Oxford Technology Venture Capital Trust Plc

Annual Financial Statements
For the year ended 28 February 2015

Company Registration Number: 3276063
The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA

Contents

Notice of AGM & Proxy Form are now provided in a separate document to the Accounts.

About Oxford Technology VCT Plc (OT1)

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 (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 Oxford Technology Management which 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 is approved as a VCT by HMRC and continues to comply with all statutory requirements.

Financial Headlines

	Year Ended 28 February 2015	Year Ended 28 February 2014
Net Assets at Year End	**£3.53m**	**£3.53m**
Net Asset Value per Share	**65p**	**65p**
Cumulative Dividend	**52.7p**	**52.7p**
NAV + Cumulative Dividend Paid from Incorporation	**117.7p**	**117.7p**
Share Price at Year End	**53p**	**75p**
Earnings Per Share (Basic & Diluted)	**0.0p**	**0.7p**

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 2013. 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 contains the Chairman's Statement which will look at future prospects for the Company, a Business Review which includes analysis of the principal risks and a 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 provide a capital return to investors with dividend payments once exits have been achieved.

Chairman's Statement

Following my appointment at the end of July 2014, I am pleased to present to shareholders the 2015 annual report.

Ongoing VCT Status

Though thankfully now fully resolved, the first half of the Company's year was dominated by a period of uncertainty while the Directors and Investment Manager addressed an issue that had come to light in the first days of the financial year: shareholders will be aware from an RNS on 13 March 2014 that HMRC had considered a previous purchase of shares in Scancell Holdings Plc ("Scancell") to be in breach of the VCT rules.

On 12 September 2014, following the completion of certain corrective actions, we were able to announce a satisfactory conclusion to this episode with the confirmation that HMRC had decided that the matter would be closed subject to Oxford Technology VCT Plc's continued compliance with VCT rules. This means that the tax reliefs previously given to the VCT and its shareholders were not and will not be disturbed, and the entitlement to benefit from future reliefs available to VCTs will likewise continue.

Following the corrective action, the Company's holding in Scancell is now as it was prior to July 2013. The corrective action undertaken resulted in no financial gain or loss to the Company.

I wish to reiterate my appreciation for the constructive way in which HMRC engaged with us during this period and worked with us to reach a satisfactory conclusion. I would like to place on record my thanks to the Manager, his staff and all the Oxford Technology VCT directors for their collective, vigorous and ultimately successful efforts in this endeavour. I also wish to thank the Company's advisors, Joseph Hage Aaronson LLP and Jonathan Bremner of Counsel for their pro-active and professional work that helped ensure a satisfactory outcome at no cost to your VCT.

Ongoing Review

The Board has reviewed and continues to review all aspects of internal governance to avoid the possibility of breaches of VCT rules or company law. Since taking up our appointment, the new Directors of the Company, Richard Roth and I, have been putting in place more robust procedures and are actively working with Oxford Technology Management and other stakeholders to ensure that its procedures comply with best practice commensurate for a VCT of the Company's size and type.

Portfolio Review

The net asset value per share on 28 February 2015 was 65p compared to 65p on 28 February 2014. Dividends paid to date are 52.7p, giving a total return to date of 117.7p. The earnings per share in the year to 28 February 2015 were nil.

The Company has a relatively concentrated portfolio dominated by its holding in Scancell, listed on the AIM market of the London Stock Exchange, which continues to make good progress with the development of novel immunotherapies for the treatment of cancer. There is evidence to believe that Scancell has an attractive combination of technologies in this newly developing field, but as ever the commercial and scientific risks are high.

The bid price of Scancell's shares used for the calculation of the Company's net asset value on 28 February 2015 was 30.5p. Since that date, the Scancell share price has fluctuated, briefly dropping below 23p in early April 2015 before recovering, then reaching 45p before falling back, encompassing a £1.5 million swing on our net assets, i.e. 27p per share. At close of business on 26 June 2015 the Scancell share price was 29.5p.

The second-largest holding in the Company's portfolio is a 30% stake in Select Technology Limited, a photocopier software company that has been growing revenues at a compound annual rate of over 75% since the Summer of 2010, is generating regular monthly profits and has built up a substantial cash reserve as it addresses some particularly interesting market opportunities with key partners.

Together with the Company's cash balance, Scancell and Select Technology make up more than 90% of Oxford Technology VCT Plc's portfolio. Only three other companies remain in the portfolio – they are performing adequately and we are continuing to collect dividends and capital returns from these companies as and when appropriate.

Further details on our investments are contained within the Investment Portfolio Review.

We are also continuing to assess the opportunity for divestments so as to crystallise shareholder value as and when appropriate – at least two such opportunities arose during the financial year but it was decided that the cash offers on the table, though comparable to book value, were unattractive given the potential for near-term growth and cash generation from the relevant assets.

Dividends

The ongoing strategy is to seek to crystallise value from the portfolio and distribute cash to shareholders via dividend payments. The Directors are not in a position to recommend a dividend at this time, but cash generation within the portfolio should enable the Directors to recommend a distribution in the medium term.

Director Resignations

I would like to take this opportunity to thank Lucius Cary and John Jackson, both of whom retired as Directors of the Company in the Summer of 2014. Lucius and John have been instrumental in the founding and running of the Company, and I would like to extend my thanks and that of all of those involved for their efforts since the Company's inception. Both Lucius and John remain as shareholders, and of course Lucius remains actively involved as managing director of the Investment Manager, Oxford Technology Management.

Management Fees

In the light of the stage of OT1, which is now in its 19th year, your Directors have considered the ongoing management fees payable to the Manager of the fund. The existing fee arrangement of 1.5% per annum covered a range of responsibilities, some of which are no longer applicable, such as regularly considering and reviewing new investment opportunities. In conjunction with further changes outlined below that optimise the board structure and improve the Company's corporate governance, the Board has renegotiated the ongoing management fees to a reduced rate of 1.0% per annum and confirmed that the overall fee cap of 3% (excluding Directors' fees) covers all of the running costs incurred by the VCT. This is in effect from 1 March 2015.

Performance Fees

The existing performance fee structure sees Oxford Technology Management, past Directors and current Directors sharing in 20% of the returns paid out beyond 125p; taking into account dividends paid to date of 52.7p, a further 72.3p would need to be paid out as at 28 February 2015. As this net target is above NAV, no performance fee has yet been accrued nor paid as at 28 February 2015. For clarity, the Company's total return was 117.7p per share at that date, over 7p below the performance fee hurdle of 125p.

As I have outlined elsewhere in this statement, the Board is satisfied with progress within its portfolio and cautiously optimistic about the potential for increasing shareholder value. However, given the age of the VCT, it is clear that shareholder value has not risen by as much as one might have hoped since the inception of the VCT. In part this can be explained by the high risk nature of the early stage venture capital space that the VCT has concentrated on. Directors are of the view that it would, however, be inappropriate for the existing performance fee structure to remain, as it would reward performance that, in terms of annual return on investment, is actually relatively low. The Board has therefore negotiated with relevant parties and agreed that a compound annual 6% increase shall be applied retrospectively to the 125p performance threshold from 1 March 2008. The escalation is therefore applied after ten years of full trading following the year of the first major allotment under the original prospectus. Prior to 1 March 2015 the compound increase shall be applied annually; post this date it will be applied quarterly. In recognition of dividends paid, actual returns to shareholders will be subtracted from the compounding threshold in the year these are paid. The effect of this change is to increase the net target for the performance threshold for the financial year ending 28 February 2015 from 72.3p to 116p, (i.e. a total return of 168.7p if dividends paid to date are taken into account) incrementing quarterly thereafter as described above.

This will maintain the purpose of the performance fee as an appropriate – and achievable – incentive for Oxford Technology Management (who would receive approximately three quarters of any performance fee payable) to maximise shareholder value, yet also ensure that the performance threshold cannot be 'inflated away' over time. Note also that your company will only pay out a performance fee after cash returns to shareholders have achieved the performance threshold – many other VCTs pay out performance fees based on growth in asset values before actual cash returns have been made to shareholders.

Your Directors believe that the lower level of management fees, together with a performance fee incorporating a challenging hurdle and payable only once shareholders have received back significantly more than their original investment prior to any additional tax reliefs, makes this management arrangement market-leading and continues the principle always adopted by the VCT to keep its costs as low as possible.

Board Structure and Remuneration

Shareholders will be aware that the Company was considering the possibility of a merger with some, or all, of the other Oxford Technology VCTs. Such a potential merger was driven by a desire to keep costs low, provide a more robust board structure and provide a mechanism to manage the rump issue that may eventually ensue once the portfolio reduces to an unviable size, which has particular consequences for those shareholders who deferred capital gains on their original subscriptions.

Following clear feedback from shareholders the Directors realised that should they decide to merge the four companies they would still need to maintain four separate share pools as enough shareholders did not wish their holdings in certain specific assets to be diluted by consolidation with the other funds. Further examination has therefore led us to believe that any savings would be modest and not justify the costs of carrying out the merger until further exits have been achieved, such that the remaining VCT portfolios are more similar and there would be no requirement for separate share classes.

The Directors of each fund, separately and collectively, have therefore resolved that a merger of the four companies is not in shareholders' best interest at this time. This decision is in keeping with the historical view of Oxford Technology Management and the directors of all four Oxford Technology VCTs to be cost conscious – this approach has not changed. The Directors will, however, keep this decision under review and will consider it again as the portfolios of each of the VCTs develop. They have therefore considered other methods by which each company can benefit from a more robust board structure. At the moment, your company has a board of just two Directors; given that the chairman has a casting vote, this in effect means that your company could currently be controlled by one individual. A similar situation applies to the other three VCTs in the Oxford Technology stable. Whilst directors from the other three VCTs provide ad hoc support, the board believes it is better to formalise this relationship.

It is therefore proposed to form a common board across each Company (the "Common Board"), each with its own chairman. To achieve this whilst retaining the independence that is required by generally accepted corporate governance (specifically AIC guidelines) the Directors have resolved that the Company should be self-managed by its own subsidiary company, OT1 Managers Limited. In turn, this subsidiary will contract in services from Oxford Technology Management following the template of the Company's initial prospectus, ensuring continuity of service by the team led by Lucius Cary. This type of self-managed format has been adopted very successfully by a number of other VCTs that are keen to maintain good and cost-effective corporate governance.

Two new directors, Robin Goodfellow and David Livesley, the chairmen of OT3 and OT4 respectively, will be appointed to the board of OT1 in early July 2015. Shareholders will be asked to ratify these appointments at the forthcoming AGM.

As shareholders will be aware, since taking up their Directors' responsibilities in the Summer of 2014, your Board has been reviewing all internal governance procedures. We have worked with Oxford Technology Management to upgrade policies and procedures in this area and have closely reviewed the outcomes. HMRC were satisfied with this work and with the revised governance procedures that include more clarity on the roles of your Board and the Manager. I believe that these proposed changes to the structure provide a further improvement to the structure of OT1, namely:

- Further formalising the roles of the Directors and Oxford Technology Management;
- Four independent Directors (with the chairman holding a casting vote) to ensure the Board cannot be controlled by a single person;
- Providing a framework for OT1 to benefit from the differing expertise of its newly enlarged board of Directors, with those Directors having a specific mandate to contribute as best they can (rather than concerning themselves with possible shadow directorship considerations);
- Retention of the option of pursuing a merger (or other combination) at a later date as and when portfolio developments permit; and

- Minimising costs by not pursuing a major restructuring at this moment in time whilst leaving options open to maximise shareholder value should other corporate actions become attractive.

Shareholders should also note that the remuneration committee has proposed a different structure to Directors' fees. Fees are much lower than those earned by directors of almost all other VCTs but represent an increase from those paid in recent years by any of the Oxford Technology funds. This is to recognise a greater proportion of work performed by your Directors as part of the proposed self-managed structure than for many other VCTs and is more than offset by the reduction in management fees discussed above.

Reducing the Share Premium Account

In line with normal market practice, the company is planning to clear the remaining balance on its share premium account. This has been approved by shareholders in the past, but the Board wishes to clear the amount that accrued from the top-up share issues since that date. Once the process has been completed the reserves ultimately available for distribution to shareholders will increase, though reserves will remain negative until further returns have been generated by the portfolio (see note 11 on page 40).

Share Buy Backs

The Company has the ability to buy back shares. To date this authority has never been exercised and the Directors have no current intention to do so, preferring instead to preserve resources to support our investees and pay dividends to all shareholders. It is, however, a useful facility to have available should circumstances change and the Company therefore wishes to maintain this capability.

Shareholder Approvals

Shareholders will be asked to approve the appointment of the new Directors, the revised remuneration structure, the reduction in the share premium account and the continuing ability for the Company to buy back its own shares at the AGM. The Board encourages you to vote in favour of all the resolutions.

AGM

Shareholders should note that the AGM for the Company will be held on Wednesday 26 August 2015 at the Magdalen Centre, Oxford Science Park, starting at 11am and will include presentations by some of the companies in which the Oxford Technology VCTs have invested. 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

Looking ahead, I believe the portfolio – though concentrated – is well positioned for growth. We continue to work to maximise value for shareholders and will, as per our stated strategy, seek to crystallise this value and distribute to shareholders via dividend payments when valuations and liquidity allow.

Alex Starling

Alex Starling – Chairman
29 June 2015

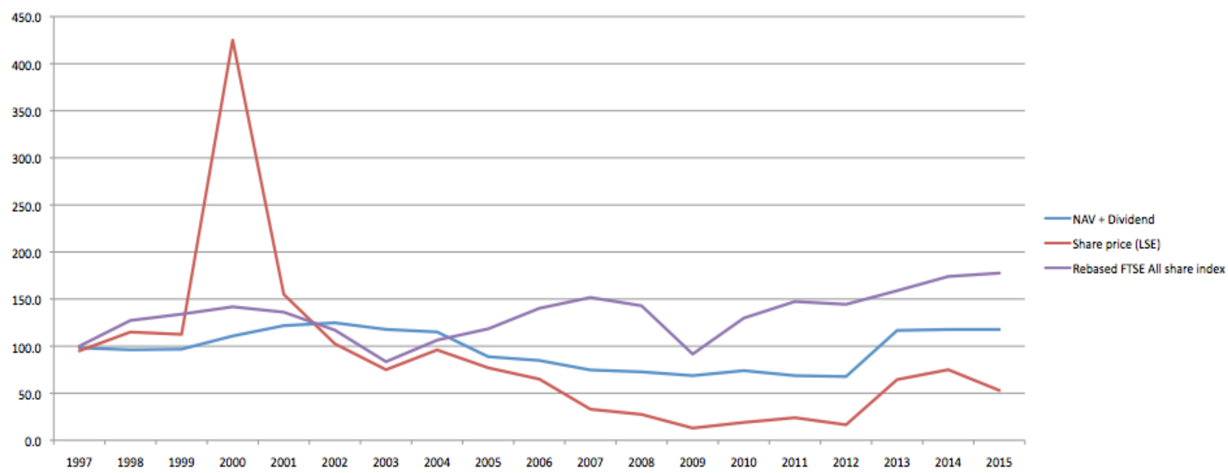
Business Review

Company Performance

The Board is responsible for the Company's investment strategy and performance, although the creation, management and monitoring of the investment portfolio is delegated to the Investment Manager – Oxford Technology Management.

There was a net loss for the period after taxation amounting to £1,000 (2014: profit of £36,000). The profit and loss account comprises unrealised gains on fair value of investments of £104,000 (2014: £198,000), less nil loss on disposal (2014: loss of £59,000) and management and other expenses of £105,000 (2014: £103,000).

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.



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.

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. The loss of such approval 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. 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 two male non-executive Directors. 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 employees and only two 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.

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 52.7p. The table on page 12 shows the companies remaining in the portfolio.

New Investments in the year

There were no new investments during the year.

Disposals during the year

No new disposals were made during the year. A payment of £5,000 was received as the 2nd tranche for the disposal of Dataflow.

A capital repayment of £53,000 was received from Biocote as a result of the investee company reorganising its balance sheet.

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 2015 and for the year then ended is summarised as follows:

Type of Investment By HMRC Valuation Rules	**Actual**	**Target**
VCT Qualifying Investments	80.5%	Minimum obligation of: 70.0%
Non-Qualifying Investments	19.5%	Maximum allowed: 30.0%
Total	100.0%	100.0%

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.

Table of Investments held by Company at 28 February 2015

Company	Description	Date of initial investment	Net cost of investment £'000	Carrying value at 28/02/15 £'000	Change in value for the year £'000	% equity held by OT1
Scancell Quoted on AIM	Antibody based cancer therapeutics	Aug 1999	344	2,099	(172)	3.1
Select Technology	Photocopier Interfaces	Sep 1999	488	958	210	30.0
Getmapping	Aerial photography	Mar 1999	518	213	49	3.9
Biocote	Bactericidal powder coating	Dec 1997	85	66	-	6.6
DHA Ltd	Radiotherapy products	Sep 1999	150	10	-	26.9
Dataflow Sold	Accountancy software	Mar 1998	7	7	4	-
Totals			1,592	3,353	91	
Other Net Assets				180		
NET ASSETS				3,533		

Number of shares in issue: 5,431,656
Net Asset Value per share at 28 February 2015: 65p
Dividends paid to date: 52.7p

This table shows the current portfolio holdings. The investments in Avidex, Concept Broadcast, Coraltech, Eurogen, Im-Pak, Freehand Surgical, IMPT, Nexus, OST, Rapier, Sirius and Synaptica have been written off. The investments in Valid, Dataflow, MET and Equitalk have been sold.

Scancell Plc

www.scancell.co.uk

	First Investment	Net Cost	Carrying Value 28/02/2015	Change in Value for the Year	% Equity Held
Scancell Plc	August 1999	£344,000	£2,099,407	(£172,082)	3.1%

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.

Scancell is developing novel immunotherapies for cancer based on two platform technologies, known as ImmunoBody and Moditope. Scancell's first ImmunoBody, SCIB1 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.

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 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 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.

New data published in March 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.

The bid price as at 28 February 2015 used for this Scancell valuation was 30.5p (2014: 32p).

Select Technology

www.selectec.co.uk

	First Investment	Net Cost	Carrying Value 28/02/2015	Change in Value for the Year	% Equity Held
Select Technology	September 1999	£488,000	£958,152	£209,758	30.0%

Select Technology specialises in software for photocopiers (now known as MFDs – Multi-function devices – since they scan, fax, email and do other other tasks in addition to photocopying). There are two strands to the business: (1) writing software which sits at the heart of MFDs and which greatly improve 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 is the European master-distributor for PaperCut, a world-leading print-management software product.

As with computers in the 1980s, MFD hardware has become a commodity product with little to choose between the offerings of most companies. Increasingly, what makes customers choose one make in preference to another is the quality and ease of use of the many software programs which run on them. Most MFDs will be on networks, so that, for example, a user may scan a document in London and print it out in New York and Tokyo. The accounting software will need to determine how the cost of this is allocated. Different users will have different usage rights to the software. The MFDs will need to identify users and some will use cards, other PIN numbers, and other biometric scans. Getting everything to work together, and giving everyone a good user experience is non-trivial, which is why there is a need for Select, which has specialised in this area for many years.

It has taken a long time, but Select's financial performance is now improving and sales are increasing. Select is valued at 1 x sales of £3.2m.

Getmapping

www.getmapping.com

	First Investment	Net Cost	Carrying Value 28/02/2015	Change in Value for the Year	% Equity Held
Getmapping	March 1999	£518,000	£212,697	£49,122	3.9%

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.

Critical to Getmapping's business plan was that Ordnance Survey had no interest in aerial photography as a product, and had signed an agreement with Getmapping under which it would re-sell the Millennium Map to local and central government users. But in 2001, after the company had raised £10m on AIM, OS terminated the reseller agreement and started to develop its own rival product. This was a devastating blow to Getmapping, which took court action against OS. But in the event, Getmapping did not have enough capital to see the case through. Getmapping had to drastically downsize and came close to going bankrupt. The share price fell and the company delisted to save costs.

However, Getmapping persevered and the business survived and has prospered. The business now has numerous different strands, so that it is less dependent on any one of them than was once the case. For example, in an attempt to become less dependent on the UK, Getmapping is becoming a significant supplier of aerial photography and mapping services in Africa, which despite its many problems is now growing fast, and has a large need for current aerial survey services to support its growing infrastructure programs and resource exploitation. The policy is now bearing fruit as Africa is contributing significantly to the growth in turnover and profits going forward.

Getmapping continues its battle with OS. Getmapping won the Pan Government Agreement, and as a result created imagery of the whole of the UK for use by all government departments. It would seem to be common sense to say that OS should use this same data. But, instead, OS have said it wishes to do the same thing all over again, to be paid for out of its annual £75m subsidy from the UK taxpayer. It makes no sense and Getmapping has complained to all the relevant authorities in the UK, but so far to no avail.

Sales were £5.5m at the end of 2014 and for the first time, Africa contributed a profit to the group. Getmapping is valued at 1 x current annual sales of £5.5m.

Biocote

www.biocote.com

	First Investment	Net Cost	Carrying Value 28/02/2015	Change in Value for the Year	% Equity Held
Biocote	December 1997	£85,103	£65,994	-	6.6%

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.

Biocote's business model is to license the use of its technology to manufacturers of products, which then gives built-in antimicrobial protection.

The Company had a reduction in share capital during the year and OT1 received a payment of £52,795, effectively reducing the net cost of the investment to £85,103. The current valuation is 1 x sales of £1m.

DHA

www.dha.co.uk

	First Investment	Net Cost	Carrying Value 28/02/2015	Change in Value for the Year	% Equity Held
DHA Ltd	September 1999	£150,000	£9,687	-	26.9%

Duncan Hynd Associates Ltd (DHA) specialises in serving the radiotherapy market. OT1 initially invested in 1999 and the business increased its staff and expanded. However the business was not profitable and in order to survive, it therefore contracted and Duncan Hynd, the founder became the sole employee. This was successful in the sense that the business has survived and has been modestly profitable. The company is valued at 0.5 x sales.

Dataflow

www.dataflow.co.uk

Dataflow is in the process of being sold back to the management. OT1 has received £22,660 to date. OT1 currently holds preference shares which are due to be redeemed in September 2015 with a further payment of £7,457 due.

Lucius Cary
Director
Oxford Technology Management
Investment Manager
29 June 2015

Board of Directors

Alex Starling
Chairman – Age 37

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.

Richard Roth
Director – Age 51

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.

Directors' Report

The Directors present their report together with financial statements for the year ended 28 February 2015.

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 2015 and at 28 February 2014 are set out below:

Name	2015	2014
A Starling (appointed 31 July 2014)	2,512	n/a
R Roth (appointed 31 July 2014)	10,000	n/a
J Jackson (resigned 31 July 2014)	n/a	52,000
L Cary (resigned 27 August 2014)	n/a	68,200

Under the Company's Articles of Association one third of the Directors are required to retire by rotation each year. Alex Starling 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 resolution to re-elect Alex Starling at the forthcoming AGM. The new Directors who are due to be appointed to the Board in July will all be up for election and approval by shareholders.

Statement as to Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information (as described in Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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.

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 the

Manager or 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 Directors are closely involved in the day-to-day management of the Company, thus ensuring that they learn of any questionable practices as and when they arise.

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 2015, the Company has been notified of three investors whose interest exceeds three percent of the Company's issued share capital (M O'Regan 4.2%; R Vessey, 4.1%; C Laing, 3.7%). The Directors' shareholdings are listed above.

Auditors

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

On behalf of the Board
Alex Starling – Director
29 June 2015

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 and policy will be proposed at the Annual General Meeting on 26 August 2015.

A policy was approved at the AGM on 27 August 2014, together with the resolution regarding the Directors' remuneration report for the year ended 28 February 2014, on a unanimous show of hands, which reflected overwhelming support amongst proxies submitted.

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 carefully considers the opinions of other Oxford Technology VCT fund directors.

Given the proposed introduction of a Common Board across the four Oxford Technology VCTs, the additional focus on effective corporate governance (as outlined in the Chairman's statement) and the greater involvement of the Directors in the day-to-day running of the VCT, the Remuneration Committee has proposed a revised fee structure. This new fee structure also takes into account the additional responsibilities and workload of the Company Chairman and responsibilities within the Audit Committee.

In proposing the revised levels to the Board, the Remuneration Committee took note of an internal report providing an extensive analysis of fees paid by the rest of the VCT industry, with particular focus on other VCTs managed in a similar manner to the Company, and other relevant information. They were also mindful of the low cost philosophy of the Oxford Technology VCTs and fund affordability. Fees continue to be amongst the lowest in the industry. During the process a range of stakeholders including retiring board members from several of the Oxford Technology VCTs were consulted to provide expertise and input to reach a balanced recommendation.

As the levels and structure of remuneration have been modified, the Directors consider that this once again requires shareholder approval, as Shareholders must now vote on the remuneration policy every three years, or sooner if the Company wants to make changes to it.

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. Following the changes outlined above, the following Directors' fees will be payable by the Company with effect from 1 July 2015, the date of the proposed implementation of the Common Board:

	per annum
Director Base Fee	£3,500
Chairman's Supplement	£2,000
Audit Committee Chairman	£3,000
Audit Committee Member	£1,500

Alex Starling will continue to chair the Company. Richard Roth will chair the Audit Committee, with Robin Goodfellow as a member of the Committee. As the VCT will be self-managed after implementation of the new structure, the Audit Committee will be carrying out a particularly important role for the VCT and will play a greater part in the production of the annual accounts compared to recent years.

These figures compare to the previous individual fee of £7,500 per annum for each Director independent of the manager and £2,500 per annum for Lucius Cary, who was a Director of the Company up until 27 August 2014.

The Directors may at their discretion pay additional sums in respect of specific tasks carried out by individual Directors on behalf of the Company. In this context, an additional one off payment has been made to Richard Roth of £2,000 as compensation for executive work undertaken in relation to the setting up of the Common Board structure.

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.

The performance incentive fee is described in the Chairman's Statement. As mentioned there, 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 hurdle 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 2015 the cash return to shareholders would have had to have been in excess of 168.7p (compared to a total return at that date of 117.7p) for a performance fee to have been payable. If a performance fee is not triggered (as it was not in this financial year) the hurdle, net of dividends paid, increments by a compound annual growth rate of 6%, applied quarterly.

Should the new director appointments as outlined in the Chairman's Statement go ahead as planned and any fee be payable at the end of the year to 29 February 2016, Alex Starling, Richard Roth and Robin Goodfellow would each receive 0.11% of any amount over the hurdle, whilst David Livesley would be entitled to 0.68%. No performance fee will be payable for the year ending 29 February 2016 unless original shareholders have received back at least £1.75 in cash for each £1 (gross) invested; no forecast is implied that the hurdle will be reached in the year to 29 February 2016.

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.

Directors' Emoluments

As outlined in the Chairman's statement, it is proposed to appoint Robin Goodfellow and David Livesley to the Board of OT1 on 1 July 2015, and the Directors consider it helpful to shareholders to therefore set out the full expected cost for Directors' emoluments for the year to 29/2/16. Given the partial year timing for the creation of the Common Board, they have also set out the expected remuneration for each Director for the year ended 28/2/17, all other things being equal.

Directors' Fees	**Year End 28/02/17 (unaudited)**	**Year End 29/02/16 (unaudited)**	**Year End 28/02/15 (audited)**	**Year end 28/02/14 (audited)**
Alex Starling	£5,500	£6,167	£4,375	-
Richard Roth	£6,500	£8,833	£4,375	-
John Jackson	-	-	£3,750	£7,500
Lucius Cary	-	-	£1,041	£2,500
Robin Goodfellow	£5,000	£3,333	-	-
David Livesley	£3,500	£2,333	-	-
Total	**£20,500**	**£20,666**	**£13,541**	**£10,000**

Corporate Governance Report

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 issues.

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. Due to the size of the Board and the nature of the Company's business, a formal performance evaluation process of the Board is not deemed appropriate at this time. Specific performance issues will be dealt with as they arise and the Directors continue to be accountable to each other (Code B6);

5. The Board as a whole performs the functions of the Audit Committee (Code C3.1); and

6. 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 two independent non-executive Directors, Alex Starling and Richard Roth. 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.

Director Name	Board Meetings Attended 6 Held in year	Audit Committee Meetings Attended 2 Held in year
Alex Starling	4	1
Richard Roth	4	1
John Jackson	2	1
Lucius Cary	6	2

Notes:

1 Alex Starling and Richard Roth became Directors on 31 July 2014.

2 John Jackson and Lucius Cary ceased to be Directors on 31 July and 27 August 2014 respectively.

3 There were no meetings between 1 August and 27 August. Each Director attended all the Board and Audit Committee Meetings during his term of office. Lucius Cary attended meetings as an observer after he ceased to be a Director.

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 Board 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). Both current Directors were elected by shareholders at the AGM in 2014. 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.

At the point of his appointment as a Director of OT1, Alex Starling had a commercial relationship via an intermediary with Select Technology to provide consultancy services. This commercial relationship was still in place as at 28 February 2015. Due to this potential conflict of interest, Alex Starling was not involved in any board discussion about Select Technology unless where expressly invited to participate and was not party to any decisions made by the board of OT1 regarding Select Technology.

After the financial year end, the commercial relationship between Alex Starling and Select Technology came to a planned conclusion on 19 May 2015. There are no outstanding contingent liabilities on or to Select Technology as a result of the provision of these services by Alex Starling.

Lucius Cary, managing director of the Investment Manager, Oxford Technology Management is a personal shareholder and a Director of Getmapping. Getmapping's founder Tristram Cary is the brother of Lucius Cary. Lucius Cary is not involved or party to any decisions made by the board of OT1 regarding Getmapping.

Audit Committee

The role of the Audit Committee is discharged by the Board. Their report along with the terms of reference is given below.

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).

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
29 June 2015

Audit Committee Report

This report is submitted in accordance with The UK Corporate Governance Code and describes the work of the Audit Committee in discharging its responsibilities. The Audit Committee has identified and considered the key areas of risk in relation to the business activities and financial statements of the Company, reviewing and making recommendations to the Board. Any issues arising are discussed with the Investment Manager and the auditor.

The Audit Committee's terms of reference include the following responsibilities:

- to review and make recommendations to the Board in relation to the Company's published financial statements
- where necessary to challenge the actions and judgments of management in relation to the Company's financial statements, operating and financial review, interim reports, preliminary announcements and related formal statements
- to monitor the integrity of the Company's internal financial controls
- to ensure that the auditors have direct access to the Board Chairman and Audit Committee
- to consider and make recommendations on the appointment, reappointment and removal of the external auditor; to approve the terms of engagement and the remuneration to be paid to the external auditor in respect of audit services provided and to assess the effectiveness of the audit
- to ensure that the Investment Manager has arrangements in place for the investigation and follow-up of any concerns raised confidentially by staff in relation to propriety of financial reporting or other matters

As part of the process of working with the Board to maximise effectiveness, meetings of the Committee usually take place on the same day as the Board meeting and a report is provided on relevant matters to enable the Board to carry out its duties.

The Committee has reviewed the non audit services provided by the external auditor, James Cowper Kreston, and is happy to recommend their reappointment. Once the Committee has made a recommendation to the Board in relation to the appointment of the external auditor this is then ratified 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 Audit Committee has reviewed the Investment Manager's statement of internal controls in relation to the Company's business and has assessed the effectiveness of those controls in minimising the impact of key risks. The Compliance Procedure of the Company is also reviewed on a quarterly basis. In light of the fact that there are only two independent non-executive Directors the committee also takes advice from external sources. Methuen Consulting is used as an advisor for Financial Services Compliance. Beaumont Cornish is used as Corporate and Regulatory advisor for the London Stock Exchange and a Chartered Management Accountant team at Positive Outlook for financial advice.

The Directors have met quarterly to assess the appropriateness of the estimates and judgements made by the Investment Manager in the investment valuations. All but one of the Company's investments are in unlisted securities that can be difficult to value, requiring the application of skill, knowledge and judgement by the Board and Audit Committee. The methodologies used are those set out in the International Private Equity and Venture Capital Valuation guidelines. The Investment Manager now prepares a document confirming that all VCT rules are met before making any new investments.

The Committee have considered the whole report and accounts for the year ended 28 February 2015 and have reported to the Board that they consider them to be fair, balanced and understandable providing the information necessary for shareholders to assess the Company's performance.

Significant Risks

The Audit 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 for the Company as:

- Valuation of investment portfolio. The Auditor gives special audit consideration to the verification of the existence of investments, their valuation and supporting data provided by the Investment Manager. The impact of this risk would be a large gain or loss in the Company's results. The valuations are supported by investment company accounts and third party evidence, whilst ownership of the assets was also confirmed, giving comfort to the Audit Committee.

- Management override of financial controls. The Auditor specifically reviews all significant accounting estimates that form part of the financial statements and considers any material judgements applied by management during the completion of the financial statements.

- Compliance with relevant legislation. The Auditor reviewed adherence with the Listing Rules, HMRC rules and VCT Regulations, and no issues of non-compliance were identified.

These topics were discussed with Oxford Technology Management and the Auditor at the conclusion of the audit of the financial statements.

Richard Roth
Audit Committee Chairman
29 June 2015

Directors' Responsibility Statement

The Directors are responsible for preparing the Strategic Report, the Report of the Directors, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare financial statements in accordance with United Kingdom GAAP (United Kingdom Accounting Standards and Applicable Law). 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 of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 and the Directors' Remuneration Report comply with the Act.

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 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:

- the financial statements, which have been prepared in accordance with United Kingdom GAAP (United Kingdom Accounting Standards and Applicable Law), give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Strategic Report and the Report of the Directors include a fair review of the development and performance of the Company, together with a description of the principal risks and uncertainties that it faces.

Alex Starling
Director
29 June 2015

Report of the Independent Auditor

We have audited the financial statements of Oxford Technology Venture Capital Trust plc for the year ended 28 February 2015 which comprise the income statement, balance sheet, cash flow statement, accounting policies and related notes. We have also audited the information set out in the Directors' Remuneration Report that is described as having been audited. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 Auditors

As explained more fully in the Statement of Directors' responsibilities, 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 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 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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. 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 £67,000 which is 2% of the value of the Company's investment portfolio. 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 £2,000.

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 FRS 26, "Financial instruments: recognition and measurement". Measurement of the value of an unquoted investment includes significant assumptions and judgements. We therefore identified the valuation of unquoted investments as a 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 investment manager, and reviewing and challenging the basis and reasonableness of the assumptions made by the investment manager 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 2015 and of its loss 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.

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;
- 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 statement with respect to internal control and risk management systems 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 matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the listing rules we are required to review:

- the information given in the Report of the Directors in relation to going concern; and
- the part of the Corporate Governance statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Alan Poole BA (Hons) FCA Senior Statutory Auditor
For and on behalf of
James Cowper Kreston
Chartered Accountants and Statutory Auditors
Oxford
29 June 2015

Income Statement

	Note Ref.	Year Ended 28 February 2015 Revenue £'000	Capital £'000	Total £'000	Year Ended 28 February 2014 Revenue £'000	Capital £'000	Total £'000
(Loss)/Gain on disposal of investments		-	-	-	-	(59)	(59)
Unrealised (loss)/gain on fair value		-	104	104	-	198	198
Other income	2	-	-	-	-	-	-
Investment management fees	3	-	(53)	(53)	-	(61)	(61)
Other expenses	4	(52)	-	(52)	(42)	-	(42)
Return on ordinary activities before tax		(52)	51	(1)	(42)	78	36
Taxation on return on ordinary activities	5	-	-	-	-	-	-
Return on ordinary activities after tax		(52)	51	(1)	(42)	78	36
Earnings per share – basic and diluted	6	(0.9)p	0.9p	0.0p	(0.7)p	1.4p	0.7p

The 'Total' column of this statement is the profit and loss account of the Company, the supplementary revenue and capital 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 accompanying notes are an integral part of the financial statements.

Reconciliation of Movement in Shareholders' Funds

	Year Ended 28 February 2015 £'000	Year Ended 28 February 2014 £'000
Shareholders' funds at start of year	3,534	4,041
Return on ordinary activities after tax	(1)	36
Dividends paid	-	(543)
Shareholders' funds at end of year	**3,533**	**3,534**

Balance Sheet

	Note Ref.	Year Ended 28 February 2015 £'000	Year Ended 28 February 2015 £'000	Year Ended 28 February 2014 £'000	Year Ended 28 February 2014 £'000
Fixed Asset Investments at fair value	7		3,353		3,271
Current Assets					
Debtors	8	2		112	
Cash at Bank		186		162	
Creditors: amounts falling due within 1 year	9	(8)		(11)	
Net Current Assets			180		263
Net Assets			**3,533**		**3,534**
Called up equity share capital	10		543		543
Share Premium	11		176		176
Unrealised Capital Reserve	11		3,104		2,940
Profit and Loss Account Reserve	11		(290)		(125)
Total Equity Shareholders' Funds			**3,533**		**3,534**
Net Asset Value Per Share			**65p**		**65p**

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

The statements were approved by the Directors and authorised for issue on 29 June 2015 and are signed on their behalf by:

Richard Roth
Director

Cash Flow Statement

	Year Ended 28 February 2015 £'000	Year Ended 28 February 2014 £'000
Net cash outflow from operating activities	(33)	(156)
Financial investment		
Purchase of investments	-	-
Disposal of investments	57	83
Dividends paid	-	(543)
Increase/(Decrease) in cash at bank	**24**	**(616)**

Reconciliation of Net Cash Flow to Movement in Net Funds

	Year Ended 28 February 2015 £'000	Year Ended 28 February 2014 £'000
Increase/(Decrease) in cash resources at bank	24	(616)
Opening net funds	162	778
Net funds at year end	**186**	**162**

Reconciliation of Operating Profit/(Loss) before Taxation to Cash Flow from Operating Activities

	Year Ended 28 February 2015 £'000	Year Ended 28 February 2014 £'000
Return on ordinary activities before tax	(1)	36
Gain on disposal of investments	-	59
(Gain) on valuation of investments	(139)	(198)
(Increase)/decrease in debtors	110	(23)
(Decrease)/increase in creditors	(3)	5
Outflow from operating activities	**(33)**	**(156)**

Notes to the Financial Statements

1. Principal Accounting Policies

Basis of Accounting

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 (UK GAAP) and the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies' (revised 2009).

Investments

The company invests in financial assets with a view to profiting from their total return through income and capital growth. These investments are managed and their performance is evaluated on a fair value basis. Accordingly as permitted by Financial Reporting Standard 26 (FRS 26) the investments are designated as fair value through profit and loss. Unrealised gains or losses on valuation are recognised through the income statement.

Valuation of Investments

Quoted investments are stated at the bid price. Unquoted investments are stated at fair value, where fair value is estimated after following the guidelines laid down by the International Private Equity and Venture Capital Guidelines. The Directors' policy is to initially state investments at cost and then to review the valuation every three months. The Directors may then apply an appropriate methodology which, as far as possible, draws on external, objective market data such as where fair value is indicated by:

- a material arm's length transaction by a third party in the shares of the company, with discounting for more junior asset classes, and reviewed for impairment; or

- a suitable revenue or earnings multiple where the company is well established and generating maintainable profits. The multiple will be based on comparable listed companies but may be discounted to reflect a lack of marketability; or

- the net assets of the business.

Where such objective data is not available the Directors may choose to maintain the value of the company as previously stated or to discount this where indicated by underperformance against plan.

The Directors consider that this basis of valuation of unquoted investments is consistent with the International Private Equity and Venture Capital Guidelines.

The preparation of the financial statements requires the Board to make judgments and estimates that affect the application of policies and 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.

Deferred Tax

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the company was approved as a Venture Capital Trust during the current year. HMRC has approved the company as a Venture Capital Trust for the purpose of Section 259 of the Income Tax Act 2007. The approval was given in the financial period ended 28 February 1998.

2. Income

Income represents realised gains on the disposal of investments along with dividends, interest receivable on cash deposits and loans. Dividends receivable on unquoted equity shares are brought into account when the company's right to receive payment is established and there is no significant doubt that payment will be received. Dividends receivable on quoted equity shares are brought into account on the ex-dividend date.

Fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares, provided there is no significant doubt that payment will be received in due course. Interest receivable from cash and short term deposits are accrued to the end of the year.

	Year Ended 28 February 2015 £'000	**Year Ended 28 February 2014 £'000**
Bank interest receivable	-	-
Loan note interest receivable	-	-
Total	-	-

3. Investment Management Fees

Expenses are charged wholly to revenue with the exception of the investment management (including any performance fee) which has been charged 100% to the capital return.

	Year Ended 28 February 2015 £'000	**Year Ended 28 February 2014 £'000**
Investment management fee	53	61
Total	53	61

In the year to 28 February 2015 (and previous financial years), the manager received a fee of 1.5% of the net asset value as at the previous year end. As indicated in the Chairman's statement, the Board have agreed with Oxford Technology Management that as from 1 March 2015, this will be reduced to 1.0% of net asset value as at the previous year end.

In all previous years to 28 February 2015, a performance incentive has been payable to the Investment Manager once the original shareholders have received back £1.25 in cash for each £1 (gross) invested. Each extra £1 distributed goes 80p to the shareholder and 20p to the beneficiaries of the performance incentive fee, of which Oxford Technology Management receives 14p. No performance fee has been paid to date. As reported in the Chairman's statement, the hurdle of £1.25 has now been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2008. This has the effect of increasing the hurdle to just over £1.68p as at 28 February 2015.

Expenses are, and remain, 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 profit and loss account 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.

	Year Ended 28 February 2015 £'000	Year Ended 28 February 2014 £'000
Directors' remuneration	14	10
Auditors' remuneration	6	5
Legal and professional expenses	10	9
Accounting and administration services	6	3
Other expenses	16	15
Total	52	42

5. Tax on Ordinary Activities

Corporation tax payable is applied to profits chargeable to corporation tax, if any, at the current rate. The corporation tax charge for the period was £nil (2014: nil)

	Year Ended 28 February 2015 £'000	Year Ended 28 February 2014 £'000
Return on ordinary activities before tax	(1)	36
Current tax at standard rate of taxation	-	7
Unrecognised tax losses	-	(7)
Total current tax charge	-	-

Unrelieved management expenses of £1,123,276 (2014: £1,018,059) 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 £1,000 (2014: profit of £36,000) attributable to shareholders divided by the weighted average number of shares 5,431,656 (5,431,656) 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

Fixed asset investments are valued at fair value. Unquoted investments are carried at fair value as determined by the Directors in accordance with current venture capital industry guidelines. Purchases and sales of investments are recognised in the financial statements at the date of the transaction.

Where financial instruments are measured in the balance sheet at fair value, FRS 29 requires disclosure of the fair value measurements by level based on the following fair value investment hierarchy:

Level 1: quoted prices in active markets for identical assets and liabilities. 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 current bid price. These instruments are included in level 1 and comprise AIM quoted investments classified as held at fair value through profit or loss.

Level 2: 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 where it is available and rely as little as possible on entity-specific estimates.

Level 3: the fair value of financial instruments that are not traded in an active market (for example investments in unquoted companies) is determined by using valuation techniques such as earnings or sales multiples. Level 3 valuations include assumptions based on non-observable market data, such as discounts applied either to reflect fair value of financial assets held at the price of recent investment, or, in the case of unquoted investments to adjust earnings or sales multiples.

	AIM quoted investments (Level 1) £'000	Unquoted investments (Level 3) £'000	Total investments £'000
Valuation and net book amount:			
Book cost as at 28 February 2014	344	1,516	1,860
Cumulative revaluation	1,927	(516)	1,411
Valuation at 28 February 2014	2,271	1,000	3,271
Movement in the year:			
Purchases at cost	-	-	-
Redeemed/Disposed	-	(117)	(57)
Revaluation in year	(172)	371	139
Valuation at 28 February 2015	**2,099**	**1,254**	**3,353**
Book cost at 28 February 2015	344	1,399	1,743
Revaluation to 28 February 2015	1,755	(145)	1,610
Valuation at 28 February 2015	**2,099**	**1,254**	**3,353**

8. Debtors

	28 February 2015 £'000	28 February 2014 £'000
Prepayments, accrued income & other debtors	2	112
Total	**2**	**112**

9. Creditors

	28 February 2015 £'000	28 February 2014 £'000
Other creditors	8	11
Total	**8**	**11**

10. Share Capital

	28 February 2015 £'000	28 February 2014 £'000
Authorised:		
10,000,000 ordinary shares of 10p each	1,000	1000
500,000 redeemable preference shares of 10p each	50	50
Total Authorised	1,050	1,050
Allotted, called up and fully paid:		
5,431,656 (2013: 5,431,656) ordinary shares of 10p each	543	543

11. Reserves

	Share Premium Account £'000	Unrealised Capital Reserve £'000	Profit and Loss Account Reserve £'000
At 1 March 2014	176	2,940	(125)
Return on ordinary activities after tax	-	104	(105)
Prior years unrealised losses now realized	-	60	(60)
Valuation at 28 February 2015	**176**	**3,104**	**(290)**

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.

There are currently no distributable reserves as these are represented by the profit and loss account reserve which has a debit balance of £290,000 as at 28 February 2015.

12. Financial Instruments and Risk Management

The Company's financial instruments comprise equity and loan note investments, cash balances and debtors 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. There is no difference between these values and the fair values of the financial instruments.

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 2015 or 28 February 2014.

Company Information – Directors and Advisers

Board of Directors
Alex Starling (Chairman)
Richard Roth

Company Number
3276063

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

Investment Manager & Registered Office
Oxford Technology Management
The Magdalen Centre
Oxford Science Park
Oxford OX4 4GA

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

Bankers
Barclays Bank
54 Cornmarket Street
Oxford OX1 3HB

Registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

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

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