Oxford Technology Venture Capital Trust Plc

Annual Financial Statements
For the Year Ended 28 February 2017
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About Oxford Technology VCT Plc

VCTs were introduced by the UK Government in 1995 to encourage individuals to invest in UK smaller companies. This was achieved by offering VCT investors a series of tax benefits. Oxford Technology VCT Plc (OT1) was listed on the London Stock Exchange in April 1997. It raised £4.85m in 1997-98. Further top-up offers have raised an additional £245k.

The Company is managed by OT1 Managers Ltd with services subcontracted to Oxford Technology Management Ltd. It has built a balanced portfolio of investments with the following characteristics at the time of the initial investment:

- Unlisted, UK based, science, technology and engineering businesses; investee company Scancell Holdings Plc has subsequently listed on AIM;
- Investments typically in the range of £100k to £500k;
- Generally located within approximately 60 miles of Oxford so that the Company can be an active investor.

The key feature of Oxford Technology VCT is that it has focussed on investing in early stage and start-up technology companies. The returns from such investments when successful can be highly attractive but the associated risks are high.

OT1 has been approved as a VCT by HMRC throughout the year and continues to comply with all statutory requirements.

Financial Headlines

<table>
<thead>
<tr>
<th></th>
<th>Year Ended 28 February 2017</th>
<th>Year Ended 29 February 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets at Year End</td>
<td>£2.89m</td>
<td>£3.33m</td>
</tr>
<tr>
<td>Net Asset Value per Share</td>
<td>53.2p</td>
<td>61.2p</td>
</tr>
<tr>
<td>Cumulative Dividend per Share</td>
<td>54.0p</td>
<td>52.7p</td>
</tr>
<tr>
<td>NAV + Cumulative Dividend per</td>
<td>107.2p</td>
<td>113.9p</td>
</tr>
<tr>
<td>Share Paid from Incorporation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed Final Dividend per</td>
<td>1.0p</td>
<td>1.3p</td>
</tr>
<tr>
<td>Share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Price at Year End</td>
<td>35.0p</td>
<td>40.5p</td>
</tr>
<tr>
<td>Earnings Per Share (Basic &amp; Diluted)</td>
<td>(6.7)p</td>
<td>(3.8)p</td>
</tr>
</tbody>
</table>
Strategic Report

The Strategic Report has been prepared in accordance with the requirements of Section 414C of the Companies Act 2006 and the Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2014. Its purpose is to inform shareholders of the progress of the Company, to look at the current business model, future objectives, strategy and principal risks of the Venture Capital Trust.

The Report consists of the Chairman’s Statement which looks at future prospects for the Company, a Business Review which includes analysis of the principal risks and an Investment Portfolio Review which looks at the performance of the Company’s investments over the past year.

The Company’s objective is to continue to work with its investee companies to help them succeed and to seek exits as and when appropriate. The aim is to build shareholder value, providing investors with a modest ongoing yield and one-off payments as and when exits are achieved. Distributions to shareholders will be made via dividend payments.

Chairman’s Statement

I am pleased to present my Annual Report for the year to 28 February 2017 to fellow shareholders.

Overview

The portfolio is making good progress in line with the Company’s objective, but due to portfolio company revaluations the overall loss in the year to 28 February 2017 was 6.7p per share. Excluding changes in valuation, your VCT again generated an operating profit: our relatively concentrated portfolio of assets provided a respectable gross yield (before costs) of just under 4% (2016: 5%) of net asset value (NAV), and the Board of OT1 is recommending a final revenue dividend of 1.0p per ordinary share. Subject to shareholder approval, the dividend will be paid on 21 July 2017 to ordinary shareholders on the register on 30 June 2017.

Portfolio Review

The NAV per share on 28 February 2017 was 53.2p compared to 61.2p on 29 February 2016. This 8.0p drop in NAV consists of the aforementioned 6.7p loss per share as well a dividend of 1.3p per share that was paid on 20 July 2016. Dividends paid to date are now 54.0p per share, giving a total return to date of 107.2p per share based on the NAV on 28 February 2017.

Photocopier software company, Select Technology, remains the largest holding in your Company’s portfolio – it has had a profitable and cash generative year, paying another dividend in January and further dividends are expected in future. The company has continued to grow, though profits have been slightly impacted as the company executes a planned transition to reduce dependency on one particular supplier, which will have the effect of increasing business resilience and should result in faster growth. As Select Technology has been consistently profitable in recent years, we have continued to use a valuation metric based on a multiple of profits, resulting in a modest reduction in the valuation of our 30% stake in this business. It could be argued that this reduction is overly cautious given the positive newsflow from the company.

Scancell Holdings Plc (Scancell), listed on the AIM market of the London Stock Exchange, is your Company’s second largest holding. Scancell continues to make progress with the development of
novel immunotherapies for the treatment of cancer. A £6.2 million funding round was completed in early April 2016, though OT1 did not participate in this placing and open AIM offer due to restrictions imposed by VCT rules.

Scancell now has a much improved balance sheet, enabling it to continue to push ahead with its commercial activities: Scancell is now active in the USA, has hired additional commercial staff and has announced several new initiatives relating to its ImmunoBody platform, *inter alia* a planned multicentre clinical trial that aims to demonstrate an increase in response rates when SCIB1 is added to checkpoint inhibitor monotherapy and a partnership with the Addario Lung Cancer Medical Institute to advance SCIB2 to treat non-small cell lung cancer. Scancell is also developing its Moditope platform with first-in-man clinical studies for breast cancer, ovarian cancer and osteosarcoma anticipated to commence in 2018.

The bid price of Scancell’s shares used for the calculation of the Company’s net asset value on 28 February 2017 was 14.0p, down from 17.5p on 29 February 2016, resulting in a reduction of £241k in the value of Company’s investment in Scancell over the same period.

Together with the Company’s cash balance, Select Technology and Scancell make up just over 88% of OT1’s portfolio.

Duncan Hynd Associates was disposed of at book value, tidying the portfolio; Getmapping increased turnover despite challenging market conditions and BioCote continues to grow its business, expand its team and is now exporting to 50 countries. IMPT has been removed from our list of investments now that the company has been dissolved (there was no impact on the P&L as the investment had already been fully written down).

Further details are contained within the Investment Manager’s Report, and on our website.

We continue to assess the opportunity for divestments so as to crystallise shareholder value as and when appropriate. It should be noted that the cash income derived from our portfolio in the year exceeded the Company’s costs for the year – overall, therefore, the Company’s portfolio provides a blend of growth potential and cash generation. The main portfolio companies have the potential for a valuation uplift in the near to medium term, therefore the Directors currently do not envisage exiting these companies in the short term.

**Dividends/Return of Capital**

The ongoing strategy is to seek to crystallise value from the portfolio and distribute cash to shareholders via dividend payments. Following another dividend from Select Technology, the Directors are recommending a final revenue dividend of 1.0p per ordinary share for the year ended 28 February 2017, which will be paid on 21 July 2017 to ordinary shareholders on the register on 30 June 2017.
VCT Market Changes and Continued Improvements to Cost Effectiveness

Shareholders may be aware of some significant changes to the VCT market in recent years. Changes to pension tax reliefs are driving investors to look for alternatives – coupled with a reduced supply of tax efficient investment opportunities, this has resulted in exceptional demand from investors wishing to subscribe for VCTs. Changes to VCT legislation have been made to target more VCT money towards the sorts of earlier stage companies that OT1 has invested in.

Following the reduction of fees implemented at the start of the previous financial year, your Board continues to look at methods of improving operational efficiency and liquidity for shareholders who wish to realise their holdings. Several options are being explored and your Board is hoping to bring forward proposals later in the year.

In the interim the Board would like to have the flexibility to buy back shares and is therefore proposing a buyback resolution at the AGM. This will be proposed as an Ordinary Resolution in accordance with the Companies Act 2006 (Amendment of Part 18) Regulations 2013.

Audit Tender

New legislation has been introduced in the UK on audit firm rotation, resulting from the new European Audit Regulation Directive, making it mandatory for listed companies to undergo a tender process for the audit of their company at least every ten years. An audit firm can, however, be appointed for up to twenty years provided a public tender process has been carried out after ten years. The Company has therefore recently conducted an audit tender process. The Board, on the recommendation of the Audit Committee, has decided to recommend the re-appointment of James Cowper Kreston as the Company’s external auditor. For further information on the audit tender, please see the Audit Committee section of the Corporate Governance Statement on pages 26 and 27 of this Annual Report.

AGM

Shareholders should note that the AGM for the Company will be held on Wednesday 5 July 2017 at the Magdalen Centre, Oxford Science Park, starting at 11am and will include presentations by Oxford Technology Management and some of the companies that the Oxford Technology VCTs have invested in.

A formal Notice of the AGM has been enclosed with these Financial Statements together with a Form of Proxy for those not attending. We appreciate the input of our shareholders and look forward to welcoming as many of you as possible on the day.

Outlook

The year under review was dominated by two major political events, the UK’s vote to leave the European Union and the election of Donald Trump to the office of US President. In the case of the EU referendum, the leave result triggered a significant fall in the value of sterling, and it has so far remained weak. This in turn led to the increase in valuation of UK larger companies, which have a bias towards overseas earnings.

The more immediate impact on our own UK smaller investees has been to improve those with overseas revenues in sterling terms while increasing the costs for those with foreign activities or imports. These impacts are not yet material. The longer term UK/EU trading issues will take time to emerge but clearly one impact is that our investee company sterling valuations now look more attractive to overseas buyers.
Post referendum the new Theresa May government has retained the VCT model although we anticipate it will continue to be kept under review to ensure that it delivers value to the taxpayer. The Oxford Technology VCTs have operated and continue to operate very much in the spirit of the VCT legislation by investing in and subsequently supporting early stage technology companies. Unfortunately the current VCT rules sometimes limit the amount of follow on investment that we are able to make.

Looking ahead, though the portfolio remains concentrated, the VCT structure is suited to holding your Company’s assets. The overall portfolio is well positioned for both growth and cash generation. As per our stated strategy, your Board continues to work to maximise value, reduce costs, and – when valuations and liquidity allow – crystallise shareholder value and distribute to shareholders via dividend payments.

Alex Starling
Chairman
10 May 2017
**Business Review**

**Company Performance**

The Board is responsible for the Company's investment strategy and performance. The services regarding the creation, management and monitoring of the investment portfolio are subcontracted to Oxford Technology Management by the Company’s Investment Manager, OT1 Managers Ltd.

There was a net loss for the period after taxation amounting to £367,000 (2016: loss of £206,000). The income statement comprises income of £110,000 (2016: £154,000) received from investee companies, unrealised losses on fair value of investments of £393,000 (2016: loss of £265,000) and management and other expenses of £84,000 (2016: £95,000).

The graph below compares the NAV return of the Company from 1997 with the total return from the FTSE All-Share Index over the same period. This index is considered to be the most appropriate broad equity market index for comparative purposes. However, the Directors wish to point out that VCTs are not able to make qualifying investments in companies quoted on the Main Market in their observance of VCT rules and are very limited in the types of investment that can be made. All measures are rebased to 100 at the start date of the fund.

![Graph comparing NAV and FTSE All-Share Index](image)

**Key Performance Indicators**

The Board uses a number of performance measures to assess the Company's success in meeting its objectives. Performance, measured by the change in NAV and total return per share, is also measured against the FTSE All-Share index. This is shown in the graph above. This index has been adopted as an informal benchmark. The review of the investment portfolio on page 11 includes a review of the Company's activities and the Chairman’s statement comments on future prospects.
Viability Statement

In accordance with provision C.2.2 of The UK Corporate Governance Code 2014 the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the “Going Concern” provision. The Company last raised funds in 2009, and so the minimum five year holding period required to enable subscribing investors to benefit from the associated tax reliefs has now passed. The Board regularly considers the Company’s strategy, including investor demand for the Company’s shares, and a three year period is therefore considered to be an appropriate and reasonable time horizon.

The Board has carried out a robust assessment of the principal risks facing the Company and its current position, including those which may adversely impact its business model, future performance, solvency or liquidity. The principal risks faced by the Company and the procedures in place to monitor and mitigate them are set out below.

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

Based on the above assessment the Board confirms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to 29 February 2020.

Risk Management Objectives and Policies

The Board carries out a regular review of the risk environment in which the Company operates.

Investment risk – The majority of investments are early stage unquoted companies which are VCT qualifying holdings. This inherently entails a higher level of risk and lower liquidity than investments in large quoted companies. The Directors sought to reduce this risk through careful selection of potential investee companies prior to investment; the Directors continue to carefully monitor existing investee companies.

VCT qualifying status risk – The Company is required at all times to observe the conditions laid down in the Income Tax Act 2007 for the maintenance of approved VCT status as amended by subsequent legislation. In particular, the Finance (No. 2) Act 2015 has placed additional restrictions on how funds can be deployed as mentioned in the Chairman’s Statement. The loss of such approved status could lead to the Company losing its exemption from Corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment as well as any previously deferred capital gains coming back into charge. The Board keeps the Company’s VCT qualifying status under regular review.

Financial risk – The Company is exposed to market price risks and to a limited extent to credit risk, liquidity risk, fair value and cash flow interest rate risks. All of the Company’s income and expenditure is denominated in sterling and hence the Company has no direct foreign currency risk. The Company does not use derivative financial instruments.

Regulatory risk – The Company is required to comply with the Companies Act, the rules of the UK Listing Authority and United Kingdom Accounting Standards. Breach of any of these might lead to suspension of the Company’s Stock Exchange listing, financial penalties or a qualified audit report.
**Internal Control**

The Directors are responsible for the Company's system of internal control. The Board has adopted an internal operating and strategy document for the Company. This includes procedures for the selection and approval of investments, the functions of the Investment Manager and exit and dividend strategies. Day to day operations are delegated under agreements with the Investment Manager who has established clearly defined policies and standards. These include procedures for the monitoring and safeguarding of the Company's investments and regular reconciliation of investment holdings.

This system of internal control, which includes procedures such as physical controls, segregation of duties, authorisation limits and comprehensive financial reporting to the Board, is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has reviewed, with its Investment Manager, the operation and effectiveness of the Company's system of internal control for the financial period and the period up to the date of approval of the financial statements.

The Board has continued to prepare the financial statements in accordance with UK Financial Reporting Standards rather than International Financial Reporting Standards. This is permitted as the financial statements present the results of an individual company rather than a group.

**Gender and Diversity**

The Board consists of four male non-executive Directors of various ages, backgrounds and experience. The gender and diversity of the constitution of the Board will be reviewed on an annual basis.

**Environmental Policy, Greenhouse Gas Emissions and Human Rights Issues**

The Board recognises the requirement under Section 414c of the Companies Act 2006 to detail information about environmental matters (including the impact of the Company's business on the environment), employee, human rights, social and community issues, including information about any policies it has in relation to these matters and effectiveness of these policies.

Given the size and nature of the Company's activities and the fact that it has no full-time employees and only four non-executive Directors, the Board considers there is limited scope to develop and implement social and community policies. However, the Company recognises the need to conduct its business in a manner responsible to the environment where possible.

*Alex Starling*
Chairman
10 May 2017
Investment Portfolio Review

OT1 was formed in 1997 and invested in a total of 21 companies, all start-up or early stage technology companies. Some of these companies failed with the loss of the investment. Some have succeeded and have been sold. Dividends paid to shareholders to date are 54p per share. The table on page 13 shows the companies remaining in the portfolio.

The ultimate outcome for investors will depend on how the remaining investments perform. In particular, Select Technology and Scancell have the potential to deliver significant returns.

Select Technology (in which OT1 originally invested in 1999) specialises in software for photocopiers – now known as MFDs – Multi-Function Devices. Over the last decade Select Technology has built up a global network of distributors and dealers through which it sells both products which it has developed itself and products which have been produced by others. These products now include PaperCut, Kpax, Foldr and Drive Image.

Select Technology has made steady financial progress. Sales have increased from £210k in the year to July 2010 to £5.2m in the year to July 2016. Select Technology is profitable and cash generative and is likely to be in a position to pay regular dividends in future. During this financial year, OT1 received a £110k dividend payment from Select Technology. It is a modern company in the sense that it has employees all over the world, and usually only one person in the office in Basingstoke: everyone usually works remotely.

Scancell, in which OT1 first invested in 1999 when the company was based in a University Lab, is now AIM listed. Scancell is developing novel immunotherapies for cancer, based on two platform technologies known as Immunobody and Moditope. Results from Scancell’s first clinical trial for the treatment of melanoma have been excellent. At the start of the trial, the patients had life expectancies measured in months. Five years later 15 of the 16 patients are alive. Unfortunately Scancell has not yet found a pharma partner to take this forward. However, the company is now planning a new study in the US which, if successful, is expected to create a great deal more interest. The study which will evaluate SCIB1 in combination with pembrolizumab, a checkpoint inhibitor drug, will be run by leading melanoma specialist Dr Keith Flaherty and several other top investigators. Scancell is now starting work on a second Immunobody product (SCIB2) for the treatment of lung cancer in collaboration with the Addario Lung Cancer Medical Institute. The first patients are expected to enter the trial in 2018 and the trial should complete in c 18 months. Scancell raised £6.2m during the year, although OT1 was unable to participate due to the constraints imposed by the VCT rules.

OT1 was the first investor in Getmapping when the company was founded in 1999. Having floated on AIM and grown to 65 people, Getmapping suffered badly when Ordnance Survey terminated a reseller agreement. Employees reduced to 12 and the share price fell to 1p. But Getmapping survived and sales were £6m in the year to Dec 2015 and £3m in the first half of 2016. Getmapping business is now split between the UK and Africa. Getmapping provides aerial photography and products which enhance the value and usefulness of this data.

OT1 was the first investor in BioCote in 1997, before the company had any sales. Today, BioCote has sales of £1.6m and supplies its antimicrobial coatings to companies all over the world.
New Investments in the year

There were no new investments during the year.

Disposals during the year

A payment of £9,715 (Net Book Value) was received from the sale of Duncan Hynd Associates.

Valuation Methodology

Quoted and unquoted investments are valued in accordance with current industry guidelines that are compliant with International Private Equity and Venture Capital Valuation Guidelines and current financial reporting standards.

VCT Compliance

Compliance with the main VCT regulations as at 28 February 2017 and for the year then ended is summarised as follows:

<table>
<thead>
<tr>
<th>Type of Investment By HMRC Valuation Rules</th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>VCT Qualifying Investments</td>
<td>75%</td>
<td>Minimum obligation of: 70%</td>
</tr>
<tr>
<td>Non-Qualifying Investments</td>
<td>25%</td>
<td>Maximum allowed: 30%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

At least 10% of each investment in a qualifying company is held in 'eligible shares' – Complied.

No more than 15% of the income from shares and securities is retained – Complied.

No investment constitutes more than 15% of the Company’s portfolio (by value at time of investment) – Complied.

No investment made by the VCT has caused the company to receive more than £5m of State Aid investment in the year – Complied as no new investments made.
Table of Investments held by Company at 28 February 2017

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Date of initial investment</th>
<th>Net cost of investment £'000</th>
<th>Carrying value at 28/02/17 £'000</th>
<th>Change in value for the year £'000</th>
<th>% equity held by OT1</th>
<th>% equity held by All OTVCTs</th>
<th>% net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select Technology</td>
<td>Photocopier Interfaces</td>
<td>Sep 1999</td>
<td>488</td>
<td>1,380</td>
<td>(156)</td>
<td>30.0</td>
<td>58.6</td>
<td>47.7</td>
</tr>
<tr>
<td>Scancell Quoted on AIM (Bid Price 14.0p)</td>
<td>Antibody based cancer therapeutics</td>
<td>Aug 1999</td>
<td>344</td>
<td>964</td>
<td>(241)</td>
<td>2.6</td>
<td>4.4</td>
<td>33.4</td>
</tr>
<tr>
<td>Getmapping</td>
<td>Aerial photography</td>
<td>Mar 1999</td>
<td>518</td>
<td>228</td>
<td>4</td>
<td>3.9</td>
<td>3.9</td>
<td>7.9</td>
</tr>
<tr>
<td>BioCote</td>
<td>Bactericidal additives</td>
<td>Dec 1997</td>
<td>85</td>
<td>106</td>
<td>-</td>
<td>6.6</td>
<td>6.6</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td><strong>1,435</strong></td>
<td><strong>2,678</strong></td>
<td><strong>(393)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Net Assets</td>
<td></td>
<td></td>
<td></td>
<td>211</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>2,889</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Number of shares in issue: 5,431,655
Net Asset Value per share at 28 February 2017: 53.2p
Dividends paid to date: 54.0p

This table shows the current portfolio holdings. The investments in Avidex, Concept Broadcast, Coraltech, Eurogen, Im-Pak, Freehand Surgical, Nexus, OST, Rapier, Sirius, Synaptica and IMPT have been written off. The investments in Valid, Dataflow, MET, Equitalk and Duncan Hynd Associates have been sold. Some shares in Scancell have also been sold.
Select Technology
www.selectec.co.uk

<table>
<thead>
<tr>
<th>First Investment</th>
<th>Net Cost</th>
<th>Carrying Value 28/02/2017</th>
<th>Change in Value for the Year</th>
<th>% Equity Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select Technology</td>
<td>September 1999</td>
<td>£488,224</td>
<td>£1,380,149</td>
<td>(£156,276)</td>
</tr>
</tbody>
</table>

Select Technology specialises in software for photocopiers (now known as MFDs – Multi-Function Devices – since they scan, fax, email and do other tasks in addition to photocopying). There are two strands to the business: (1) writing software which sits at the heart of MFDs and that greatly improves the user experience, enabling users to access all software programs to which they are entitled with a single sign on and giving these programs the same 'look and feel'; and (2) software distribution – Select Technology distributes a growing number of products through an expanding network of dealers and agents across the world. The products now include PaperCut, Kpax, Foldr and Drivve Image.

During the year PaperCut opened its own European office bringing to an end an EMEA channel management/support agreement with Select (Select still distributes PaperCut in the UK). As a result of this, Select will probably see a reduction in sales and gross margin in the current financial year but it is anticipated that this will be more than recovered in future years as the number of products, the size and number of the global network of dealers and distributors continues to expand.

Select Technology’s staff has increased to 26, almost all of whom work remotely. It has staff in England, Wales, Australia and Cambodia.

It took a long time, but Select Technology’s financial performance has improved steadily in recent years with sales growing from £210k in the year to 31 July 2010 to £5.2m in the year to 31 July 2016. OT1 received a dividend of £110k in January 2017.

Select Technology is valued using a profit multiple, the profits in the last 6 months have been lower due to the loss of the EMEA PaperCut contract, resulting in a small reduction in the valuation during the year.
Scancell  
www.scancell.co.uk

<table>
<thead>
<tr>
<th></th>
<th>First Investment</th>
<th>Net Cost</th>
<th>Carrying Value 28/02/2017</th>
<th>Change in Value for the Year</th>
<th>% Equity Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scancell</td>
<td>August 1999</td>
<td>£344,165</td>
<td>£963,662</td>
<td>(£240,916)</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Scancell is an AIM listed biotechnology company in which Oxford Technology VCT was one of the original investors in 1999 when Professor Lindy Durrant, Scancell's founder was based in a university lab in Nottingham. OT1 owns 6,883,300 shares in Scancell (2.6% of Scancell).

Scancell is developing novel immunotherapies for cancer based on two platform technologies, known as ImmunoBody and Moditope. SCIB1, Scancell’s first ImmunoBody, is being developed for the treatment of melanoma and is in Phase II clinical trials. In theory, these Scancell technologies could be used to treat many common forms of cancer, including breast and prostate. Data from the trials to date is encouraging and demonstrate that SCIB1, when used as monotherapy, has a marked effect on tumour load, produces a melanoma-specific immune response and highly encouraging survival trend without serious side effects.

Data published in March 2015 demonstrated that animals treated with a combination of SCIB2, Scancell’s ImmunoBody vaccine in development for the treatment of lung, oesophageal, prostate and other epithelial cancers, and checkpoint inhibition showed enhanced tumour destruction and significantly longer survival times than when either treatment was used alone which is positive news.

In January Scancell announced a collaboration with the Addario Lung Cancer Medical Institute to study the second ImmunoBody product in lung cancer. ALCMI plans to assist Scancell in the design and development of a Phase 1/2 clinical trial with SCIB2 in patients with NSCLC which is planned to begin in 2018 and complete approximately 18 months later.

Scancell has also identified and patented a series of modified epitopes that stimulate the production of killer CD4+ T cells that destroy tumours without toxicity. The directors of Scancell believe that the Moditope platform could play a major role in the development of safe and effective cancer immunotherapies in the future.

Scancell remains a high risk investment – clinical trials can go either way, but if the trials continue to go well, we would expect to see a significant increase in the share price. The whole area of cancer immunology is now centre stage for major pharmaceutical companies seeking to secure a long term position, as this very new exciting area starts to deliver excellent clinical outcomes, which are anticipated to replace current crude, but often effective, treatments based around chemotherapy and radiotherapy.

The bid price as at 28 February 2017 used for this Scancell valuation was 14.0p (2016: 17.5p).
Getmapping
www.getmapping.com

<table>
<thead>
<tr>
<th>First Investment</th>
<th>Net Cost</th>
<th>Carrying Value</th>
<th>Change in Value for the Year</th>
<th>% Equity Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getmapping</td>
<td>March 1999</td>
<td>£517,686</td>
<td>£228,166</td>
<td>£3,867</td>
</tr>
</tbody>
</table>

OT1 was the first investor in Getmapping when the company was founded in 1999. The company was formed to make the first complete aerial photograph of the UK, known as the Millennium Map.

Getmapping still supplies its own aerial photography and height data of the whole of Britain under contract to the English and Scottish governments. However this business cannot be relied on in the future (as photography is becoming increasingly commoditised in the UK). Therefore Getmapping continues to work hard to expand its aerial survey business into Southern Africa and also to develop web-based mapping systems which allow users to access and analyse all sorts of mapping and geographical data anywhere in the world.

During the year there were some changes to the organisational structure. One change was the formation of GeoXphere, a Limited Liability Partnership owned 6% by management, 47% by Getmapping and 47% by WaldoAir whose aim is to offer aerial surveys using WaldoAir’s small XCAM survey cameras which weigh about 3 kg and strap onto the wing strut of a single-engine light aircraft. This allows the cameras to be taken anywhere in the world by the operator using commercial transport and fitted to a local light aircraft, which transforms the economics of small surveys in remote locations such as most of Africa.

GeoXphere’s mission is to develop the market for leasing XCAMs to survey companies all over the world using a network of local partners in each country. Getmapping will be GeoXphere’s market partner in Southern Africa and the UK.

GeoXphere has also taken over from Getmapping the IPR in Getmapping’s Street Layer mapping system and Getmapping’s GIS products (such as Parish Online). This means that GeoXphere can offer an end-to-end solution to its partners and customers, from data collection (using XCAM aerial cameras and street-level systems) to the presentation and analysis of the data in a web-based system.

Other developments included the embedding of a new, state of the art production system that automates more of the production process and reduces delivery times significantly; the successful completion of the first major survey project in the Netherlands as part of our European expansion program; and the completion of a major program in South Africa to capture oblique imagery for the major metros (including Cape Town, Johannesburg, Nelson Mandela Bay (Port Elizabeth) and eThekwini (Durban)).

Getmapping is valued using a sales multiple.
OT1 was the original investor in BioCote in 1997. The business was established as a developer of patented antimicrobial/antibacterial powder coatings. The technology, which is based on silver, is supplied primarily to the healthcare, food and other hygiene conscious industries.

After some difficulties along the way, BioCote has steadily expanded and now sells its products in many countries round the world and is looked upon as the market leading antimicrobial technology company. Sales in the year to October 2015 were £1.6m and OT1 received a dividend of £6,600 in January 2016. Sales in the year up to October 2016 were slightly increased on the previous year, with continued and increased growth expected for year ending October 2017.

BioCote is valued using a sales multiple.

Lucius Cary
Director
OT1 Managers Ltd
Investment Manager
10 May 2017
Board of Directors

Alex Starling

Alex Starling is the Chairman of OT1. Alex runs his own corporate advisory firm, ACS Technical Limited. He has helped a number of technology companies raise venture capital and, conversely, shareholders realise their investments in such technology companies. Alex has an interest (as founder and shareholder) in several young growing companies.

He is a Chartered Engineer and Member of the Institution of Mechanical Engineers, has a PhD in Engineering from Cambridge University and holds the ICAEW Diploma in Corporate Finance. Alex is a shareholder in Scancell. He is also a Director of OT1 Managers Ltd, OT2 Managers Ltd, Oxford Technology 2 VCT Plc, Oxford Technology 3 VCT Plc and Oxford Technology 4 VCT Plc.

Robin Goodfellow

Robin Goodfellow is a Director of OT1. Robin had 30 years of experience in senior Accounting Manager and Internal Audit Manager roles with ExxonMobil International, Esso Europe, Esso Petroleum and Esso Norway. He has particular expertise in advising on and implementing cost effective controls across total company business activities and their accounting systems.

Robin has an MA in Engineering from Cambridge University and an MBA from the London Business School.

More recently he has been an active investor and shareholder in VCTs, EISs and other small companies. He was a regular commentator on VCT industry performance and current VCT company issues.

Robin is a shareholder in Scancell. He is also a Director of OT1 Managers Ltd, OT3 Managers Ltd, Oxford Technology 2 VCT Plc, Oxford Technology 4 VCT Plc and is the Chairman of Oxford Technology 3 VCT Plc.
David Livesley

David Livesley is a Director of OT1. He worked in the life science and pharmaceutical industries before joining Cambridge Consultants Ltd in 1987, where he was involved in product and process development across a range of industrial sectors.

Between 1999 and 2012 he worked for the YFM Group, where he specialised in investing VCT money into early stage technology companies. Currently he is an independent Non-Executive director for a number of early stage technology businesses. David is also a Director of OT3 Managers Ltd, OT4 Managers Ltd, Oxford Technology 2 VCT Plc, Oxford Technology 3 VCT Plc and is the Chairman of Oxford Technology 4 VCT Plc.

Richard Roth

Richard is a Director of OT1 and Chairman of the Audit Committee. He is a Chartered Management Accountant. Having worked for two blue chip companies he joined easyJet, where he was one of the key executives that transformed the business from private company to household name.

He has subsequently worked as CFO for an airline, and most recently as the Director of Performance Management and Turnaround for the Monarch Group. Richard has also had a number of consulting assignments, in particular helping companies determine their strategy, and implementing business improvements. He has been deeply involved in growing and/or turning businesses around.

Richard is a well-informed VCT investor having followed the industry closely since inception and has extensive understanding of the sector having observed good and bad practice over the last 15 years. He has invested in a number of small (mainly unquoted) companies and has also advised several potential start-up businesses – mainly travel-related. Richard is also a Director of OT2 Managers Ltd, OT4 Managers Ltd, Oxford Technology 3 VCT Plc, Oxford Technology 4 VCT Plc and is the Chairman of Oxford Technology 2 VCT Plc. He is also a Director of Hygea VCT Plc and a shareholder in Scancell.
Directors’ Report

The Directors present their report together with financial statements for the year ended 28 February 2017.

The Directors consider that the Annual Report and Financial Statements, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s performance, business model and strategy.

This report has been prepared by the Directors in accordance with the requirements of s415 of the Companies Act 2006. The Company’s independent auditor is required by law to report on whether the information given in the Directors’ Report is consistent with the financial statements.

Principal Activity

The Company commenced business in March 1997. The Company invests in start-up and early stage technology companies in general located within 60 miles of Oxford. The Company has maintained its approved status as a Venture Capital Trust by HMRC.

Directors

The Directors of the Company are required to notify their interests under Disclosure and Transparency Rule 3.12R. The present membership of the Board and their beneficial interests in the ordinary shares of the company at 28 February 2017 and at 29 February 2016 are set out below:

<table>
<thead>
<tr>
<th>Name</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Starling</td>
<td>6,749</td>
<td>2,512</td>
</tr>
<tr>
<td>R Goodfellow</td>
<td>90,932</td>
<td>90,932</td>
</tr>
<tr>
<td>D Livesley</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>R Roth</td>
<td>10,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

Under the Company’s Articles of Association one third of the Directors are required to retire by rotation each year. Robin Goodfellow and David Livesley will be nominated for re-appointment at the forthcoming AGM. The Board believes that both non-executive Directors continue to provide a valuable contribution to the Company and remain committed to their roles. The Board recommends that Shareholders support the resolutions to re-elect Robin Goodfellow and David Livesley at the forthcoming AGM.

The Board is cognisant of shareholders’ preference for Directors not to sit on the boards of too many larger companies (“overboarding”). Shareholders will be aware that in July 2015, the Company, along with the other VCTs that were managed by Oxford Technology Management, appointed directors such that the four VCTs each had a Common Board. In addition, Richard Roth has subsequently also become a Director of Hygea VCT plc, a VCT investing in the Med Tech sector which is also self-managed and has a number of investments in common with the Oxford Technology VCTs. Whilst great care is taken to safeguard the interests of the shareholders of each separate company, there is an element of overlap in the workload of each Director across the four OT funds due to the way the VCTs are managed. The Directors note that the workload related to the four OT funds is less than it would be for four totally separate and larger funds, and are satisfied that Richard Roth has the time to focus on the requirements of each OT fund.
Investment Management Fees

OT1 Managers Ltd, the Company's wholly owned subsidiary, has an agreement to provide investment management services to the Company for a fee of 1% of net assets per annum. Alex Starling and Robin Goodfellow together with Lucius Cary are Directors of OT1 Managers Ltd.

Directors’ and Officers’ Insurance

The Company has maintained insurance cover on behalf of the Directors, indemnifying them against certain liabilities which may be incurred by them in relation to their duties as Directors of the Company.

Ongoing Review

The Board has reviewed and continues to review all aspects of internal governance to mitigate the risk of breaches of VCT rules or company law.

Whistleblowing

The Board has been informed that the Investment Manager has arrangements in place in accordance with the UK Corporate Governance Code’s recommendations by which staff of Oxford Technology Management or the Secretary of the Company may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters.

Bribery Act 2010

The Company is committed to carrying out business fairly, honestly and openly. The Investment Manager has established policies and procedures to prevent bribery within its organisation. The Company has adopted a zero tolerance approach to bribery and will not tolerate bribery under any circumstance in any transaction the Company is involved in. The Company has instructed the Investment Manager to adopt the same approach with investee companies.

Relations with Shareholders

The Company values the views of its shareholders and recognises their interest in the Company. The Company’s website provides information on all of the Company’s investments, as well as other information of relevance to shareholders (www.oxfordtechnology.com/vct1).

Shareholders have the opportunity to meet the Board at the Annual General Meeting. In addition to the formal business of the AGM the Board is available to answer any questions a shareholder may have.

The Board is also happy to respond to any written queries made by shareholders during the course of the year and can be contacted at the Company’s registered office: The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the financial statements.
Substantial Shareholders

At 28 February 2017, the Company has been notified by Neville Registrars of three investors whose interest exceeds three percent of the Company's issued share capital: Redmayne Nominees Ltd, 5.6% (beneficial interest of Shivani Palakpari Shree Parikh); Richard Vessey, 4.4%; and Vidacos Nominees Ltd, 4.2%. The Directors' shareholdings are listed above.

Auditors

James Cowper Kreston offer themselves for re-appointment in accordance with Section 489 of the Companies Act 2006.

On behalf of the Board
Alex Starling
Chairman
10 May 2017
Directors’ Remuneration Report

Introduction

This report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006. The Company’s independent auditor, James Cowper Kreston, is required to give its opinion on certain information included in this report. This report includes a statement regarding the Directors’ Remuneration Policy. Resolutions to approve the Directors’ Remuneration Report will be proposed at the Annual General Meeting on 5 July 2017.

The Directors’ Remuneration Policy was approved by shareholders at the AGM on 26 August 2015. The Directors' Remuneration Report for the year ended 29 February 2016 was approved by shareholders at the AGM on 8 July 2016 on a unanimous show of hands and 100% of proxies voted in favour.

This report sets out the Company’s forward-looking Directors’ Remuneration Policy and the Annual Remuneration Report which describes how this policy has been applied during the year.

Directors’ Terms of Appointment

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 three years and are expected to devote the time necessary to perform their duties. All Directors retire at the first general meeting after election and thereafter every third year, with at least one Director standing for election or re-election each year. Re-election will be recommended by the Board but is dependent upon shareholder vote. Directors who have been in office for more than nine years will stand for annual re-election in line with the AIC Code. There are no service contracts in place, but Directors have a letter of appointment.

Directors’ Remuneration Policy

The Board acts as the Remuneration Committee and meets annually to review Directors’ pay to ensure it remains appropriate given the need to attract and retain candidates of sufficient calibre and ensure they are able to devote the time necessary to lead the Company in achieving its strategy. The Board has not engaged any third party consultancy services, but did consult with the previous directors, Michael O’Regan and Richard Vessey of the other Oxford Technology VCT funds when the current levels were determined in 2015.

The Articles of Association of the company state that the aggregate of the remuneration (by way of fee) of all the Directors shall not exceed £50,000 per annum unless otherwise approved by Ordinary Resolution of the Company. Based on the Company sharing a Common Board with the other Oxford Technology VCT funds the following Directors’ fees are payable by the Company:

<table>
<thead>
<tr>
<th>Position</th>
<th>Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director Base Fee</td>
<td>£3,500</td>
</tr>
<tr>
<td>Chairman’s Supplement</td>
<td>£2,000</td>
</tr>
<tr>
<td>Audit Committee Chairman</td>
<td>£3,000</td>
</tr>
<tr>
<td>Audit Committee Member</td>
<td>£1,500</td>
</tr>
</tbody>
</table>

Alex Starling chairs the Company. Richard Roth chairs the Audit Committee, with Robin Goodfellow as a member of the Committee. As the VCT is self-managed, the Audit Committee
carries out a particularly important role for the VCT and has played a greater part in the production of the annual accounts compared to earlier years.

Fees are currently paid annually. The fees are not specifically related to the Directors’ performance, either individually or collectively. No expenses are paid to the Directors. There are no share option schemes or pension schemes in place but Directors are entitled to a share of the carried interest as detailed below.

Alex Starling and Robin Goodfellow receive no remuneration in respect of their directorships of OT1 Managers Ltd, the Company’s Investment Manager.

The performance fee is detailed in note 3. Current Directors are entitled to benefit from any payment made, subject to a formula driven by relative lengths of service. The performance fee becomes payable if a certain cash return threshold to shareholders is exceeded – the excess is then subject to a 20% carry that is distributed to Oxford Technology Management, past Directors and current Directors; the remaining 80% is returned to shareholders. At 28 February 2017 no performance fee was due.

Should any performance fee be payable at the end of the year to 28 February 2018, Alex Starling, Robin Goodfellow and Richard Roth would each receive 0.21% of any amount over the threshold and David Livesley 0.74%. No performance fee will be payable for the year ending 28 February 2018 unless original shareholders have received back at least 190.7p in cash for each 100p (gross) invested.

Relative Spend on Directors’ Fees

The Company has no employees, so no consultation with employees or comparison measurements with employee remuneration are appropriate.

Loss of Office

In the event of anyone ceasing to be a Director, for any reason, no loss of office payments will be made. There are no contractual arrangements entitling any Director to any such payment.

Annual Remuneration Report

<table>
<thead>
<tr>
<th>Directors’ Fees</th>
<th>Year End 28/02/18 (unaudited)</th>
<th>Year End 28/02/17 (audited)</th>
<th>Year End 29/02/16 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alex Starling</td>
<td>£5,500</td>
<td>£5,500</td>
<td>£6,167</td>
</tr>
<tr>
<td>Richard Roth</td>
<td>£6,500</td>
<td>£6,500</td>
<td>£8,833</td>
</tr>
<tr>
<td>Robin Goodfellow</td>
<td>£5,000</td>
<td>£5,000</td>
<td>£3,333</td>
</tr>
<tr>
<td>David Livesley</td>
<td>£3,500</td>
<td>£3,500</td>
<td>£2,333</td>
</tr>
<tr>
<td>Total</td>
<td>£20,500</td>
<td>£20,500</td>
<td>£20,666</td>
</tr>
</tbody>
</table>
The Board considers that reporting against the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (the “AIC Code”) and additionally where applicable by reference to the UK Corporate Governance Code (the “Code”) will provide better information for shareholders than reporting against the Code alone.

For the reasons set out in the AIC Code and as envisaged in the Code, the Board considers certain provisions as not being relevant to the position of the Company as it is an investment company. The Company has no executive directors or employees. The Company has therefore not reported further in respect of these matters.

The Company has complied throughout the period with the provisions in Section 1 of the Code except that:

1. The Board has no nominated Senior Independent Director (Code A4.1);
2. The Board as a whole performs the functions of the Nomination Committee (Code B.2.1) and no formal terms of reference for such a Committee have been adopted;
3. The Directors are not appointed for a specified term (Code B2.3);
4. The Board as a whole performs the functions of the Remuneration Committee (Code D2.1).

The Company is committed to maintaining high standards in corporate governance. The Board acknowledges that it is responsible for the Company’s system of internal control and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board consists of four independent non-executive Directors. The Board has put in place corporate governance arrangements which it believes are appropriate for a Venture Capital Trust and that will enable the Company to operate within the spirit of the Code.

The Board meets regularly – at least four times a year – and between these meetings maintains very regular contact with the Investment Manager. The following table sets out the Directors’ attendance at the formal Board and Committee meetings held during the year.

<table>
<thead>
<tr>
<th>Director Name</th>
<th>Board Meetings Attended (6 Held in year)</th>
<th>Audit Committee Meetings Attended (4 Held in year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alex Starling</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Robin Goodfellow</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>David Livesley</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Richard Roth</td>
<td>6</td>
<td>-</td>
</tr>
</tbody>
</table>

The Investment Manager prepares a written report on the performance of the fund in advance of Board meetings and this is circulated to all members of the Board. In addition, the Directors are free to seek any further information they consider necessary.
All Directors have access to the Company Secretary and independent professionals at the Company’s expense. The Code states that the Board should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Company is firmly in its hands. This is achieved by a management agreement between the Company and its Investment Manager which sets out the matters over which the Investment Manager has authority and the limits above which Board approval must be sought. All other matters are reserved for the approval of the Board.

The Audit Committee ensures the independence and objectivity of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the Company, seeking to balance objectivity and value for money.

None of the Directors has a service contract with the Company, but they do have letters of appointment (copies of which may be obtained by shareholders on request). The Articles of Association require that one third of the Directors (or the number nearest one third) on a rotation basis will be subject to re-election procedures at subsequent Annual General Meetings.

Conflicts of Interest

The Board has always considered carefully all cases of possible conflicts of interest as and when they arise. For example, every time one of the Oxford Technology VCTs (OTVCTs) makes an investment in which another OTVCT is an investor, there is a potential conflict of interest. The general policy is that there is complete transparency and all interests in every situation are declared and known to all, so that practical and sensible decisions can be taken.

Audit Committee

The role of the Committee is discharged by Richard Roth (chairman) and Robin Goodfellow. The Committee is responsible for:

- monitoring the Company’s financial reporting;
- reviewing internal controls and risk management systems; and
- matters regarding audit and external auditors.

Financial Reporting

The Committee is responsible for reviewing, and agreeing, the half-yearly and annual accounts (including those figures presented within) before they are presented to the Board for final approval. In particular, the Committee reviews, challenges (where appropriate) and agrees the basis for the carrying value of the unquoted investments, as prepared by the Investment Manager, for presentation within the half-yearly interim and full year annual accounts. The Committee also takes into careful consideration comments on matters regarding valuation, revenue recognition and disclosures arising from the external auditors’ report to the Audit Committee as part of the finalisation process for the Annual Accounts. Specifically, the Committee advises the Board on whether the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable, and whether they provide the necessary information to shareholders to assess performance, business model and strategy.

Audit and Control including details of a tender for audit service

The Committee reviews and agrees the audit strategy and plan in advance of the audit, and has assessed the effectiveness of the audit after its conclusion. The Committee has also reviewed the non audit services provided by the external auditor, James Cowper Kreston, and on both counts is happy to recommend their re-appointment. In addition, the Committee has undertaken an audit tender process during the year in compliance with new requirements on audit firm rotation,
resulting from the new European Audit Regulation Directive. These made it mandatory for listed companies to undergo a tender process for the audit of their company at least every ten years. As part of the tender process, having invited three firms with demonstrable experience in the VCT sector to tender, the Audit Committee considered detailed proposals from James Cowper Kreston, as the incumbent Auditor, and one other firm of auditors. The Committee consider that that both firms made a strong presentation and showed a clear understanding of the Company’s requirements and its particular demands as a VCT as well as presenting a competitive estimate of fees. After careful consideration, the Committee concluded that the re-appointment of James Cowper Kreston as Auditor was in the best interests of the Company and of shareholders and its recommendation was endorsed by the Board. Shareholders will be asked to ratify this appointment at the AGM through an Ordinary Resolution.

The Company does not have an independent internal audit function as it is not deemed appropriate given the size of the Company and the nature of the Company’s business. However, the Committee considers annually whether there is a need for such a function and if so would recommend this to the Board.

The Committee seeks to satisfy itself that there is a proper system and allocation of responsibilities for the day-to-day monitoring of financial controls by receiving representations and information either upon request or voluntarily from the Manager.

**Significant Risks**

The Committee is responsible for considering and reporting on any significant risks that arise in relation to the audit of the financial statements. The Committee and the Auditors have identified the most significant risks as:

- Valuation of investment portfolio: The Auditors give special audit consideration to the valuation of investments and the supporting data provided by the Investment Manager. The impact of this risk could be a large movement in the Company’s net asset value. The valuations are supported by investee company audited accounts and third party evidence. These give comfort to the Audit Committee.

- Management override of financial controls: The Auditors specifically review 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.

- Compliance with HMRC conditions and EU State Aid rules for maintenance of approved VCT status. The Auditors review this as part of their work.

- 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 Company has few revenue paying companies and the Committee pays close attention to these.

These issues were discussed with OT1 Managers Ltd, Oxford Technology Management and the Auditors at the conclusion of the audit of the financial statements.

The Committee is also responsible for considering and reporting on any significant issues that arise in relation to the audit of the financial statements. The 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 28 February 2017.
Nomination Committee

The role of the Nomination Committee is discharged by the Board. The Board considers the selection and appointment of Directors and makes recommendations to the Board as to the level of Directors’ fees. New Directors are selected as part of a rigorous selection process involving interviews with the existing board, the Investment Manager and shareholder representatives.

The Board’s policy is to promote diversity (including, but not limited to, gender diversity).

Performance Evaluation

In accordance with the AIC Code and guidance each year a formal performance evaluation is undertaken of the Board as a whole, the Committees and the Directors in the form of one-to-one meetings between the Chairman and each Director. The performance of the Chairman was evaluated by the other Directors.

Compliance Statement

The Listing Rules require the Board to report on compliance with the UK Corporate Governance Code provisions throughout the accounting year. The preamble to the Code does, however, acknowledge that some provisions may have less relevance for investment companies. The Company has complied throughout the year with the provisions set out in the Code, except as outlined above.

James Gordon
Company Secretary
10 May 2017
Statement of Directors’ Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors 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.

Each of the Directors confirms that, to the best of their knowledge:

- there is no relevant audit information of which the Company’s auditor is unaware;
- 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 financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Investment Portfolio Review and Directors’ Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Alex Starling
Chairman
10 May 2017
Report of the Independent Auditor

Independent Auditor’s Report to the Members of Oxford Technology VCT plc

We have audited the Financial Statements of Oxford Technology VCT plc for the year ended 28 February 2017 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and the related notes. 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’.

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.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors’ Responsibilities set out on page 29, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s (APB’s) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of Financial Statements is provided on the Financial Reporting Council’s website at www.frc.org.uk/auditscopeukprivate.

Auditor Commentary

An overview of the scope of our audit

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

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the Financial Statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the Financial Statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the Financial Statements as a whole.
We established materiality for the Financial Statements as a whole to be £58,000, which is 2% of the value of the Company’s net assets. For income and expenditure items we determined that misstatements of lesser amounts than materiality for the Financial Statements as a whole would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. Accordingly, we established materiality for revenue items within the income statement to be £3,000.

**Our assessment of risk**

Without modifying our opinion, we highlight the following matters that are, in our judgement, likely to be most important to users’ understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the Financial Statements as a whole, and not to express an opinion on individual transactions, balances or disclosures.

**Valuation of Unquoted Investments**

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

Our audit work included, but was not restricted to, obtaining an understanding of how the valuations were performed, consideration of whether they were made in accordance with published guidance, discussions with the Directors, and reviewing and challenging the basis and reasonableness of the assumptions made by the Directors in conjunction with available supporting information. The Company’s accounting policy on the valuation of unquoted investments is included in Note 1, and its disclosures about unquoted investments held at the year end are included in Note 7.

**Revenue Recognition**

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

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

**Management Override of Financial Controls**

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

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

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

**Compliance with Laws and Regulations**

The company is required to observe the conditions laid down by the Income Tax Act 2007 for the maintenance of approved VCT status.

Our audit work included but was not restricted to a review of those rules central to the Company's ongoing status as a VCT and review of relevant correspondence with HMRC.

**Opinion on Financial Statements**

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2017 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Other Reporting Responsibilities**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- 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 information given in the Corporate Governance Report with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the Financial Statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

**Under the International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual report is:**

- materially inconsistent with the information in the audited Financial Statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; or
- the section of the Corporate Governance Report describing the work of the Audit Committee does not appropriately address matters communicated to us by the Audit Committee.

**Under the Companies Act 2006 we are required 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; or
• a Corporate Governance Report has not been prepared by the Company

**Under the Listing Rules we are required to review:**
• the Directors' statement, set out on page 21, in relation to going concern; and
• the part of the Corporate Governance Report relating to the Company's compliance with the provisions of the 2014 UK Corporate Governance Code specified for our review; and
• certain elements of the report on Directors' remuneration.

Alan Poole BA (Hons) FCA
Senior Statutory Auditor
For and on behalf of James Cowper Kreston, Oxford
Chartered Accountants and Statutory Auditor
10 May 2017
### Income Statement

<table>
<thead>
<tr>
<th>Note Ref.</th>
<th>Year Ended 28 February 2017</th>
<th>Year Ended 29 February 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue (£'000)</td>
<td>Capital (£'000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on disposal of fixed asset investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrealised (loss) on valuation of fixed asset investments</td>
<td>- (393)</td>
<td>(393)</td>
</tr>
<tr>
<td>Investment income</td>
<td>2</td>
<td>110</td>
</tr>
<tr>
<td>Investment management fees</td>
<td>3</td>
<td>(8)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>4</td>
<td>(51)</td>
</tr>
<tr>
<td>Return on ordinary activities before tax</td>
<td>51</td>
<td>(418)</td>
</tr>
<tr>
<td>Taxation on return on ordinary activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Return on ordinary activities after tax</td>
<td>51</td>
<td>(418)</td>
</tr>
<tr>
<td>Return on ordinary activities after tax attributable to equity shareholders</td>
<td>51</td>
<td>(418)</td>
</tr>
<tr>
<td>Earnings per share – basic and diluted</td>
<td>6</td>
<td>1.0p</td>
</tr>
</tbody>
</table>

There was no other Comprehensive Income recognised during the year.

The ‘Total’ column of the Income Statement is the Profit and Loss Account of the Company, the supplementary Revenue 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 accompanying notes are an integral part of the financial statements.
# Statement of Changes in Equity

<table>
<thead>
<tr>
<th></th>
<th>Share Capital £’000</th>
<th>Share Premium £’000</th>
<th>Unrealised Capital Reserve £’000</th>
<th>Profit &amp; Loss Reserve £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 March 2015</td>
<td>543</td>
<td>176</td>
<td>3,104</td>
<td>(290)</td>
<td>3,533</td>
</tr>
<tr>
<td>Revenue return on ordinary activities after tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>Expenses charged to capital</td>
<td></td>
<td></td>
<td></td>
<td>(26)</td>
<td>(26)</td>
</tr>
<tr>
<td>Current period losses on fair value of investments</td>
<td>-</td>
<td>-</td>
<td>(265)</td>
<td>-</td>
<td>(265)</td>
</tr>
<tr>
<td>Reserves Transfer (note 11)</td>
<td>-</td>
<td>-</td>
<td>(1,493)</td>
<td>1,493</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at 29 February 2016</strong></td>
<td><strong>543</strong></td>
<td><strong>176</strong></td>
<td><strong>1,346</strong></td>
<td><strong>1,262</strong></td>
<td><strong>3,327</strong></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(71)</td>
<td>(71)</td>
</tr>
<tr>
<td>Revenue return on ordinary activities after tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Expenses charged to capital</td>
<td></td>
<td></td>
<td></td>
<td>(25)</td>
<td>(25)</td>
</tr>
<tr>
<td>Current period losses on fair value of investments</td>
<td>-</td>
<td>-</td>
<td>(393)</td>
<td>-</td>
<td>(393)</td>
</tr>
<tr>
<td>Prior years' unrealised losses now realised</td>
<td>-</td>
<td>-</td>
<td>289</td>
<td>(289)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at 28 February 2017</strong></td>
<td><strong>543</strong></td>
<td><strong>176</strong></td>
<td><strong>1,242</strong></td>
<td><strong>928</strong></td>
<td><strong>2,889</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
## Balance Sheet

<table>
<thead>
<tr>
<th>Note Ref.</th>
<th>Year Ended 28 February 2017</th>
<th>Year Ended 29 February 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Fixed Asset Investments At Fair Value</td>
<td>7</td>
<td>2,678</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Cash At Bank</td>
<td></td>
<td>217</td>
</tr>
<tr>
<td>Creditors: Amounts Falling Due Within 1 Year</td>
<td>9</td>
<td>(8)</td>
</tr>
<tr>
<td>Net Current Assets</td>
<td></td>
<td>211</td>
</tr>
<tr>
<td>Net Assets</td>
<td></td>
<td>2,889</td>
</tr>
<tr>
<td>Called Up Equity Share Capital</td>
<td>10</td>
<td>543</td>
</tr>
<tr>
<td>Share Premium</td>
<td></td>
<td>176</td>
</tr>
<tr>
<td>Unrealised Capital Reserve</td>
<td>11</td>
<td>1,242</td>
</tr>
<tr>
<td>Profit and Loss Account Reserve</td>
<td>11</td>
<td>928</td>
</tr>
<tr>
<td>Total Equity Shareholders' Funds</td>
<td>11</td>
<td>2,889</td>
</tr>
<tr>
<td>Net Asset Value Per Share</td>
<td></td>
<td>53.2p</td>
</tr>
</tbody>
</table>

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

The statements were approved by the Directors and authorised for issue on 10 May 2017 and are signed on their behalf by:

Alex Starling
Chairman
## Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>Year Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28 February 2017</td>
<td>29 February 2016</td>
</tr>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on ordinary activities before tax</td>
<td>(367)</td>
<td>(206)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on disposal of investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on valuation of investments</td>
<td>393</td>
<td>265</td>
</tr>
<tr>
<td>(Increase)/decrease in debtors</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Decrease)/increase in creditors</td>
<td>(1)</td>
<td>1</td>
</tr>
<tr>
<td>Inflow from operating activities</td>
<td>25</td>
<td>60</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposal of investments</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(71)</td>
<td>-</td>
</tr>
<tr>
<td>(Decrease)/increase in cash at bank</td>
<td>(36)</td>
<td>67</td>
</tr>
<tr>
<td>Opening cash and cash equivalents</td>
<td>253</td>
<td>186</td>
</tr>
<tr>
<td>Cash and cash equivalents at year end</td>
<td><strong>217</strong></td>
<td><strong>253</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
Notes to the Financial Statements

The financial statements have been prepared under Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’). The accounting policies have not materially changed from last year.

1. Principal Accounting Policies

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 FRS 102 and with the Companies Act 2006 and the Statement of Recommended Practice (SORP) ‘Financial Statements of Investment Trust Companies and Venture Capital Trusts (revised 2014)’ issued by the AIC.

The principal accounting policies have remained materially unchanged from those set out in the Company’s 2016 Annual Report and financial statements. 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. Accordingly, all interest income, fee income, expenses and gains and losses on investments are attributable to assets held at fair value through profit or loss.

The most important policies affecting the Company’s financial position are those related to investment valuation and require the application of subjective and complex judgements, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. These are discussed in more detail below.

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 Company therefore continues to adopt the going concern basis in preparing its financial statements.

Key Judgements and Estimates
The preparation of the financial statements requires the Board to make judgements and estimates regarding the application of policies and affecting the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions mainly relate to the fair valuation of the fixed asset investments particularly unquoted investments. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions are under continuous review with particular attention paid to the carrying value of the investments.

Investments are regularly reviewed to ensure that the fair values are appropriately stated. Unquoted investments are valued in accordance with current International Private Equity and Venture Capital Valuation (IPEV) guidelines, which can be found on their website at www.privateequityvaluation.com, although this does rely on subjective estimates such as appropriate sector earnings multiples, forecast results of investee companies, asset values of investee companies and liquidity or marketability of the investments held.
Although the Directors believe that the assumptions concerning the business environment and estimate of future cash flows are appropriate, changes in estimates and assumptions could result in changes in the stated values. This could lead to additional changes in fair value in the future.

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

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

**Fixed Asset Investments**
The Company’s principal financial assets are its investments and the policies in relation to those assets are set out below.

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 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 fair value through profit or loss 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 investments quoted on a recognised stock exchange, fair value is established by reference to the closing bid price on the relevant date or the last traded price, depending upon convention of the exchange on which the investment is quoted. In the case of AIM quoted investments this is the closing bid price.

In the case of unquoted investments, fair value is established by using measures of value such as the price of recent transactions, earnings multiple, revenue multiple, discounted cash flows and net assets. These are consistent with the IPEV guidelines.

Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the unrealised capital reserve.

In the preparation of the valuations of assets the Directors are required to make judgements and estimates that are reasonable and incorporate their knowledge of the performance of the investee companies.

**Fair Value Hierarchy**
Paragraph 34.22 of FRS 102 regarding financial instruments that are measured in the balance sheet at fair value requires disclosure of fair value measurements dependent on whether the stock is quoted and the level of the accuracy in the ability to determine its fair value. The fair value measurement hierarchy is as follows:

For Quoted Investments:
Level a: quoted prices in active markets for an identical asset. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted market price used for financial assets held is the bid price at the Balance Sheet date.
Level b: where quoted prices are not available (or where a stock is normally quoted on a recognised stock exchange that no quoted price is available), the price of a recent transaction for an identical asset, providing there has been no significant change in economic circumstances or a significant lapse in time since the transaction took place. The Company holds no such investments in the current or prior year.

For investments not quoted in an active market:
Level c: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable data (e.g. the price of recent transactions, earnings multiple, discounted cash flows and/or net assets) where it is available and rely as little as possible on entity specific estimates.

If all significant inputs required to fair value an instrument are observable, the instrument is included in level c (i). If one or more of the significant inputs is not based on observable market data, the instrument is included in level c (ii).

There have been no transfers between these classifications in the year (2016: none). The change in fair value for the current and previous year is recognised in the income statement.

Income
Investment income includes interest earned on bank balances and from unquoted loan note securities, and dividends. Fixed returns on debt are recognised on a time apportionment basis so as to reflect the effective yield, provided it is probable that payment will be received in due course. Dividend income from investments is recognised when the shareholders’ rights to receive payment have been established, normally the ex dividend date.

Expenses
All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue with the exception of the investment management fee which has been charged 75% to capital and 25% to revenue. Any applicable performance fee will be charged 100% to capital.

Revenue and Capital
The revenue column of the Income Statement includes all income and revenue expenses of the Company. The capital column includes gains and losses on disposal and holding gains and losses on investments. 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 appropriate capital reserve on the basis of whether they are realised or unrealised at the balance sheet date.

Taxation
Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the current 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 on an undiscounted basis in respect of all timing differences that have originated but not reversed at the balance sheet date, except as otherwise indicated.

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.
Financial Instruments
The Company’s principal financial assets are its investments and the policies in relation to those assets are set out above. 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.

The Company does not have any externally imposed capital requirements.

Reserves
Called up Equity Share Capital – represents the nominal value of shares that have been issued.

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

Unrealised Capital Reserve arises when the Company revalues the investments still held during the period and any gains or losses arising are credited/charged to the Unrealised Capital Reserve. When an investment is sold, any balance held on the Unrealised Capital Reserve is transferred to the Profit and Loss Reserve as a movement in reserves.

The Profit and Loss Reserve represents the aggregate of accumulated realised profits, less losses and dividends.

Dividends Payable
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 for interim dividends when they are declared by the Board, and for final dividends when they are approved by the Shareholders.

2. Investment Income

<table>
<thead>
<tr>
<th></th>
<th>Year Ended 28 February 2017</th>
<th>£’000</th>
<th>Year Ended 29 February 2016</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends received</td>
<td>110</td>
<td></td>
<td>154</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td></td>
<td>154</td>
<td></td>
</tr>
</tbody>
</table>
3. Investment Management Fees

Expenses are charged wholly to revenue with the exception of the investment management fee which has been charged 75% to capital in line with industry practice.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended 28 February 2017 £’000</th>
<th>Year Ended 29 February 2016 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment management fee</td>
<td>33</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>35</td>
</tr>
</tbody>
</table>

In the year to 28 February 2017 the manager received a fee of 1% of the net asset value as at the previous year end. (2016: 1%). Oxford Technology Management is also entitled to certain monitoring fees from investee companies and the Board reviews the amounts.

A performance fee is payable to the Investment Manager once original shareholders have received a specified threshold in cash for each 100p (gross) invested. The original threshold of 125p has been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2008, resulting in the remaining required threshold rising to 129.0p at 28 February 2017, corresponding to a total shareholder return of 183.0p after taking into account the 54p already paid out (54p + 129.0p = 183.0p). After this amount has been distributed to shareholders, each extra 100p distributed goes 80p to the shareholders and 20p to the beneficiaries of the performance incentive fee, of which Oxford Technology Management receives 14p. No performance fee has become due or been paid to date. Any applicable performance fee will be charged 100% to capital. Expenses are capped at 3%, including the management fee but excluding Directors’ fees and any performance fee.
4. Other Expenses

All expenses are accounted for on an accruals basis. All expenses are charged through the income statement except as follows:

- those expenses which are incidental to the acquisition of an investment are included within the cost of the investment;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended 28 February 2017 £'000</th>
<th>Year Ended 29 February 2016 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors' remuneration</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Auditors’ remuneration</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Other expenses</td>
<td>24</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

5. Tax on Ordinary Activities

Corporation tax payable at 20% (2016: 20%) is applied to profits chargeable to corporation tax, if any. The corporation tax charge for the period was £nil (2016: £nil).

<table>
<thead>
<tr>
<th></th>
<th>Year Ended 28 February 2017 £'000</th>
<th>Year Ended 29 February 2016 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on ordinary activities before tax</td>
<td>(367)</td>
<td>(206)</td>
</tr>
<tr>
<td>Current tax at standard rate of taxation</td>
<td>(73)</td>
<td>(41)</td>
</tr>
<tr>
<td>UK dividends not taxable</td>
<td>(22)</td>
<td>(31)</td>
</tr>
<tr>
<td>Unrealised losses not taxable</td>
<td>79</td>
<td>53</td>
</tr>
<tr>
<td>Excess management expenses carried forward</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total current tax charge</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Unrelieved management expenses of £1,302,574 (2016: £1,218,727) remain available for offset against future taxable profits.
6. Earnings per Share

The calculation of earnings per share (basic and diluted) for the period is based on the net loss of £367,000 (2016: loss of £206,000) attributable to shareholders divided by the weighted average number of shares 5,431,655 (2016: 5,431,655) in issue during the period.

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

7. Investments

<table>
<thead>
<tr>
<th>AIM quoted investments</th>
<th>Unquoted investments</th>
<th>Total investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Valuation and net book amount:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Book cost as at 29 February 2016</td>
<td>344</td>
<td>1,391</td>
</tr>
<tr>
<td>Cumulative revaluation</td>
<td>861</td>
<td>485</td>
</tr>
<tr>
<td>Valuation at 29 February 2016</td>
<td>1,205</td>
<td>1,876</td>
</tr>
<tr>
<td>Movement in the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases at cost</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Redeemed/Disposed</td>
<td>-</td>
<td>(10)</td>
</tr>
<tr>
<td>Revaluation in year</td>
<td>(241)</td>
<td>(152)</td>
</tr>
<tr>
<td>Valuation at 28 February 2017</td>
<td>964</td>
<td>1,714</td>
</tr>
<tr>
<td>Book cost at 28 February 2017</td>
<td>344</td>
<td>1,091</td>
</tr>
<tr>
<td>Cumulative revaluation to 28 February 2017</td>
<td>620</td>
<td>623</td>
</tr>
<tr>
<td>Valuation at 28 February 2017</td>
<td>964</td>
<td>1,714</td>
</tr>
</tbody>
</table>
Subsidiary Company

The Company also holds 100% of the issued share capital of OT1 Managers Ltd at a cost of £1.

Results of the subsidiary undertaking for the year ended 28 February 2017 are as follows:

<table>
<thead>
<tr>
<th>Country of Registration</th>
<th>Nature of Business</th>
<th>Turnover</th>
<th>Retained profit/loss</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>OT1 Managers Ltd</td>
<td>England and Wales</td>
<td>Investment Manager</td>
<td>£33,262</td>
<td>£0</td>
</tr>
</tbody>
</table>

Consolidated group financial statements have not been prepared as the subsidiary undertaking is not considered to be material for the purpose of giving a true and fair view. The Financial Statements therefore present only the results of Oxford Technology VCT plc, which the Directors also consider is the most useful presentation for Shareholders.

8. Debtors

<table>
<thead>
<tr>
<th></th>
<th>28 February 2017 £'000</th>
<th>29 February 2016 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments, accrued income &amp; other debtors</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2</strong></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

9. Creditors

<table>
<thead>
<tr>
<th></th>
<th>28 February 2017 £'000</th>
<th>29 February 2016 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other creditors and accruals</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>
10. Share Capital

<table>
<thead>
<tr>
<th></th>
<th>28 February 2017 £’000</th>
<th>29 February 2016 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authorised:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10,000,000 ordinary shares of 10p each</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>500,000 redeemable preference shares of 10p each</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total Authorised</strong></td>
<td>1,050</td>
<td>1,050</td>
</tr>
<tr>
<td><strong>Allotted, called up and fully paid:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,431,655 (2016: 5,431,655) ordinary shares of 10p each</td>
<td>543</td>
<td>543</td>
</tr>
</tbody>
</table>

11. Reserves

When the Company revalues its investments during the period, any gains or losses arising are credited/charged to the Income Statement. Changes in fair value of investments are then transferred to the Unrealised Capital Reserve. When an investment is sold any balance held on the Unrealised Capital Reserve is transferred to the Profit and Loss Account Reserve as a movement in reserves.

The transfer between the Unrealised Capital Reserve and the Profit and Loss Reserve in 2016 was the result of the correction of historic misclassifications between the two reserves. The historic misclassifications were immaterial as they had no impact on reported returns or net assets and had no bearing on any distributions.

Distributable reserves are £928,000 as at 28 February 2017 (2016: £1,262,000).

Reconciliation of Movement in Shareholders’ Funds

<table>
<thead>
<tr>
<th></th>
<th>28 February 2017 £’000</th>
<th>29 February 2016 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ funds at start of year</td>
<td>3,327</td>
<td>3,533</td>
</tr>
<tr>
<td>Return on ordinary activities after tax</td>
<td>(367)</td>
<td>(206)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(71)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Shareholders’ funds at end of year</strong></td>
<td><strong>2,889</strong></td>
<td><strong>3,327</strong></td>
</tr>
</tbody>
</table>
The Company paid a final revenue dividend for 2016 of 1.3p per ordinary share on 20 July 2016. Subject to shareholder approval, the Company will pay a final revenue dividend for 2017 of 1.0p per ordinary share on 21 July 2017.

12. Financial Instruments and Risk Management

The Company’s financial instruments comprise equity and loan note investments, cash balances and debitors and creditors. The Company holds financial assets in accordance with its investment policy of investing mainly in a portfolio of VCT – qualifying quoted and unquoted securities whilst holding a proportion of its assets in cash or near cash investments in order to provide a reserve of liquidity. The risk faced by these instruments, such as interest rate risk or liquidity risk is considered to be minimal due to their nature. All of these are carried in the accounts at fair value.

The Company’s strategy for managing investment risk is determined with regard to the Company’s investment objective. 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 with regard to the possible effects of adverse price movements and 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.

13. Capital Commitments

The Company had no commitments at 28 February 2017 or 29 February 2016.

14. Related Party Transactions

OT1 Managers Ltd, a wholly owned subsidiary, provides investment management services to the Company with effect from 1 July 2015 for a fee of 1% of net assets per annum. During the year, £33,262 was paid in respect of these fees (2016: £23,533). No amounts were outstanding at the year end.

15. Events after the Balance Sheet Date

The Directors have declared a final revenue dividend of 1.0p per share which, subject to shareholder approval at the AGM, will be paid on 21 July 2017 to ordinary shareholders on the register on 30 June 2017.
Oxford Technology Venture Capital Trust
Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Oxford Technology Venture Capital Trust Plc will be held at the Magdalen Centre, Oxford Science Park, Oxford OX4 4GA at 11am on Wednesday 5 July 2017 for the following purposes:

To consider and, if thought fit, pass the following Resolutions:

**Ordinary Resolutions**

1. That the Annual Report and Accounts for the period to 28 February 2017 be approved.

2. That the Directors’ Remuneration Report be approved.

3. That Mr Robin Goodfellow who retires at the Annual General Meeting by rotation in accordance with Article 139 of the Company’s Articles of Association, be re-appointed as a Director.

4. That Mr David Livesley who retires at the Annual General Meeting by rotation in accordance with Article 139 of the Company’s Articles of Association, be re-appointed as a Director.

5. That James Cowper Kreston, Chartered Accountants, be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.

6. That the Company continue in being as a Venture Capital Trust.

7. That the Company to pay a final dividend of 1.0p per ordinary share in respect of the year to 28 February 2017.

**Special Business**

8. **AUTHORITY TO BUY BACK SHARES**
   
   That the Company is generally and unconditionally authorised (pursuant to Article 23 of the Company’s Articles of Association) to make market purchases (within the meaning of s693(4) of the Companies Act 2006 (“the Act”) of ordinary shares of 10 pence each in the share capital of the Company (“Shares”) provided that:

   a. the maximum number of Shares hereby authorised to be purchased is 543,165 (representing approximately 10 per cent of the issued number of Shares),
   b. the minimum price which may be paid for a share is 10 pence (which amount shall be exclusive of expenses); and
   c. the maximum price which may be paid for a Share is 5% above the average market value of the Company’s equity shares for the 5 business days prior to the day purchase is made (exclusive of expenses).
9. **AUTHORITY TO ALLOT RELEVANT SECURITIES**

That the Directors be and are generally and unconditionally authorised in accordance with s551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company up to a maximum nominal amount of £27,158 (representing approximately 5% of the Ordinary share capital in issue at today's date) such authority to expire at the later of the conclusion of the Company's Annual General Meeting next following the passing of this Resolution and the expiry of 15 months from the passing of the relevant Resolution (unless previously revoked, varied or extended by the Company in 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).

10. **EMPOWERMENT TO MAKE ALLOTMENTS OF EQUITY SECURITIES**

That the Directors pursuant to s571 of the Companies Act 2006 be empowered to allot or make offers or agreements to allot equity securities (as defined in s560(1) of the said Act) for cash pursuant to the authority referred to in Resolution 9 as if s561 (1) 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.

And this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this Resolution or, if earlier, on the expiry of 15 months from the passing of this Resolution.

**By Order of the Board**

James Gordon

Company Secretary

10 May 2017

**Notes:**

1. A member who is entitled to vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. Such a proxy need not also be a member of the Company. To be valid, a proxy card must be lodged with the Company’s Registrar, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen B63 3DA, at least 48 hours before the meeting. A proxy card for use by members is attached. Completion of this proxy card will not prevent a member from attending the meeting and voting in person.

2. Resolutions 1 to 9 will be proposed as Ordinary Resolutions. Resolution 10 will be proposed as a Special Resolution.
Shareholder Information

Financial Calendar
The Company's financial calendar is as follows:

- 5 July 2017 - Annual General Meeting
- July 2017 - Quarterly Update
- November 2017 - Half-yearly results to 31 August 2017 published
- January 2018 - Quarterly Update
- May 2018 - Annual results for year to 28 February 2018 announced

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, Neville Registrars Limited.

Share Price
The Company's share price is published daily on the London Stock Exchange's website (www.londonstockexchange.com) using code OXT.

Buying and selling shares
The Company's Ordinary shares, which are listed on the London Stock Exchange, can be bought and sold in the same way as any other company quoted on a recognised stock exchange via a stockbroker. Whilst the Company has a buy back policy, it is not actively used, and so if you wish to trade in the secondary market and do not have a stockbroking relationship, you may wish to contact:

Redmayne Bentley – York Office 0800-5420055 / 01904-646362
Paul Lumley paul.lumley@redmayne.co.uk
Chris Steward chris.steward@redmayne.co.uk

If you do contact Redmayne Bentley, you will require your National Insurance Number and a valid share certificate if selling.

There may be tax implications in respect of all or part of your holdings, so Shareholders should contact their independent financial adviser if they have any queries.

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, Neville Registrars Limited, under the signature of the registered holder.

Other information for Shareholders
Previously published Annual Reports and Half-yearly Reports are available for viewing on the Company's website at www.oxfordtechnology.com.
Company Information – Directors and Advisers

**Board of Directors**
Alex Starling (Chairman)
Robin Goodfellow
David Livesley
Richard Roth

**Company Number**
3276063

**Company Secretary**
James Gordon
Gordons Partnership LLP
22 Great James Street
London WC1N 3ES

**Investment Manager & Registered Office**
OT1 Managers Ltd
The Magdalen Centre
Oxford Science Park
Oxford OX4 4GA
Tel: 01865 784466

**Bankers**
Natwest Bank
121 High Street
Oxford OX1 4DD

**Registrars**
Neville Registrars
Neville House
18 Laurel Lane
Halesowen B63 3DA
Tel: 0121 585 1131

**Accountants**
Wenn Townsend
30 St Giles
Oxford OX1 3LE

**Financial Adviser & LSE Sponsor**
Beaumont Cornish Ltd
2nd Floor, Bowman House
29 Wilson Street
London EC2M 2SJ

**Independent Auditor**
James Cowper Kreston
2 Chawley Park
Cumor Hill
Oxford OX2 9GG

**Compliance & FCA Advisor**
Methuen Consulting LLP
26-27 Oxenden Street
London SW1Y 4EL

**Website**
www.oxfordtechnology.com
Oxford Technology VCT Plc Proxy Form
Annual General Meeting – 5 July 2017 at 11am

I/We [capitals] ______________________________ Telephone ______________________________

Of [address] ______________________________ Email ______________________________

being a member of Oxford Technology VCT Plc, hereby appoint the Chairman of the meeting or,

Name of Proxy ______________________________ No of shares ______________________________

As my/our proxy and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 5 July 2017, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting.

Please indicate by ticking the box if this proxy appointment is one of multiple appointments being made. For the appointment of one or more proxy, please refer to the explanatory note 4.

<table>
<thead>
<tr>
<th>Resolution</th>
<th>For</th>
<th>Against</th>
<th>Withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To approve the Annual Report and Accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. To approve the Directors’ Remuneration Report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. To re-elect Robin Goodfellow as a Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. To re-elect David Livesley as a Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. To approve the re-appointment of James Cowper Kreston as auditors and authorisation of Directors to fix remuneration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. To approve that the Company continue as a VCT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. To approve payment of a Final Dividend of 1.0p per ordinary share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. To approve the authority to make purchases of own shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. To approve the Directors’ authority to allot shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. To approve the issue of shares on a non-rights issue basis</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature
Proxy Form – Notes
Annual General Meeting – 5 July 2017 at 11am

1. To be valid, the proxy form must be received by the Registrars of Oxford Technology VCT Plc at Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA, no later than 48 hours before the commencement of the meeting.

2. Where this form of proxy is executed by a corporation it must be either under its seal or under the hand of an officer or attorney duly authorised.

3. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided. If the proxy is being appointed in relation to less than your full voting entitlement, please enter next to the proxy holder’s name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account.)

4. To appoint more than one proxy, you may photocopy this form. Please indicate next to the proxy holder’s name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

5. The ‘Vote Withheld’ option is provided to enable you to abstain on any particular resolution. However, it should be noted that a ‘Vote Withheld’ is not a vote in law and will not be counted in the calculation of the proportion of the votes ‘For’ and ‘Against’ a resolution.

6. If the proxy form is signed and returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to whether and how he/she votes.

7. 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 6 p.m. on the day which is two days before the day of the meeting or adjourned 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.

8. The address on the envelope containing this notice is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar’s helpline on 0121 585 1131.

The completion and return of this form will not preclude a member from attending the meeting and voting in person.