



Unaudited half-yearly report for the six months ended 31 August 2018

Company number: 03477519

For UK investors only

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

Financial Summary

	Six months to 31 August 2018	Six months to 31 August 2017	Year to 28 February 2018
Net assets (£'000s)	134,748	115,856	127,070
Profit on ordinary activities after tax (£'000s)	11,699	6,355	6,476
Net asset value ("NAV") per share	123.9p	118.4p	116.1p
NAV Total Return*	9.3%	6.1%	6.3%
Ordinary Dividends paid in the period	3.0p	3.0p	5.5p
Ordinary dividend declared**	2.5p	2.5p	3.0p

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

**The interim dividend of 2.5p will be paid on 18 January 2019 to those shareholders on the register on 21 December 2018.

Chairman's Statement

I am pleased to report the half-yearly results for Octopus AIM VCT plc. The six months to 31 August 2018 have been a volatile period for stock market indices but the overall direction has been positive, and against this background the Net Asset Value has risen, reflecting good progress made by many of the portfolio companies.

The Board has declared a dividend of 2.5p a share which will be paid on 18 January 2019 to those shareholders on the register on 21 December 2018.

The Managers have made a number of new investments in the six month period and these are explained in more detail within the Interim Management Report.

Shareholders will be aware that the Board launched a new public offer of shares in August and the first allotment took place on 21st September. On the basis of current evidence, the Manager believes there will be good investment opportunities for new funds, despite the fact that the market is likely to be more prone to bouts of uncertainty as March 2019 Brexit deadline approaches.



Roger Smith
Chairman
15 October 2018

Interim Management Report

Overview

The six months to 31 August 2018 has seen UK stock market indices rise, even though doubts prompted by the challenges of achieving an orderly Brexit, domestic politics, and fears of an international trade war contributed to increased volatility and some individual months of negative returns. Against this less certain background, the long term trend of smaller companies outperforming larger companies was less pronounced, and the Smaller Companies Index trailed the FTSE All Share Index even though AIM continued its recent relative strength, and was the best performing UK index in the period.

Fundraisings on AIM continued to be strong, with substantial sums raised for existing AIM companies demonstrating the level of support available for its existing members. With this in mind, we launched a new fundraising for the Company in August as we believe that the recent healthy flow of qualifying opportunities can continue now that market participants have become more familiar with the latest changes to the VCT rules.

Performance

Adding back the 3.0p paid out in dividends in the period, the Net Asset Value increased by 9.3% in the six months to 31 August 2018. This compares with a 3.0% rise in the Smaller Companies Index (ex Investment Trusts), a 5.6% increase in the FTSE All Share Index and a 7.0% rise in AIM, all on a total return basis. Performance remained stock specific and heavily influenced by the news flow announced by portfolio companies.

Of the good performers in the portfolio, quite a few saw their share prices react positively to corporate developments, either internally generated or as a result of acquisitions. The largest positive contributor to performance in the period was GB Group, where the market is now starting to grasp the scale of its opportunity to become a global supplier of verification and identification services. Learning Technologies was another strong performer, continuing to trade well, demonstrating that it had integrated the 2017 acquisition of NetDimensions as well as the 2018 acquisition of PeopleFluent. The latter is a mostly US based business specialising in talent management within organisations. Analysts have upgraded their forecasts on the back of the deal which expands the geographical reach of the business, as well as enabling the company to address other parts of the human resource budgets of companies. LoopUp was another strong performer with upgrades to forecasts enhanced by the acquisition of Meetingzone which has given the business further significant scale. Other significant contributors to performance in the period were Craneware, which continued to

win business for its new software platform from the US hospital sector, Quixant, FairFX and EKF Diagnostics Holdings. The latter has turned its business around, restored profitability and begun to demonstrate growth in its point of care diagnostics business. VR Education, a new investment in the period, also had a very strong debut on AIM.

The market remains wary of the majority of early stage companies not yet making a profit, of which we hold a number in the portfolio, particularly in the pharmaceutical, medical device and technology sectors. Share prices in these types of companies are very vulnerable to setbacks as well as a lack of news flow from the companies and Faron Pharmaceuticals, Haydale Graphene, Fusion Antibodies, Futura Medical and appScatter are all examples that have impacted negatively on performance in the period. The portfolio benefitted from a number of takeovers in the period, with Escher, Freeagent, Sinclair Pharma and CityFibre all being the subject of bids.

Some of the more mature profitable businesses such as Breedon and RWS paused for breath in the period, despite both making significant acquisitions which open up new markets for growth, and Yu Group saw its shares give up some of its former very strong gains. A major underperformer in the period was Animalcare which issued a profit warning. The task of integrating the Animalcare business with the much larger European Ecuphar business has had an impact on short term profitability and it is now apparent that any merger benefits will take much longer to come through than first expected. This has depressed the shares as the markets are awaiting proof that things have improved as a result of management changes that have now been made.

Portfolio Activity

In the period under review, the Company made twelve qualifying investments into eleven companies at a total cost of £8.1 million, considerably ahead of the £5.3 million invested in the corresponding period last year and almost equalling the £8.4 million that we invested in the whole year to February 2018. Five of these investments, VR Education, KRM 22, Maestrano, Immotion, and Trackwise were in companies floating on AIM with a further three, Diurnal, Ixico, and Creo Medical new investments for the fund into existing AIM companies. The remaining four were follow-on investments; one further investment into the medical device company Creo Medical after it had received confirmation of Knowledge Intensive status from HMRC; a further investment into Access Intelligence to expand the scope of its corporate communications and reputation management software platform; a follow-on round of funding for Microsaic and a new round of funding for Osirium to enable it to continue to

develop partners to sell its security software for managing privileged access accounts. We have continued to see a wide range of new investment opportunities, and of the new investments made in the period two have been in software platforms, two have been in the emerging area of content for use on virtual reality devices, one has been in the area of technology hardware and three have been in the healthcare sector.

We also invested a further £450,000 into the FP Octopus UK Micro-Cap Fund, with the objective of obtaining a better return on our cash awaiting investment.

A number of disposals were made in the period resulting in cash proceeds of £5.2 million and a net gain of £1.1 million since acquisition. These were a mixture of profits being taken on existing holdings such as GB Group and Quixant, and outright sales as in the case of TLA and Faron. The latter was sold at a loss after the company's lead compound failed to demonstrate efficacy in its phase III drugs trial. Three companies, Escher, FreeAgent, and City Fibre were also the subject of takeover bids.

Transactions with Manager

Details of amounts paid to the Manager are disclosed in Note 8 to the Financial Statements on page 20.

Share Buybacks

In the six months to 31 August 2018, the Company bought back 1,219,468 Ordinary shares for total consideration of £1,396,000. It is evident from the conversations which the Managers have that this facility remains an important consideration to investors. The Company remains committed to maintaining its policy of buying back shares at a 5% discount to NAV.

Share Issues and Fundraising

On 13 April 2018 119,802 new shares were issued in connection with the 2017/2018 prospectus offer which closed fully subscribed.

A new offer of subscription launched on 3 August 2018 alongside Octopus AIM VCT 2 plc to raise an aggregate of £30 million.

In addition 406,702 new ordinary shares were issued in July 2018 to shareholders who participated in the dividend reinvestment scheme (DRIS). Further details can be seen in Note 6 to the financial statements.

Dividend

On 22 June 2018, the Company paid a dividend of 3p per share, being the final dividend for the year ended 28 February 2018.

For the period to 31 August 2018, the Board has declared an interim dividend of 2.5p. This will be paid on 18 January 2019 to shareholders on the register on 21 December 2018.

It is the Board's intention to continue to pay a minimum of 2.5p each half year and to adjust the final dividend annually, based on the year-end share price, so that the shareholders receive either 5p per annum or a 5% yield, whichever is the greater at the time.

Risks and Uncertainties

The Company's principal risks and uncertainties are set out in Note 7 to the unaudited financial statements on page 20.

Outlook

The newspapers are still dominated by negative stories about international trade tensions, domestic politics, and the problem of how we will extricate ourselves from the European Union. Poor weather in the first quarter of the year meant that the economy slowed, although it bounced back in the next quarter paving the way to an interest rate rise of 0.25% to 0.75% in August. Against this increasingly uncertain background stock markets have suffered bouts of volatility which is something that will probably recur as March 2019 draws closer. However, it is encouraging that the Net Asset Value has continued to make progress in 2018, recently helped by some positive trading updates from portfolio companies, some of which have had profit expectations increased several times already in 2018.

We are currently in the middle of the reporting season, and this progress appears to have continued for the majority of the holdings that we have heard from, as management teams persevere with their efforts to grow their companies despite political issues. The portfolio now contains 77 holdings across a range of sectors with the balance still weighted towards profitable companies that are continuing to pursue growth. There has been a good flow of VCT qualifying opportunities and we see no signs of this drying up as entrepreneurs continue to seek growth and success for their companies. With the VCT 92.2% invested in qualifying companies for HMRC purposes the Manager will continue to be selective about new investments.

The AIM Team
Octopus Investments
15 October 2018

Investment Portfolio

Investee Company	Sector	Cost as at 31 August 2018 £'000	Cumulative change in fair value £'000	Fair Value at 31 August 2018 £'000	Movement in period £'000	% equity held by Octopus AIM VCT plc	% equity held by all funds managed by Octopus
GB Group plc	Support Services	693	6,380	7,073	2,288	0.74%	10.67%
Learning Technologies Group plc	Support Services	1,185	4,917	6,102	1,996	0.79%	1.46%
Quixant plc	Technology Hardware	587	5,400	5,987	1,019	1.92%	4.40%
Breedon Group plc	Construction & Building	859	4,722	5,581	-	0.43%	3.08%
Staffline Recruitment Group plc	Support Services	334	4,300	4,634	1,078	1.31%	16.97%
Yu Group plc	Utilities	705	2,991	3,696	(686)	2.34%	8.60%
Mattoli Woods plc	Finance	529	2,738	3,267	356	1.51%	2.11%
Brooks Macdonald Group plc	Finance	746	2,411	3,157	47	1.12%	11.22%
Craneware plc	Software	183	2,936	3,119	635	0.52%	1.52%
RWS Holdings plc	Support Services	367	2,530	2,897	116	0.23%	6.46%
Gear4music Holdings plc	Media	557	1,913	2,470	(104)	1.91%	5.49%
FairFx Group plc	Software	948	1,323	2,271	948	1.05%	2.22%
Creo Medical Group plc	Electronic & Electrical	1,659	504	2,163	504	1.11%	2.04%
LoopUp Group plc	Software	480	1,656	2,136	600	0.87%	3.19%
EKF Diagnostics Holdings plc	Health	931	1,152	2,083	670	1.21%	2.62%
Netcall plc	Telecommunication Services	308	1,676	1,984	533	2.07%	3.58%
Next Fifteen Communications Group plc	Media	687	1,201	1,888	436	0.42%	13.47%
Gooch & Housego plc	Electronic & Electrical	472	1,381	1,853	226	0.47%	15.28%
IDOX plc	Software	353	1,346	1,699	117	1.13%	2.06%
VR Education Holdings plc	Software	1,080	562	1,642	562	5.59%	10.75%
Advanced Medical Solutions Group plc	Pharmaceuticals & Biotech	757	834	1,591	70	0.22%	10.05%
Cello Group plc	Media	895	691	1,586	157	1.16%	1.95%
Clinigen Group plc	Pharmaceuticals & Biotech	935	611	1,546	115	0.13%	4.85%
Adept Telecom plc	Telecommunication Services	601	926	1,527	197	1.81%	3.32%
Ergomed plc	Pharmaceuticals & Biotech	1,440	75	1,515	(321)	1.99%	6.67%
Abcam plc	Pharmaceuticals & Biotech	537	827	1,364	223	0.04%	2.78%
Restore plc	Support Services	341	983	1,324	26	0.21%	10.11%
Vertu Motors plc	General Retailers	1,265	49	1,314	167	0.70%	4.29%
Osirium Technologies plc	Electronic & Electrical	1,350	(50)	1,300	41	6.86%	17.26%

Investee Company	Sector	Cost as at 31 August 2018 £'000	Cumulative change in fair value £'000	Fair Value at 31 August 2018 £'000	Movement in period '£000	% equity held by Octopus AIM VCT plc	% equity held by all funds managed by Octopus
Judges Scientific plc	Electronic & Electrical	314	956	1,270	212	0.81%	1.36%
DP Poland plc	Leisure & Hotels	1,016	168	1,184	(355)	3.10%	6.50%
Trackwise Designs plc	Electronic & Electrical	1,050	100	1,150	100	6.77%	11.28%
Nasstar plc	Software	481	624	1,105	96	1.67%	2.79%
Gamma Communications plc	Telecommunication Services	488	601	1,089	204	0.14%	10.34%
Cambridge Cognition Holdings plc	Health	601	480	1,081	137	4.14%	6.91%
MyCelx Technologies Corporation	Oil Equipment	1,470	(452)	1,018	244	4.33%	9.92%
Ixico plc	Pharmaceuticals & Biotech	1,127	(121)	1,006	(121)	8.60%	14.34%
KRM22 plc	Equity Instruments	681	306	987	306	5.56%	9.27%
Brady plc	Software	947	35	982	134	1.79%	3.01%
Beeks Financial Cloud Group plc	Software	570	377	947	308	2.28%	3.97%
Access Intelligence plc	Software	715	203	918	227	3.72%	6.34%
Scientific Digital Imaging plc	Electronic & Electrical	179	736	915	290	2.49%	8.58%
Animalcare Group plc	Pharmaceuticals & Biotech	306	607	913	(627)	0.92%	2.37%
Escape Hunt plc	Leisure & Hotels	988	(197)	791	(29)	3.61%	6.02%
WANdisco plc	Software	145	620	765	166	0.19%	0.32%
appScatter Group plc	Software	1,257	(541)	716	(387)	2.20%	3.85%
Iomart Group plc	Software	268	340	608	68	0.14%	13.10%
Omega Diagnostics Group plc	Health	465	109	574	-	3.01%	5.26%
Fusion Antibodies plc	Health	577	(49)	528	(338)	3.19%	5.52%
Maestrano Group plc	Software	636	(127)	509	(127)	5.30%	8.83%
PCI-Pal plc	Support Services	720	(240)	480	(288)	3.76%	6.27%
Vectura Group plc	Pharmaceuticals & Biotech	498	(18)	480	45	0.09%	0.15%
Immotion Group plc	Software	375	103	478	103	1.92%	3.86%
Mears Group plc	Support Services	139	337	476	5	0.12%	0.14%
Velocity Composites plc	Industrial	799	(329)	470	(141)	2.63%	4.93%
Plastics Capital plc	Engineering & Machinery	400	56	456	(24)	1.03%	7.67%

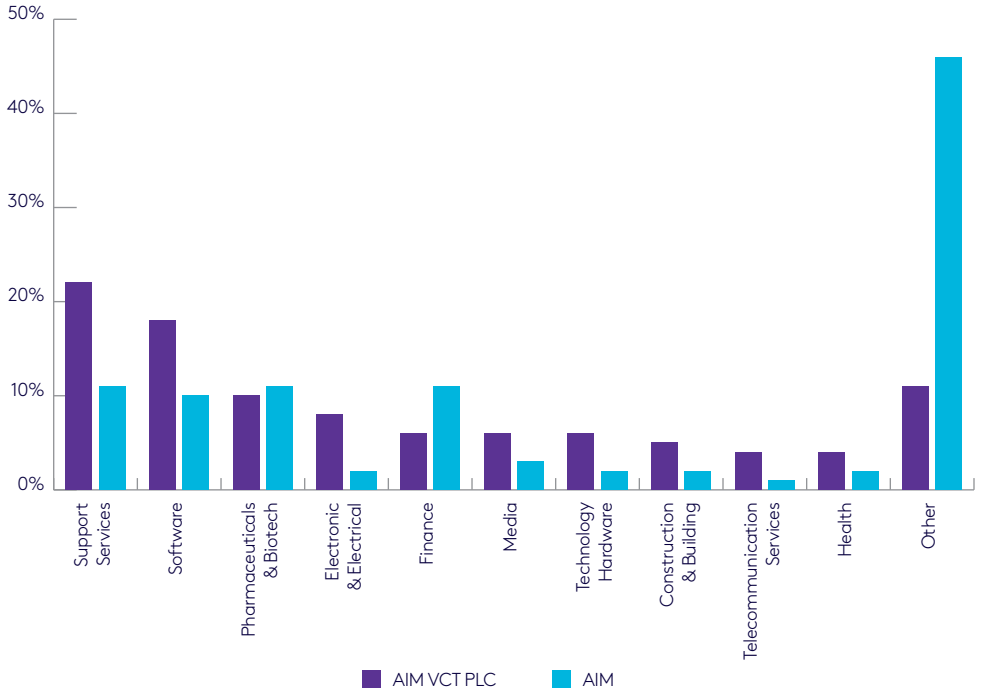
Investee Company	Sector	Cost as at 31 August 2018 £'000	Cumulative change in fair value £'000	Fair Value at 31 August 2018 £'000	Movement in period £'000	% equity held by Octopus AIM VCT plc	% equity held by all funds managed by Octopus
Maxcyte Inc	Pharmaceuticals & Biotech	511	(65)	446	-	1.20%	3.36%
Sinclair IS Pharma plc	Pharmaceuticals & Biotech	765	(321)	444	79	0.32%	0.54%
Futura Medical plc	Pharmaceuticals & Biotech	968	(544)	424	(229)	1.40%	7.20%
Microsaic Systems plc	Engineering & Machinery	1,384	(1,022)	362	(209)	5.67%	9.45%
TP Group plc	Engineering & Machinery	648	(303)	345	42	0.70%	2.51%
Enteq Upstream plc	Oil Services	1,032	(740)	292	55	1.65%	2.74%
Diurnal Group plc	Pharmaceuticals & Biotech	360	(80)	280	(80)	0.31%	0.51%
Tasty plc	Leisure & Hotels	622	(384)	238	(16)	2.49%	4.36%
Haydale Graphene Industries plc	Chemicals	598	(396)	202	(224)	1.37%	5.00%
Nektan Limited	Software	845	(732)	113	(6)	1.33%	7.33%
Dods Group plc	Media	203	(119)	84	(29)	0.24%	0.24%
Midatech Pharma plc	Pharmaceuticals & Biotech	600	(533)	67	(9)	0.37%	1.58%
Genedrive Plc	Pharmaceuticals & Biotech	210	(144)	66	(25)	1.40%	2.33%
ReNeuron Group plc	Pharmaceuticals & Biotech	324	(271)	53	(8)	0.20%	1.32%
ISpatial plc	Software	300	(258)	42	9	0.10%	0.57%
Location Sciences Group plc	Software	763	(756)	7	2	0.20%	0.34%
Total Quoted Investments		49,129	55,001	104,130	11,576		
Unquoted Investments							
Popsa Holdings Ltd	Software	720	-	720	-	6.90%	11.49%
Hasgrove plc	Media	88	132	220	-	2.66%	15.74%
Fusionex International plc	Software	282	(164)	118	-	0.34%	0.57%
Rated People Ltd	Software	354	(267)	87	-	0.51%	1.49%
Bond International Software plc	Software	2	-	2	-	n/a	n/a
Total Unquoted Investments		1,446	(299)	1,147	-		

Loan Note Investments	Sector	Cost as at 31 August 2018 £'000	Cumulative change in fair value £'000	Fair Value at 31 August 2018 £'000	Movement in period £'000	% equity held by Octopus AIM VCT plc	% equity held by all funds managed by Octopus
Nektan Limited	Software	500	–	500	–		
Total Loan Notes		500	–	500	–		
Total Fixed Asset Investments		51,075	54,702	105,777	11,576		
Current Asset Investments							
Octopus Portfolio Manager – Conservative Capital Growth		10,450	611	11,061	231		
Octopus Portfolio Manager – Defensive Capital Growth		10,450	282	10,732	101		
FP Octopus UK Micro Cap Growth Fund		3,300	1,210	4,510	562		
Total Current Asset Investments		24,200	2,103	26,303	894		
Total Fixed and Current Asset Investments				132,080			
Money Market Funds				1,310			
Cash at bank				1,929			
Debtors less creditors				(571)			
Total Net Assets				134,748			

Investment Portfolio continued

Sector Analysis

The graph below shows the sectors the Company is invested in by value compared to the AIM market as at 31 August 2018.



Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- the half-yearly financial statements have been prepared in accordance with Financial Reporting Standard 104 "Interim Financial Reporting" issued by the Financial Reporting Council;
- the half-yearly financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company;
- the half-yearly report includes a fair review of the information required by the Financial Conduct Authority's Disclosure and Transparency Rules, being:
 - an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements.
 - a description of the principal risks and uncertainties for the remaining six months of the year; and
 - a description of related party transactions that have taken place in the first six months of the current financial year, that may have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last annual report that could do so.
- the half-yearly financial statements have not been audited or reviewed by the auditors.

On behalf of the Board



Roger Smith
Chairman
15 October 2018

Income Statement

	Unaudited			Unaudited			Audited		
	Six months to 31 August 2018			Six months to 31 August 2017			Year to 28 February 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain/(loss) on disposal of fixed asset investments	-	105	105	-	(25)	(25)	-	477	477
Gain on valuation of fixed asset investment	-	11,576	11,576	-	6,472	6,472	-	6,943	6,943
Gain on valuation of current asset investment	-	894	894	-	581	581	-	541	541
Investment income	421	-	421	442	-	442	843	-	843
Investment management fees	(258)	(773)	(1,031)	(192)	(575)	(767)	(432)	(1,296)	(1,728)
Other expenses	(266)	-	(266)	(348)	-	(348)	(600)	-	(600)
Profit/(loss) on ordinary activities before tax	(103)	11,802	11,699	(98)	6,453	6,355	(189)	6,665	6,476
Taxation on profit/(loss) on ordinary activities	-	-	-	-	-	-	-	-	-
Profit/(loss) on ordinary activities after tax	(103)	11,802	11,699	(98)	6,453	6,355	(189)	6,665	6,476
Earnings per share – basic and diluted	(0.1)p	13.4p	13.3p	(0.1)p	7.0p	6.9p	(0.2p)	6.7p	6.5p


- the 'Total' column of this statement represents the statutory Income Statement of the Company; the supplementary revenue return and capital return columns have been prepared in accordance with the AIC Statement of Recommended Practice.
- all revenue and capital items in the above statement derive from continuing operations.
- the Company has no recognised gains or losses other than those disclosed in the income statement.
- 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, as well as OEIC funds.

Balance Sheet

	Unaudited		Unaudited		Audited	
	As at 31 August 2018		As at 31 August 2017		As at 28 February 2018	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments		105,777		90,232		91,247
Current assets:						
Current asset investments	26,303		18,399		24,959	
Money market securities	1,310		4,295		4,300	
Debtors	104		87		52	
Cash at bank	1,929		5,280		7,234	
Applications cash	10,059		4,899		241	
	39,705		32,960		36,786	
Creditors: amounts falling due within one year	(10,734)		(7,336)		(963)	
Net current assets		28,971		25,624		35,823
Net assets		134,748		115,856		127,070
Called up equity share capital		1,087		978		1,094
Share premium		63,727		48,650		63,098
Capital redemption reserve		73		54		61
Special distributable reserve		41,828		49,961		46,483
Capital reserve realised		(28,912)		(28,858)		(29,277)
Capital reserve unrealised		56,804		44,736		45,367
Revenue reserve		141		335		244
Total equity shareholders' funds		134,748		115,856		127,070
Net asset value per share		123.9p		118.4p		116.1p

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

The statements were approved by the Directors and authorised for issue on 15 October 2018 and are signed on their behalf by:



Roger Smith
Chairman
Company No: 03477519

Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Capital redemption reserve £'000	Special distributable reserves £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
As at 1 March 2018	1,094	63,098	61	46,483	(29,277)	45,367	244	127,070
Total comprehensive income for the period	-	-	-	-	(668)	12,470	(103)	11,699
Contributions by and distributions to owners:								
Repurchase and cancellation of own shares	(12)	-	12	(1,396)	-	-	-	(1,396)
Issue of shares	5	637	-	-	-	-	-	642
Share issue costs	-	(8)	-	-	-	-	-	(8)
Dividends paid	-	-	-	(3,259)	-	-	-	(3,259)
Total contributions by and distributions to owners	(7)	629	12	(4,655)	-	-	-	(4,021)
Prior years' holding gains now realised	-	-	-	-	1,033	(1,033)	-	-
Total other movements	-	-	-	-	1,033	(1,033)	-	-
As at 31 August 2018	1,087	63,727	73	41,828	(28,912)	56,804	141	134,748
As at 1 March 2017	873	35,422	45	53,717	(28,020)	37,445	433	99,915
Total comprehensive income for the period	-	-	-	-	(600)	7,053	(98)	6,355
Contributions by and distributions to owners:								
Repurchase and cancellation of own shares	(9)	-	9	(1,047)	-	-	-	(1,047)
Issue of shares	114	14,037	-	-	-	-	-	14,151
Share issue costs	-	(809)	-	-	-	-	-	(809)
Dividends paid	-	-	-	(2,709)	-	-	-	(2,709)
Total contributions by and distributions to owners	105	13,228	9	(3,756)	-	-	-	9,586
Prior years' holding losses now realised	-	-	-	-	-	-	-	-
Total other movements	-	-	-	-	(238)	238	-	-
As at 31 August 2017	978	48,650	54	49,961	(28,858)	44,736	335	115,856

	Share Capital £'000	Share Premium £'000	Capital redemption reserve £'000	Special distributable reserves £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
As at 1 March 2017	873	35,422	45	53,717	(28,020)	37,445	433	99,915
Total comprehensive income for the period	-	-	-	-	(819)	7,484	(189)	6,476
Contributions by and distributions to owners:								
Repurchase and cancellation of own shares	(16)	-	16	(1,792)	-	-	-	(1,792)
Issue of shares	237	29,399	-	-	-	-	-	29,636
Share issue costs	-	(1,723)	-	-	-	-	-	(1,723)
Dividends paid	-	-	-	(5,442)	-	-	-	(5,442)
Total contributions by and distributions to owners	221	27,676	16	(7,234)	-	-	-	20,679
Prior years' holding losses now realised	-	-	-	-	(438)	438	-	-
Total other movements	-	-	-	-	(438)	438	-	-
As at 28 February 2018	1,094	63,098	61	46,483	(29,277)	45,367	244	127,070

Cash Flow Statement

	Unaudited Six months to 31 August 2018 £'000	Unaudited Six months to 31 August 2017 £'000	Audited Year to 28 February 2018 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	11,699	6,355	6,476
Adjustments for:			
(Increase)/decrease in debtors	(52)	245	280
Increase/(decrease) in creditors	9,771	(1,537)	(7,910)
(Gain)/loss on disposal of fixed assets	(105)	25	(477)
Gain on valuation of fixed asset investments	(11,576)	(6,472)	(6,943)
Gain on valuation of current asset investments	(894)	(581)	(541)
Net cash generated from operating activities	8,843	(1,965)	(9,115)
Cash flows from investing activities			
Purchase of fixed asset investments	(8,087)	(5,807)	(8,947)
Purchase of current asset investments	(450)	(8,250)	(14,850)
Sale of fixed asset investments	5,238	1,941	5,039
Net cash flows from investing activities	(3,299)	(12,116)	(18,758)
Cash flows from financing activities			
Purchase of own shares	(1,396)	(1,047)	(1,792)
Share issues	139	13,342	27,164
Dividends paid	(2,764)	(2,709)	(4,693)
Net cash flows from financing activities	(4,021)	9,586	20,679
Increase/(decrease) in cash and cash equivalents	1,523	(4,495)	(7,194)
Opening cash and cash equivalents	11,775	18,969	18,969
Closing cash and cash equivalents	13,298	14,474	11,775
Cash and cash equivalents comprise			
Cash at Bank	1,929	5,280	7,234
Applications cash	10,059	4,899	241
Money Market Funds	1,310	4,295	4,300
	13,298	14,474	11,775

Notes to the Half-Yearly Report

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 31 August 2018 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 "Interim Financial Reporting" (March 2018) and the Statement of Recommended Practice (SORP) for Investment Companies re-issued by the Association of Investment Companies in February 2018.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 31 August 2018 do not constitute statutory accounts within the meaning of s.415 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The comparative figures for the year ended 28 February 2018 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3 of part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

3. Earnings per share

The earnings per share at 31 August 2018 is calculated on the basis of 88,197,672 (28 February 2018: 98,888,742 and 31 August 2017: 91,508,456) shares, being the weighted average number of shares in issue during the period.

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

4. Net asset value per share

	31 August 2018	31 August 2017	28 February 2018
Net assets (£'000)	134,748	115,856	127,070
Shares in Issue	108,722,268	97,829,766	109,415,232
Net Asset Value per share	123.9p	118.4p	116.1p

5. Dividends

The interim dividend declared of 2.5 pence per Ordinary share will be paid on 18 January 2019 to those shareholders on the register on 21 December 2018.

6. Buybacks and share issues

During the six months ended 31 August 2018 the Company repurchased the following shares.

Date	No of shares	Price (p)	Cost (£'000)
1 March 2018	312,441	111.0	347
29 March 2018	73,937	109.8	81
27 April 2018	342,921	115.0	394
14 June 2018	176,364	119.0	210
27 July 2018	313,805	116.0	364
Total	1,219,468		1,396

The weighted average price of all buybacks during the period was 114.5 pence per share.

During the six months ended 31 August 2018 the Company issued the following shares.

Date	No of shares	Price (p)	Net proceeds (£'000)
13 April 2018	119,802	122.8	137
20 July 2018 (DRIS)	406,702	121.8	491
Total	526,504		628

The weighted average allotment price of all shares issued during the period was 122.0 pence per share

7. Principal risks and uncertainties

The Company's principal risks are VCT qualifying status risk, investment risk, valuation risk, regulatory and reputational risk, operational risk and economic and price risk. These risks, and the way in which they are managed, are described in more detail in the Company's Annual Report and Accounts for the year ended 28 February 2018. The Company's principal risks and uncertainties have not changed materially since the date of that report.

8. Related party transactions

The Company has employed Octopus Investments Limited ("Octopus" or "the Manager") throughout the period as Investment manager. Octopus has also been appointed as Custodian of the Company's investments under a Custodian Agreement. The Company has been charged £1,031,000 by Octopus as a management fee in the period to 31 August 2018 (31 August 2017: £767,000 and 28 February 2018 £1,728,000). The management fee is payable quarterly and is based on 2% of net assets at quarterly intervals.

The Company has invested £0.45 million into Octopus managed funds (31 August 2017: £8.3 million and 28 February 2018 £14.9 million), being the Octopus Portfolio Manager and Micro Cap funds. To ensure the Company is not double charged management fees on these products, the Company receives a reduction in the management fee as a percentage of the value of these investments. This amounted to £47,000 in the period to 31 August 2018 (31 August 2017: £34,000 and 28 February 2018 £64,000). For further details please refer to the Company's Annual Report and Accounts for the year ended 28 February 2018.

9. Post balance sheet events

The following events occurred between the Balance sheet date and the signing of these financial statements.

- Part disposal of GB Group plc for total consideration of £300,000, a gain of £271,000 on investment cost.
- Part disposal of Gooch & Housego plc for total consideration of £209,000, a gain of £159,000 on investment cost.
- Part disposal of Beeks Financial Cloud Group plc for total consideration of £293,000, a gain of £173,000 on investment cost.
- Part disposal of Learning Technologies Group plc for total consideration of £422,000, a gain of £355,000 on investment cost.
- Part disposal of Futura Medical plc for total consideration of £11,000, a loss of £40,000 on investment cost.
- The company repurchased 487,406 shares at a price of 120.0p per share.
- The company issued 10,179,467 shares at a price of 133.3p per share.

10. Additional information

This statement will be made available to all shareholders. Copies are also available from the registered office of the Company at 33 Holborn, London, EC1N 2HT, and will also be available to view on the Octopus website at www.octopusinvestments.com.

About Octopus AIM VCT plc

Octopus AIM VCT plc (the “Company” or “Fund”) was launched as Close AIM VCT PLC in the spring of 1998 and raised £10.1 million from private investors through an issue of Ordinary shares.

Between October 2000 and March 2001 a further £20.0 million was raised through an issue of C shares. Furthermore, between 16 March 2004 and final closing on 5 April 2004 the Company raised £3.3 million by way of a D share issue.

The C Shares were merged and converted into Ordinary shares on 31 May 2004 at a conversion ratio determined by a price mechanism related to the respective net assets per share of both the Ordinary shares and C shares at 29 February 2004 (which resulted in C Shareholders receiving 1.0765 Ordinary shares for each C share held).

A further £15.0 million was raised between 6 January 2005 and 8 April 2005 through an issue of New D shares.

On 31 May 2008, the Ordinary shares converted into D shares at a conversion ratio of 0.5448 D shares for each Ordinary share. All of the D shares were then re-designated into New Ordinary shares.

With effect from 1 August 2008, the management of the Company was transferred to Octopus Investments Limited.

On 4 August 2010 the share capital was restructured and each existing Ordinary share of 50 pence was subdivided into one Ordinary share of 1 pence and one Deferred share of 49 pence. The Deferred shares had no economic value and were bought back by the Company for an aggregate amount of 1 pence and cancelled.

On 12 August 2010, following approval at the Extraordinary General Meeting on 4 August 2010, shareholders of Octopus Phoenix VCT had their shares converted into Octopus AIM VCT shares on a relative net asset value basis using the conversion factor of 0.42972672. On the same day, Octopus Phoenix VCT was placed into members’ voluntary liquidation.

The offer for subscription in the prospectus dated 9 July 2010 relating to the issue of new shares in connection with the merger with Octopus Phoenix VCT plc was extended by a supplemental prospectus and closed on 19 April 2011 raising £10 million. A subsequent offer raised £1.9 million, closing on 5 April 2012.

Since 5 April 2012 £80.4 million has been raised through various share offers launched.

Shareholder Information and Contact Details

Key Dates

The Company's financial calendar is as follows:

Interim dividend payment date	18 January 2019
Annual results for the year to 28 February 2019 announced	June 2019
Half yearly results to 31 August 2019	October 2019

Dividends

Dividends will be paid by the Registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Queries relating to dividends, shareholdings and requests for mandate forms should be directed to the Company's Registrar, Computershare Investor Services PLC ("Computershare"), by calling **0370 703 6325** (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. Computershare Investor Services PLC is open between 9.00 am – 5.30 pm, Monday to Friday, excluding public holidays in England and Wales), or by writing to them at:

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

Share Price

The Company's share price can be found on various financial websites, such as **www.londonstockexchange.com**, by typing 'Octopus AIM' in the 'Quotes Search' box.

The latest share price as at the close of business on 12 October 2018 was 114.0p per Ordinary 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.

The Company operates a policy of buying its own shares for cancellation as they become available, and envisages that purchases will be made at a 5% discount to the prevailing NAV. The Company is, however, unable to buyback shares directly from shareholders. If you are considering selling your shares or trading in the secondary market, please contact Panmure Gordon (UK) Limited.

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

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

Notification of Change of Address

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

Other Information for Shareholders

Previously published Annual Reports and Half-yearly Reports are available for viewing on the Octopus website at www.octopusinvestments.com by navigating to Services, Investors, Shareholder information, Octopus AIM VCT plc. All other statutory information will also be found there.

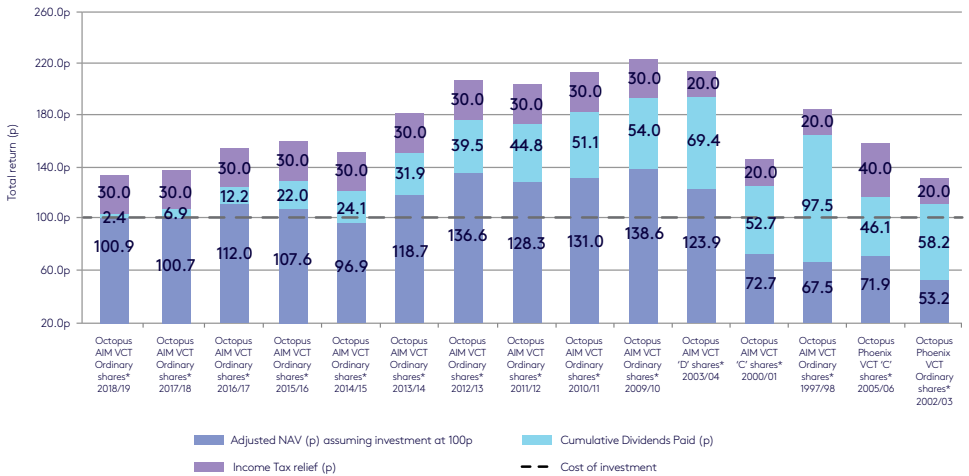
Warning to Shareholders

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

Please note that it is very unlikely that either Octopus Investments Limited ('Octopus') or the Company's Registrar would make unsolicited telephone calls to shareholders. In any event any such calls would relate only to official documentation already circulated to shareholders and would never be in respect of investment "advice".

If you are in any doubt about the veracity of an unsolicited phone call, please call either Octopus, or the Registrar, at the numbers provided at the back of this report.

The table below depicts the Net Asset Value (NAV) per share and the dividends that have been paid since the launch of Octopus AIM VCT plc for the different share classes. The figures represent the NAV, rebased to assume investment (including initial charge) at 100p, and adjusted in accordance with the relevant conversion factors. Investment has been assumed at the first allotment of each tax year:



The objective of the table below is to show the return of each individual share class (representing the first allotment from each tax year), assuming no subsequent corporate actions had occurred, so that the NAV plus cumulative dividends shown at the bottom of the table relates directly to the original investment. There is now only one share class, that being Ordinary shares (formerly D shares).

Dividends paid in the period ended	Ordinary shares 2018/19	Ordinary shares 2017/18	Ordinary shares 2016/17	Ordinary shares 2015/16	Ordinary shares 2014/15	Ordinary shares 2013/14	Ordinary shares 2012/13
28 February 1999	-	-	-	-	-	-	-
29 February 2000	-	-	-	-	-	-	-
28 February 2001	-	-	-	-	-	-	-
28 February 2002	-	-	-	-	-	-	-
28 February 2003	-	-	-	-	-	-	-
29 February 2004	-	-	-	-	-	-	-
28 February 2005	-	-	-	-	-	-	-
28 February 2006	-	-	-	-	-	-	-
28 February 2007	-	-	-	-	-	-	-
29 February 2008	-	-	-	-	-	-	-
28 February 2009	-	-	-	-	-	-	-
28 February 2010	-	-	-	-	-	-	-
28 February 2011	-	-	-	-	-	-	-
29 February 2012	-	-	-	-	-	-	-
28 February 2013	-	-	-	-	-	-	-
28 February 2014	-	-	-	-	1.96*	4.79*	-
28 February 2015	-	-	-	2.17*	4.30*	5.27*	-
29 February 2016	-	-	-	8.07*	7.28*	8.91*	-
28 February 2017	-	-	4.52*	4.34*	3.91*	4.79*	-
28 February 2018	-	4.47*	4.97*	4.77*	4.30*	5.27*	-
28 February 2019	2.44*	2.44*	2.71*	2.60*	2.35*	2.87*	-
Cumulative dividends paid	2.44	6.91	12.21	21.96	24.10	31.90	-
Adjusted NAV as at 31 August 2018** (assuming investment at 100p)	100.9	100.7	112.0	107.6	96.9	118.7	-
Adjusted NAV plus cumulative dividends paid***	103.34	107.64	124.23	129.51	121.05	150.57	-

Following the merger with Octopus Phoenix VCT plc and various share reorganisations, there is now only one share class, Ordinary shares. For Octopus Phoenix VCT plc Ordinary shares and C shares, the figures above represent a notionally adjusted NAV per share in accordance with the relevant conversion factors listed in About Octopus AIM VCT plc on page 22.

Ordinary shares 2012/13	Ordinary shares 2011/12	Ordinary shares 2010/11	Ordinary shares 2009/10	D shares 2003/04	C shares 2000/01	Ordinary shares 1997/98	Phoenix 'C' shares 2005/06	Phoenix Ordinary shares 2002/03
-	-	-	-	-	-	1.88	-	-
-	-	-	-	-	-	3.13	-	-
-	-	-	-	-	-	37.25	-	-
-	-	-	-	-	2.55	6.50	-	-
-	-	-	-	-	1.50	3.50	-	-
-	-	-	-	-	0.50	0.50	-	0.15
-	-	-	-	0.50	0.50	0.50	-	6.50
-	-	-	-	2.25	2.31	2.15	-	1.00
-	-	-	-	3.30	4.52	4.20	1.00	3.35
-	-	-	-	5.00	5.38	5.00	6.00	12.00
-	-	-	-	5.00	4.16*	3.86*	5.00	10.00
-	-	-	-	5.00	2.93*	2.72*	2.70*	2.00*
-	-	5.28*	5.59*	5.00	2.93*	2.72*	5.77*	4.27*
-	5.18*	5.28*	5.60*	5.00	2.94*	2.72*	3.06*	2.26*
2.76*	5.18*	5.28*	5.59*	5.00	2.94*	2.72*	3.06*	2.26*
5.51*	5.18*	5.28*	5.60*	5.00	2.94*	2.72*	3.06*	2.26*
6.06*	5.69*	5.81*	6.16*	5.50	3.23*	2.99*	3.19*	2.36*
10.25*	9.63*	9.83*	10.41*	9.30	5.46*	5.06*	5.40*	3.99*
5.51*	5.18*	5.29*	5.60*	5.00	2.93*	2.72*	2.90*	2.15*
6.06*	5.69*	5.81*	6.16*	5.50	3.23*	3.00*	3.19*	2.36*
3.31*	3.11*	3.17*	3.36*	3.00	1.76*	1.63*	1.74*	1.29*
39.47	44.82	51.04	54.06	69.35	52.70	97.48	46.08	58.21
136.6	128.3	131.0	138.6	123.9	72.7	67.5	71.9	53.2
176.07	173.08	182.02	192.65	193.25	125.37	164.98	118.00	111.45

*Notional dividends adjusting for conversion & assuming an investment at 100p, of Phoenix 'C' shares into Phoenix Ordinary shares, and relevant AIM VCT shares into AIM VCT Ordinary shares (formerly D shares).

**NAV adjusted for conversion of relevant shares into AIM VCT Ordinary shares at the date of each conversion. Phoenix Ordinary shares adjusted as at the date of the merger.

***NAV plus cumulative dividends based on NAV adjusting for conversion, assuming an investment at 100p, showing the notional return to shareholders based on their original investment share class.

Details of Directors and Advisers

Board of Directors

Roger Smith (Chairman)
Stephen Hazell-Smith
Joanne Parfrey
Neal Ransome

Company Number

Registered in England & Wales
No. 03477519

Secretary and Registered Office

Suzanna Waterhouse, GradICSA
33 Holborn
London
EC1N 2HT

Investment & Administration Manager

Octopus Investments Limited
33 Holborn
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EC1N 2HT
Tel: 0800 664 0324
www.octopusinvestments.com

Corporate Broker

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One New Change
London
EC4M 9AF
Tel: 020 7886 2500

Independent Auditor

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55 Baker Street
London
W14 7EU

Taxation Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

VCT Status Adviser

PricewaterhouseCoopers LLP
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London
WC2N 6RH

Bankers

HSBC Bank plc
31 Holborn
London
EC1N 2HR

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Tel: 0370 703 6325 (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

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