash equivalents

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. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. This comprises government securities, investment grade bonds and investments in money market funds. Bank overdrafts are normally considered financing activities similar to borrowings. However, if they are repayable on demand and form an integral part of an entity's cash management, bank overdrafts are a component of cash and cash equivalents.

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
Cost at 1 February 2021	16,528
Unrealised gain at 1 February 2021	129
Valuation at 1 February 2021	**16,657**
Movement in the year:	
Additions	5,000
Change in fair value in the year	(228)
Closing valuation at 31 January 2022	**21,429**
Cost at 31 January 2022	21,528
Unrealised gain at 31 January 2022	(99)
Valuation at 31 January 2022	**21,429**

	31 January 2022 £'000	31 January 2021 £'000
OEICs:		
Octopus Portfolio Manager – Cash	16,659	16,657
Sequoia Economic Infrastructure Fund (SEQI)	4,770	–
Total current asset investments	21,429	16,657
Cash at bank	58,332	14,680
Total current asset investments and cash	79,761	31,337

12. Debtors

	31 January 2022 £'000	31 January 2021 £'000
Accrued income	2,640	2,299
Other debtors	1,234	21
Prepayments	15	15
	3,889	2,335

13. Creditors: amounts falling due within one year

	31 January 2022 £'000	31 January 2021 £'000
Trade creditors	3	12
Accruals	10,844	6,194
Other creditors	515	3,061
	11,362	9,267

At 31 January 2022, other creditors included £515,000 (2021: £3,061,000) of funds to be allotted as shares for rebated advisor charges.

Accruals included £8,797,000 for performance fees due to Octopus (2021: £4,926,000).

14. Share capital

	31 January 2022 £'000	31 January 2021 £'000
Allotted and fully paid up:		
523,651,962 Ordinary shares of 10p (2021: 342,057,670)	52,365	34,206

The Company issued the following Ordinary shares during the year:

Date	Number of shares	Price per share (p)	Net proceeds from share issues (£'000)
26 March 2021	69,285,762	53.1	34,576
01 April 2021	18,267,705	53.1	9,124
12 April 2021	1,991,519	53.1	999
02 July 2021	20,456,954	53.1	10,224
02 July 2021	103,986	50.1	52
23 July 2021 (DRIS)	2,690,970	48.8	1,313
12 November 2021	79,548,773	54.0	40,491
14 January 2022 (DRIS)	10,506,227	48.6	5,106
Total	**202,851,896**		**101,885**

The Ordinary shares issued during the year were issued at a weighted average price of 50.2p. Excluding the value of shares issued under the DRIS, the total value of shares issued net of share issue costs was £95,466,000 (2021: £27,539,000). This is shown in the cash flow statement.

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

Date	Number of shares	Price per share (p)	Total cost of shares repurchased (£'000)
19 March 2021	2,893,703	48.0	1,389
27 April 2021	4,630,111	48.0	2,222
01 June 2021	1,725,665	48.0	828
30 June 2021	2,507,842	48.0	1,204
22 July 2021	860,254	46.8	403
21 October 2021	4,301,135	48.9	2,103
29 November 2021	2,137,327	48.9	1,045
23 December 2021	781,567	50.9	398
17 January 2022	1,420,000	46.6	662
Total	**21,257,604**		**10,254**

The Ordinary shares repurchased for cancellation during the year were cancelled at a weighted average price of 48.2p. The total nominal value of the shares repurchased for cancellation was £2,125,760 representing 4.1% 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 12. 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 29 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 2022 £'000	31 January 2021 £'000
Shareholders' funds at start of year	**168,237**	132,373
Profit after tax	**31,457**	19,767
Shares bought for cancellation	**(10,254)**	(5,414)
Issue of shares (net of issue costs)	**101,885**	28,982
Dividends paid	**(28,366)**	(7,471)
Shareholders' funds at end of year	**262,959**	168,237

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 under the Companies Act by way of a dividend are:

	£'000
As at 1 February 2021	**43,193**
Movement in year	9,281
As at 31 January 2022	**52,474**

This is the minimum value of reserves available for potential distribution under the Companies Act, which will be impacted by the future convertibility, into cash, of gains and losses included in the Capital reserve unrealised. Amounts available for distribution may be lower under HMRC Distributable Reserves restrictions.

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. The Company cancelled the share premium balance as at 31 January 2021 (£45.1 million) after obtaining a court order on 10 August 2021 (in the year to 31 January 2021 a share premium balance of £48.3 million was cancelled after obtaining a court order on 1 September 2020).

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 2022 and 31 January 2021:

	31 January 2022 £'000	31 January 2021 £'000
Financial assets at fair value through profit or loss		
Fixed asset investments	**190,671**	143,832
Current asset investments	**21,429**	16,657
Total	**212,100**	160,489
Financial assets at amortised cost		
Cash at bank	**58,332**	14,680
Accrued income	**2,640**	2,299
Total	**60,972**	16,979
Financial liabilities at amortised cost		
Accruals and other creditors	**11,362**	9,267
Total	**11,362**	9,267

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 IPEV 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 12. 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 23 to 26, 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 6.

69.7% (2021: 80.7%) by value of the Company's net assets comprises investments in unquoted companies held at fair value. In the context of continued market uncertainties caused by the coronavirus pandemic and other macroeconomic factors, we have maintained the sensitivity analysis at 20%, consistent with 2021. A 20% overall decrease in the valuation of the unquoted investments at 31 January 2022 would have decreased net assets and the total profit for the year by £36,669,000 (2021: £27,165,000 at 20%). An equivalent change in the opposite direction would have increased 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 20% sensitivity discussed above provides the most meaningful potential impact of average multiple changes across the portfolio and market volatility.

OEIC investments comprised 8.1% of the Company's net assets by value (2021: 9.9%). A 20% decrease (2021: 20%) in the price of these securities at 31 January 2022 would have decreased net assets by £4,286,000 (2021: £3,331,000 decrease); and an equivalent change in the opposite direction would have increased net assets for the year by the same amount.

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 2022			31 January 2021		
	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	**18,440**	**9.0**	**4.6**	28,890	9.9	4.2

Floating rate
The Company's floating rate investments comprise cash held on interest-earning deposit accounts and, where appropriate, within interest-bearing money market funds. The benchmark rate which determines the rate of interest receivable on such investments is the bank base rate, which was 0.25% at 31 January 2022 (31 January 2021: 0.1%). The amounts held in floating rate investments at the Balance Sheet date were as follows:

	31 January 2022 £'000	31 January 2021 £'000
Cash at bank	**58,332**	14,680

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 £583,320 (2021: £146,800).

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 2022 the Company's financial assets exposed to credit risk comprised the following:

	31 January 2022 £'000	31 January 2021 £'000
Investments in interest bearing instruments	**18,440**	28,890
Cash on deposit	**58,332**	14,680
Accrued dividends and interest receivable	**2,640**	2,299
	79,412	45,869

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. Should the credit quality or the financial position of HSBC Bank plc deteriorate significantly the Manager will move the cash holdings to another bank.

Credit risk which is associated with accrued dividends and interest receivable is considered to be small as the Company performs impairment assessments on these amounts and makes reasonable provisions where necessary on an on-going basis.

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 2022 these investments were valued at £79,245,000 (2021: £28,275,000).

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:

- Further to the circular dated 7 December 2021, on 8 February 2022 the Company confirmed the reduction in the nominal value of the Company's issued share capital from 10p per ordinary share to 0.1p per ordinary share, the cancellation of the share premium amount of £77,545,000 and the cancellation of the capital redemption reserve amount of £8,299,000.
- 3.7 million shares were purchased at a price of 48.1p per share on 25 March 2022.
- 1 million shares were issued at an allotment price of 53.2p per share on 14 April 2022.
- 2.3 million shares were purchased at a price of 46.9p per share on 26 April 2022.
- The Company invested a total of £12.1 million into 2 new investments and £2.7 million into a follow-on investment.
- The Company sold Behaviosec Inc for £2.8 million.
- The Board has assessed the impact of the sanctions on Russia and Belarus on the Company, and determined there is no material effect on the net asset value of the Company.

18. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments as at 31 January 2022 (2021: none).

19. Transactions with manager

The Company has employed Octopus throughout the year as the Manager. The Company has incurred £4,712,000 (2021: £2,612,000) in management fees due to the Manager in the year. At 31 January 2022 there was £1,288,000 outstanding (2021: £709,000). The management fee is payable quarterly in arrears and is based on 2% of the NAV calculated daily from 31 January.

The Manager is entitled to an annual performance related incentive fee, subject to the total return (NAV plus cumulative dividends paid) per share being at least 100p at the end of the relevant period. This performance fee is equal to 20% of the amount by which the NAV plus cumulative dividends paid per share exceeds the higher of:

- The highest total return in previous accounting periods. This is currently the return in the year to 31 January 2021 (125.6p).
- The total return as at 1 February 2012, plus the average Bank of England interest rate to date, commencing 1 February 2012.

The Board considers that the liability becomes due at the point that the performance criteria are met, which has happened at the end of this financial year. In the year, the Company incurred performance fees of £8,797,000. At 31 January 2022 there was £8,797,000 of outstanding performance fees to be paid (2021: £4,926,000).

The Manager also provides accounting and administrative services to the Company, payable quarterly in arrears, for a fee of 0.3% of the NAV calculated daily. During the year £662,000 (2021: £413,000) was paid to the Manager, of which £193,000 (2021: £112,000) was outstanding at the Balance Sheet date, for the accounting and administrative services. In addition, the Manager also provides company secretarial services for a fee of £20,000 per annum (2021: £20,000).

The Company is also invested into a discretionary management service and other funds operated by separate investment teams within Octopus that do not charge fees to the Company.

20. Related party transactions

Several members of the Octopus investment team hold non-executive directorships as part of their monitoring roles in the Company's portfolio companies, but they have no controlling interests in those companies. The Manager receives transaction fees and directors' fees from these portfolio companies. During the year ended 31 January 2022, directors' fees of £601,000 attributable to the investments of the Company were received by the Manager (2021: £522,000).

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; and
- £21.7 million (£21.0 million net of expenses) during the year to 31 January 2020.
- £28.1 million (£27.6 million net of expenses) during the year to 31 January 2021.
- £106.1 million (£101.9 million net of expenses) during the year to 31 January 2022.

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 Chair's Statement and Investment Manager's Review on pages 2 and 3 and pages 4 and 5 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 80% of the Company's investments must comprise 'qualifying holdings'* (as defined in the legislation);
- for cash raised in accounting periods beginning on or after 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 (£10 million for knowledge intensive companies) in new shares or securities in an unquoted UK company (or companies traded on AIM or Aquis) 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.

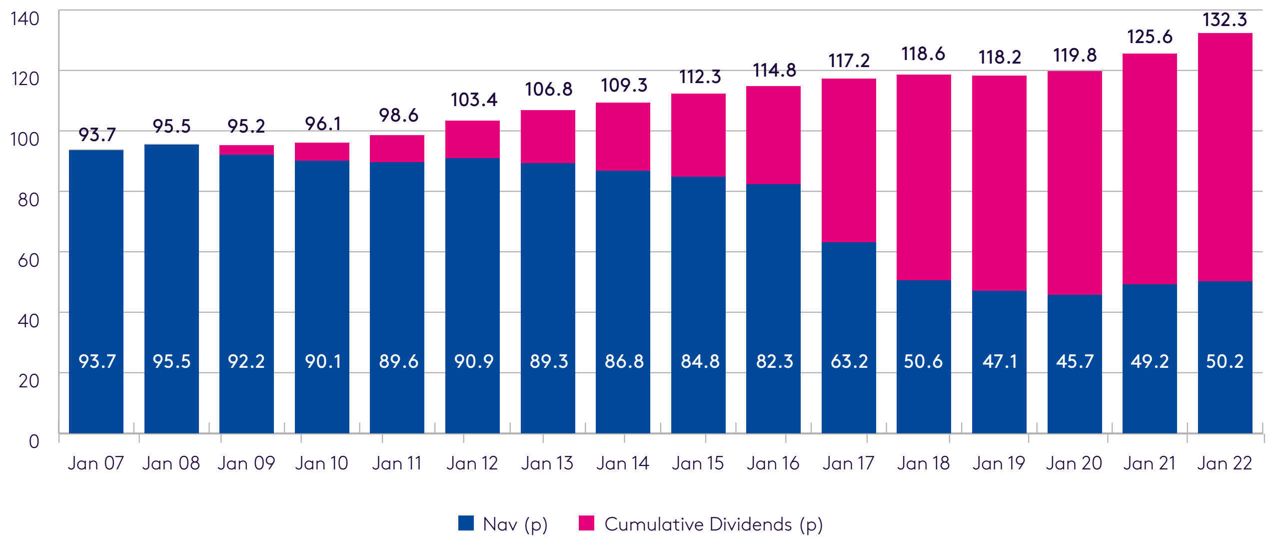
Dividends

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 8.30am-5.30pm, 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	Cumulative dividends paid	NAV + cumulative dividends
31 January 2008	95.5p	–	–	95.5p
31 January 2009	92.2p	3.0p	3.0p	95.2p
31 January 2010	90.1p	3.0p	6.0p	96.1p
31 January 2011	89.6p	3.0p	9.0p	98.6p
31 January 2012	90.9p	3.5p	12.5p	103.4p
31 January 2013	89.3p	5.0p	17.5p	106.8p
31 January 2014	86.8p	5.0p	22.5p	109.3p
31 January 2015	84.8p	5.0p	27.5p	112.3p
31 January 2016	82.3p	5.0p	32.5p	114.8p
31 January 2017	63.2p	21.5p	54.0p	117.2p
31 January 2018	50.6p	14.0p	68.0p	118.6p
31 January 2019	47.1p	3.1p	71.1p	118.2p
31 January 2020	45.7p	3.0p	74.1p	119.8p
31 January 2021	49.2p	2.3p	76.4p	125.6p
31 January 2022	50.2p	5.7p	82.1p	132.3p

The second interim dividend of 1.3p per Ordinary share will be paid on 31 May 2022 to shareholders on the register on 22 April 2022.

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 17 May 2022	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 66.

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, the Manager 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**.

Glossary of Terms

Alternative performance measure (APM)
APM's are financial measures of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. These APMs will help Shareholders to understand and assess the Company's progress. A number of terms within this Glossary have been identified as APMs.

Net asset value or NAV
NAV is the value of the VCTs' total assets less liabilities. It is equal to the total shareholders' funds.

Net asset value per share or NAV per share
The NAV per share of the Company is the sum of the underlying assets less the liabilities of the Company divided by the total number of shares in issue.

Ongoing charges ratio (APM)
The ongoing charges ratio has been calculated using the AIC recommended methodology and excludes irrecoverable VAT, exceptional costs and trail commission. The figure shows the annual percentage reduction in shareholder returns as a result of recurring operational expenses. It informs shareholders of the likely costs that will be incurred in managing the fund in the future.

This is calculated by dividing your expenses of £6,131,000 which includes the expenses listed out in Note 4 on page 50 excluding performance fee, exceptional costs and trail commission by average net assets of £231,048,000.

Total Return (APM)
Total return is calculated as movement in NAV per share in the period plus dividends paid in the period. Total return per share enables shareholders to evaluate more clearly the performance of the Company, as it includes the underlying value of the portfolio at the reporting date.

Total Return % (APM)
Total return % is calculated as movement in NAV per share in the period plus dividends paid in the period, divided by the NAV per share at the beginning of the period. Total return % on the NAV per share enables shareholders to evaluate more clearly the performance of the Company, as it includes the underlying value of the portfolio at the reporting date.

Directors and Advisers

The Board of Directors
Murray Steele (Chair)
Christopher Powles
Alex Hambro
Claire Finn (appointed 21 September 2021)

Company Number
Registered in England & Wales
No 05840377

Secretary and Registered Office
Octopus Company Secretarial Services 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

Corporate Broker
Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF
Tel: 020 7886 2500

Independent Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Tax Adviser
James Cowper Kreston
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

VCT Status Adviser
Shoosmiths LLP (appointed 22 February 2022)
1 Bow Churchyard
London
EC4M 9DQ

Bankers
HSBC Bank plc
31 Holborn
London
EC1N 2HR

Registrars
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Tel: 0370 703 6327
(calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate.
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 7 July 2022 at 10.00am 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 Annual Report and Accounts and the audited financial statements for the year to 31 January 2022.

2. To approve the Directors' Remuneration Report.

3. To elect Claire Finn as a Director.

4. To re-elect Murray Steele as a Director.

5. To re-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, 9 and 10 as Special Resolutions:

6. Authority to allot relevant securities
THAT, in addition to existing authorities, the Directors be and are generally and unconditionally authorised in accordance with s551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot shares in the Company up to a maximum nominal amount of £155,583 (representing approximately 30% of the Ordinary share capital in issue at the date of this Notice) such authority to expire at the earlier of the conclusion of the Company's AGM next following the passing of this Resolution and the expiry of 15 months from the passing of the relevant Resolution (unless previously renewed, varied or revoked by the Company in a 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. Authority to allot relevant securities under the DRIS
THAT in addition to existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot shares in the Company up to a maximum nominal amount of £36,302 in connection with the Company's dividend reinvestment scheme (representing approximately 7% of the Ordinary share capital in issue as at the date of this Notice provided that the authority conferred by this Resolution shall expire on the date falling 15 months from the date of the passing of this Resolution or, if earlier, the conclusion of the Company's next AGM following the passing of this Resolution (unless previously renewed, varied or revoked by the Company in general meeting) save that this authority shall allow the Company to make, before the expiry of this authority, any offers or agreements which would or might require Shares to be allotted or rights to be granted after such expiry and the directors may allot Shares in pursuance of any such offer or agreement notwithstanding the expiry of such authority.

8. Empowerment to make allotments of equity securities
THAT, conditional upon the passing of Resolution 6, and in addition to existing authorities, the Directors of the Company be and are hereby empowered pursuant to s571 of the Act 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 granted by Resolution 6 as if s561 of the 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(2) of the 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.

The power provided by this Resolution shall expire on the date falling 15 months from the date of the passing of this Resolution or, if earlier, the conclusion of the Company's next AGM following the passing of this Resolution (unless previously renewed, varied or revoked by the Company in general meeting).

9 . Empowerment to make allotments of equity securities under the DRIS
THAT, conditional upon the passing of Resolution 7, and in addition to existing authorities, the Directors of the Company be and are hereby empowered pursuant to s571 of the Act 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 granted by Resolution 7 as if s561 of the 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(2) of the 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.

The power provided by this Resolution shall expire on the date falling 15 months from the date of the passing of this Resolution or, if earlier, the conclusion of the Company's next AGM following the passing of this Resolution (unless previously renewed, varied or revoked by the Company in general meeting).

10. Authority to make market purchases

THAT, in addition to existing authorities, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of s693(4) of the Act) of Ordinary shares of 0.1p each in the Company ('Ordinary shares') provided that:

(a) the maximum number of Ordinary shares so authorised to be purchased shall not exceed 77,739,642 Ordinary shares, representing approximately 14.99% of the Company's issued share capital at the date of this Notice;

(b) the minimum price which may be paid for an Ordinary share shall be its nominal value;

(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 comes to an end at the conclusion of the next AGM of the Company or upon the expiry of 15 months from the passing of this Resolution, whichever is the earlier; and

(e) that the Company may enter into a contract to purchase its Ordinary shares under this authority prior to the expiry of this authority which would or might be completed wholly or partly after the expiry of this authority.

11. Continuation of the Company

THAT the Company shall continue in being.

By Order of the Board

Murray Steele

Murray Steele
Chair
18 May 2022

Notes:

(a) A member entitled to attend and vote at the AGM 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 AGM 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.

Questions from our shareholders in relation to the AGM can be sent via email to **ApolloAGM@octopusinvestments.com**. The Company may, however, elect to provide answers to questions raised within a reasonable period of days after the conclusion of the AGM.

(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 AGM; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last AGM, 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 AGM 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 AGM, 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 17 May 2022 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 518,610,023 Ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 17 May 2022 are 518,610,023.

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Octopus Apollo VCT plc