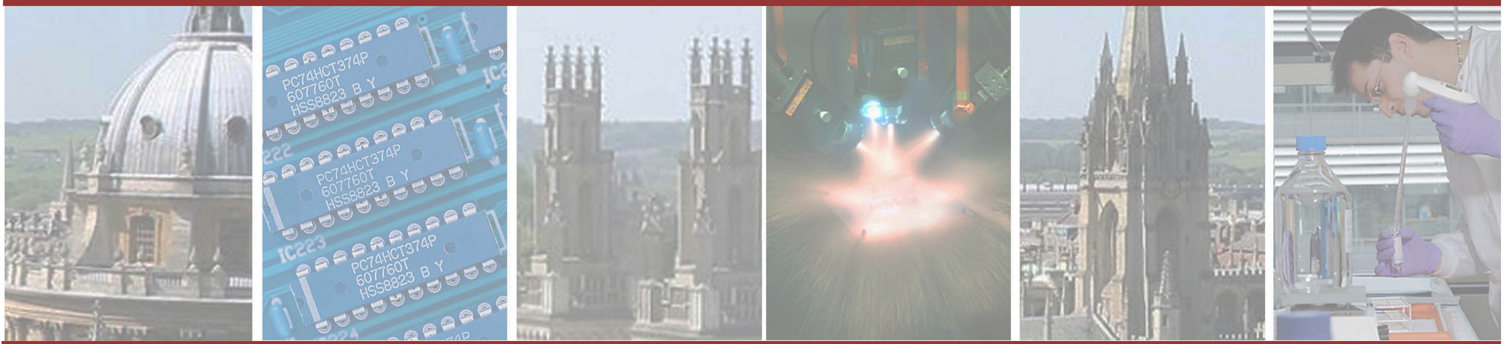


Oxford Technology 3 Venture Capital Trust Plc

Annual Financial Statements
For the year ended 28 February 2015

Company Registration Number: 4351474
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 3 VCT Plc (OT3)

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 3 VCT (OT3) was listed on the London Stock Exchange in 2002. It raised £5.4m in 2002-03. Further top-up offers have raised an additional £995k. The fund is now fully invested.

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; Scancell and Abzena have 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 3 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.

OT3 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	**£6.48m**	**£6.67m**
Net Asset Value per Share	**95.6p**	**98.3p**
Cumulative Dividend	**10.0p**	**10.0p**
NAV + Cumulative Dividend Paid from Incorporation	**105.6p**	**108.3p**
Share Price at Year End	**72.5p**	**65p**
Earnings Per Share (Basic & Diluted)	**(2.7)p**	**1.0p**

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

I am pleased to be writing my first report to shareholders as your Chairman.

Your company's net asset value per share at year end is down 2.7p at 95.6p and the total return per share since the initial 2002 flotation is down 2.7p at 105.6p from the values at the beginning of the year. The main reason for the small decrease was due to an accrual for the performance fee under the terms of the original prospectus. I will discuss this and underlying financial performance later.

Ongoing VCT Status

This time last year the main concern was the threatened loss of our VCT status. HMRC had considered that an earlier purchase of shares in Scancell Holdings Plc to be in breach of VCT rules. Following corrective action, your 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 VCT. I am pleased to report that this issue has been resolved and HMRC have confirmed that VCT status was retained throughout the year.

I would place on record my thanks to the Manager, his staff and all the Oxford Technology VCTs directors for their collective, vigorous and ultimately successful efforts in getting VCT status retained. I would specifically like to mention the outstanding work done by Joseph Hage Aaronson LLP for their legal work at no cost to your VCT.

In August last year changes in governance were put in place whereby a clear segregation of duties between Board and Manager was achieved by Lucius Cary not seeking re-election. A comprehensive and transparent nomination process for seeking new NED candidates had been put in place using an ad hoc independent committee comprising an institutional shareholder, a representative from ShareSoc and a private shareholder with an HR background.

As a result of that process, I was appointed to the Board and re-elected at the last AGM. At the same time Richard Vessey stood down as Chairman but remained a valued director on your Board. I would also like to thank Lucius Cary for his long service as director of your company.

The Board has reviewed all internal governance procedures to avoid the possibility of further breaches of VCT rules. We have worked with the Manager 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 procedure of a clear segregation of Board and Manager's responsibilities. The Directors now have a review and update on VCT compliance as the first item on the agenda for their quarterly meetings. This closes a difficult period in your company's history but we can now move forward with greater confidence for shareholders who still have all their tax reliefs preserved and without reduction in their net assets.

Financial Performance & Investment Portfolio

Without the performance fee accrual of £95,000 or 1.4p per share, OT3 NAV performance was basically unchanged over the year.

The stated policy of the VCT, which has been fully invested for some time, is to exit from investee companies once the technology development and/or the business model has been proved and the companies have floated or become saleable. Profits from sales on exits will be returned to shareholders along with original investment by way of dividends subject to retaining sufficient funds to pay ongoing running costs of the VCT and to support existing investee companies. During the last year no exits were achieved.

Telegesis is our largest holding by value. The company has increased sales and we have increased our valuation accordingly.

Our second largest holding by value is Scancell which is quoted on AIM. We are a 2.0% shareholder with no representation on their board. Their board has announced that the company is up for sale and are engaged in preliminary discussions with several companies under confidentiality agreements. The result of these discussions could lead to an outright sale or to licensing deals. If no agreements are reached by the end of 2015 Scancell will need to consider funding for 2016 and beyond. Your Board is monitoring this situation closely.

Another of our companies appointed a sales agent last year and received an offer from a third party buyer. After close consideration by the VCT and the investee company board, the offer was rejected as being too low. The investee is cash rich and profitable and we anticipate that it will shortly begin paying dividends. At the same time the company is developing its market position which may lead to a more attractive and realistic offer being made in 2 or 3 years' time.

None of our other remaining unquoted investee companies is currently ready for an optimum sale. The Manager is being pressed by the Directors to find profitable exits for as many as possible by the end of 2017. We will update shareholders on progress of this initiative.

We made no top up investment in any of our existing portfolio companies. We will consider any investee company requests for additional funds on their merits for further investment or as a potential opportunity to make some realisations. Since year end we have received one request which, subject to due diligence, we anticipate approving.

We have not invested in any new companies. During the year Abzena (a new company formed by a merger with Polytherics which in turn had previously acquired our initial investee Warwick Effect Polymers) floated on AIM at over twice our carrying cost. The directors have been considering whether Abzena, as a listed company, has any near term value inflection points or whether the time for realisation is approaching. Since year end we have chosen to sell 41% of our holding in Abzena at above our year end carrying price to be able to support another of our investee companies in its final round of fundraising.

So to sum up the financial performance, there has been an increase in the value of the portfolio of £117k. The major increases are Telegesis up £425k and Abzena up £150k offset by a lower Scancell bid price £111k and a more cautious valuation of Ixaris £315k to reflect the last fundraising round and slightly lower sales. Also Insense has been written down by £44k after spin outs of some of its component parts.

Shareholders should be aware that the valuation of Glide our fourth largest investment is very dependent on continuing satisfactory performance. In the February 2013 fund raising Investec subscribed to a tranche of preference shares which rank above our equity. A downturn in performance could lead to a disproportionate decrease in the value of our equity. We have applied a discount to our valuations to reflect this possibility.

The Directors note the fund's flat performance this year. The technology area in which we are primarily invested has not yet produced the returns seen by more generalist VCT funds. Since 2002 the total return of dividends paid to shareholders plus remaining NAV is 105.6p. The Directors consider this long term performance to be very disappointing. As a result the Directors have been considering all ways of increasing fund performance both by profitable exits and by reducing costs.

Management Fees

In the light of the fully invested nature of OT3, which is now in its 14th year, your Directors have considered the level of ongoing management fees. The existing fee arrangement 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 improve the board structure and improve the Company's corporate governance, the Board renegotiated the ongoing management fees from 2% (of which recently 1.5% has been paid out while 0.5% has been deferred) to a reduced rate of 1.0% per annum. At the same time we have agreed to pay off the deferred management fee balance of £141,000 over the next 3 years.

We have also reconfirmed that the annual regular running costs (excluding directors' fees and any performance fees payable) are subject to a cap of 3.0% of the Company's net assets. Any running costs in excess of this are borne by Oxford Technology Management. The new arrangements start from 1 March 2015.

Performance Fees

The existing OT3 performance fee structure saw Oxford Technology Management, past and current directors sharing in 20% of the returns achieved beyond 100p. Thus taking into account dividends paid to date of 10.0p, there was a net target as at 28 February 2015 of 90.0p. Since our NAV on that date was above the net target, we have accrued for a potential performance fee liability in this year's accounts.

As outlined below, the Board is optimistic about the potential for increasing shareholder value. However Directors are of the view that it would 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 performance threshold from the end of the tenth year of full trading following the year of the first major allotment under the original OT3 prospectus, namely 1 March 2013. In recognition of dividends paid, actual returns to shareholders will be subtracted from the compounding threshold in the year these are paid.

This will maintain the purpose of the performance fee as an appropriate and achievable incentive for Oxford Technology Management (who would receive three quarters of any performance fee payable) to maximise shareholder value, yet also ensure that the performance threshold cannot be 'inflated away' over time. The level of the performance fee remains at 20%. 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.

The new arrangements will apply from 1 March 2015. Shareholders should note that no performance fee accrual will be made on 29 February 2016 unless the OT3 total return of dividends paid plus NAV on that date is above 117.2p. No forecast is implied that this hurdle will be reached.

Your Directors believe that the lower level of management fees, together with a performance fee incorporating an escalating hurdle and only payable once shareholders have received back 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.

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 listed share classes as some shareholders did not wish their holdings in certain specific assets to be diluted by consolidation with the other funds. The OT3 Board determined that such a structure would not deliver sufficient savings to offset the costs of its introduction now.

The directors have therefore considered other methods by which OT3 can benefit from a more robust board structure. At present, your company has a board of just two directors. A similar situation applies to the other three VCTs within 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, 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, OT3 Managers Limited. In turn, this subsidiary will sub-contract in services from Oxford Technology Management, thereby ensuring continuity from 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.

Three new directors will be appointed to the board of OT3 in early July 2015, David Livesley, Chairman of OT4 and Alex Starling and Richard Roth, respectively Chairman and Director of OT1. Richard Vessey will not stand for re-election as a director at the AGM. I would like to pay tribute to Richard for his service to OT3 and his wise counsel to me over the last year. Shareholders will be asked to ratify these appointments at the forthcoming AGM.

Shareholders will also note that the remuneration committee has proposed a different structure to directors' fees. Fees are still much lower than those earned by directors of many other VCTs but represent an increase from that paid in recent years by any of the Oxford Technology funds. This also recognises, to some extent, the actual amount of work currently performed by your directors and the incremental cost is more than offset by the reduction in management fees discussed above.

Reducing 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 share issues since that date. Once the process has been completed, this will increase the reserves ultimately available for distribution to shareholders.

Shareholder Approvals

Shareholders are invited to approve the appointment of the new directors, the revised remuneration structure and the reduction in the share premium account at the AGM on 26 August 2015, and the Board encourages you to vote in favour of all the resolutions.

Share Buybacks

The Company has the ability to buy back shares but the Directors do not think this is the best use of money at this time, preferring to reserve resources to support our investees and to pay dividends. To date this authority has never been exercised and the Directors have no current intention to do so. It is however a useful facility to have and the Company wishes to maintain this policy.

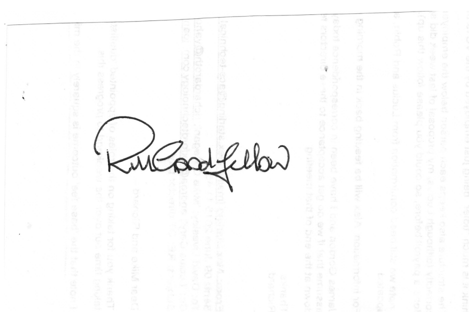
Outlook

The Directors look forward to 2015 with a degree of cautious optimism. The future of our four largest investments will determine the outturn of this fund and our ability to pay future dividends. The Directors are focussed on finding profitable exits from the VCT's major holdings at the earliest practicable date. The Directors are not in a position to recommend a dividend at this time.

AGM

Shareholders should note that the AGM for Oxford Technology 3 VCT will be held on Wednesday 26 August 2015 at the Magdalen Centre, Oxford Science Park, starting at 11 am 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 separately included with these Financial Statements together with a Form of Proxy for those not attending.

I am always pleased to hear from shareholders. I have met many at Annual General Meetings over the last few years. If shareholders have questions or comments for me, please get in touch via our Manager, Oxford Technology Management, or by email to lucius@oxfordtechnology.com. I hope that as many shareholders as possible will be able to attend our AGM.



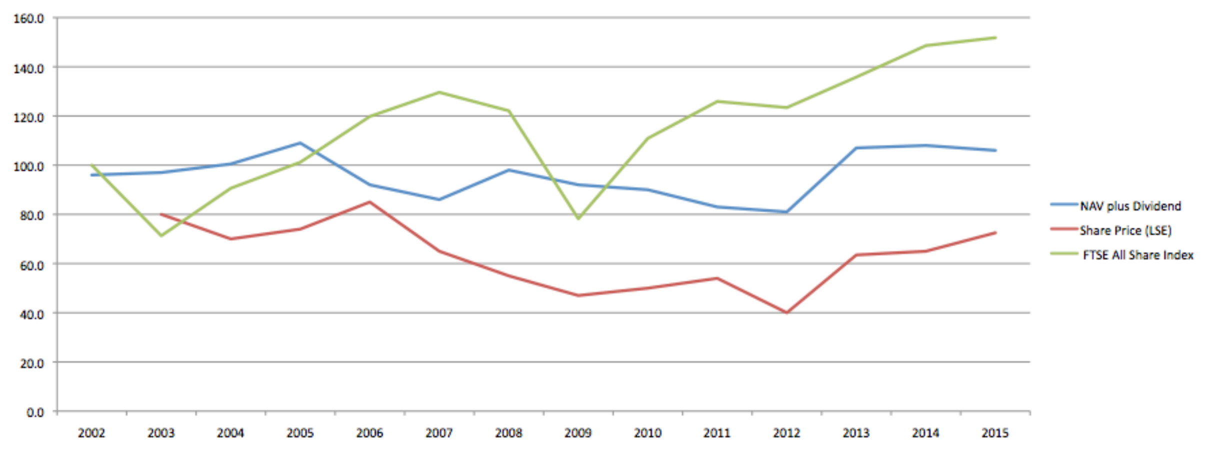
Robin Goodfellow
Chairman
29 June 2015

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 £185,000 (2014: profit of £70,000). The profit and loss account comprises unrealised gains on fair value of investments of £94,000 (2014: £167,000), plus £2,000 gain on disposal (2014: gain of £73,000) less management, performance fee accrual and other expenses of £281,000 (2014: £172,000).

The graph below compares the NAV return of the Company from 2002 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. 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. The review of the investment portfolio, on page 11 includes a review of the Company's activities and 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.

Portfolio Review

OT3 was formed in 2002 and invested in a total of 38 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 10p. The table on page 12 shows the companies remaining in the portfolio. A more detailed analysis is given of the top 5 investments.

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 £11k was received as the second tranche for the disposal of Dataflow.

A dividend payment of £1k was received from Microarray.

Valuation Methodology

Quoted and unquoted investments are valued in accordance with the current industry guidelines which 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	81.7%	Minimum Obligation of 70.0%
Non-Qualifying Investments	18.3%	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**
Telegesis	Zigbee technology	Oct 2003	147	1,999	425	27.2
Ixaris	Internet payments	Aug 2002	218	1,461	(315)	7.1
Scancell Quoted on AIM	Cancer therapeutics	Dec 2003	325	1,350	(111)	2.0
Glide Technologies	Needle free injector	Nov 2003	225	814	28	3.3
Abzena Quoted on AIM	Protein & peptide based drugs	Nov 2002	115	268	150	0.3
Allinea Software	Parallel computing	May 2009	15	132	-	2.3
Plasma Antennas	Directional antennas	Sep 2004	108	109	-	5.3
Select Technology	Photocopier Interfaces	Nov 2004	47	89	19	2.8
ImmunoBiology	Novel vaccines	May 2003	250	87	-	2.3
Arecor	Protein stabilisation	Jul 2007	24	46	-	0.7
Insense	Wound healing	May 2003	333	44	(44)	4.1
Inaplex	Data transformation software	Mar 2003	58	30	(10)	13.3
Concurrent Thinking	Cluster computing	Nov 2009	97	24	(25)	2.0
Orthogem	Bone graft material	Dec 2004	114	22	5	2.5
Invro	Low power electronics	Apr 2004	40	20	-	33.1
Metal Nanopowders	Production of metal powders	Nov 2002	153	13	-	20.0
Superhard Materials	Production of hard materials	Feb 2012	11	11	-	21.8
Dataflow Sold	Accountancy software	Jul 2002	4	4	(5)	-
Microarray	Insense spinout	Dec 2013	2	2	-	1.1
Totals			2,286	6,525	117	
Other Net Assets				(40)		
NET ASSETS				**6,485**		

Number of shares in issue: 6,785,233
Net Asset Value per share at 28 February 2015: 95.6p
Dividends paid to date: 10.0p

The table shows the current portfolio holdings. The investments in Ciphergrid, Coraltech, Datasoft Medical, Freehand Surgical, IFM, Im-Pak, Inscentinel, Novarc, OST, Promic, ReviveR, and Streamline Computing have been written off. The investments in Avidex, Archimed, BioAnaLab, Commerce Decisions, Dataflow, MET and Equitalk have been sold.

Telegesis

www.telegesis.com

	First Investment	Net Cost	Carrying Value 28/02/2015	Change in Value for the Year	% Equity Held
Telegesis	October 2003	£147,000	£1,999,072	£425,492	27.2%

Telegesis designs, manufactures and supplies Zigbee modules. Zigbee is a communications protocol, in the same way that Bluetooth is a communications protocol. Bluetooth is for sending large volumes of data over short distances and is power hungry. Zigbee is for sending small amounts of data over larger distances with very low power consumption. Each Zigbee device can communicate with up to 64,000 other devices up to 1km apart, and the devices automatically configure themselves into a mesh network, with the data hopping from node to node.

The company has been making very good progress with increasing sales year on year and an expanding customer base all over the world.

Telegesis has joined Thread, a home automation group founded by Google. The objective is to be able to automate everything in the home, using the internet of things. If Zigbee becomes the protocol, then Telegesis will be well-placed to benefit.

The company is valued at 1.5 times annualised sales of £4.9m.

Ixaris

www.ixaris.com

	First Investment	Net Cost	Carrying Value 28/02/2015	Change in Value for the Year	% Equity Held
Ixaris	August 2002	£218,038 (Loan £108k)	£1,461,170	(£315,244)	7.1%

OT3 first invested £110,000 in Ixaris Systems Ltd in 2002 when the company consisted of just three founders with an idea for a transaction-based financial solution that would give anyone the ability to pay online. Today, Ixaris specialises in developing innovative global payment applications based on open-loop prepaid card schemes that offer both consumers and businesses convenient access to real-time payments.

Ixaris' payment service, EntroPay, enables those who are unwilling or unable to access credit card services to spend online and enter the financial mainstream. EntroPay is a Virtual Visa card that works like other Visa debit cards, but is delivered electronically to a user's computer instead of via a plastic card. EntroPay Virtual Visa cards can be created at the time they are needed, and a new one can be created for each transaction, making EntroPay one of the most secure methods of paying anywhere online.

The company also offers its IxSol product (formerly known as Opn) on a Platform as a Service basis to enable enterprises to develop their own customised global applications for payments over various networks. IxSol is trading satisfactorily with a number of deployments in progress and a good sales pipeline IxSol is being used by companies in the affiliate marketing and travel sectors and sales efforts are now also focussing on the international e-commerce and financial services sectors.

Ixaris was awarded an EU grant of €2.5 million, of which €1.6m will be received over three years, to help fund the existing platform technology roadmap which highlights the innovative nature of the Payment System.

OT3 also took its share of a venture loan to Ixaris, investing a further £108,000 in summer 2011. The company is valued at 2 x sales of £9.5m. This is a slight reduction in sales from last year.

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	December 2003	£324,999	£1,349,906	(£111,426)	2.0%

Scancell is an AIM listed biotechnology which 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. However we have been aware of an institutional investor selling shares.

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

Glide Technologies

www.glide-technologies.com

	First Investment	Net Cost	Carrying Value 28/02/2015	Change in Value for the Year	% Equity Held
Glide Technologies	November 2003	£224,995	£813,621	£28,127	3.3%

Glide Technologies is a clinical stage technology development company. Glide has developed a novel device and drug delivery technology for the self-administration of injectable therapeutics and the delivery of vaccines in a solid dosage form.

Key manufacturing and preclinical data were generated in 2014 and it is hoped that the first clinical study with octreotide will take place in the first half of 2016. The Glide solid dose injector ('SDI®') has undergone successful human factor and surrogate skin injection studies.

The Company is currently working on several new development projects including:

1. Parathyroid hormone (PTH) which requires a daily self-injection and is for treatment of osteoporosis. In November 2012 the UK BioMedical Catalyst (managed jointly by the Medical Research Council and the Technology Strategy Board) awarded Glide £2.3m to support this development.

2. Anthrax vaccine. This is a development with Pfenex Inc, based in California, as a partner with funding from NIAID (National Institute for Allergy and Infectious Diseases) in the US. At present the US government stockpiles anthrax vaccine in liquid form but in the event of a major attack it will be very difficult to inject a large population (New York, say) with needle and syringe. In addition, the vaccine in liquid form only has a shelf life of c18-24 months before it has to be remanufactured. With the Glide SDI, the population may be vaccinated more easily and in solid format the vaccine should have a significantly longer shelf life.

3. Glide flu vaccine. Feasability studies are being undertaken on the use of sold dose flu vaccines.

In parallel to progressing its own product pipeline Glide will be looking to attract new pharmaceutical companies who want to develop proprietary drugs and vaccines in the Glide SDI.

The company is valued at the price of the last fundraising round, discounted by 10% to reflect the preferential rights of some other shareholders.

Abzena

www.abzena.com

	First Investment	Net Cost	Carrying Value 28/02/2015	Change in Value for the Year	% Equity Held
Abzena	November 2002	£115,095	£268,263	£149,747	0.3%

OT3 was originally an investor in Warwick Effect Polymers in 2002 which was acquired by Abzena in 2012 and which is now a quoted company on the AIM market. At 28 February the bid price for Abzena's shares was 81p per share. Abzena is listed in the FTSE AIM All-Share Index in the Pharmaceuticals & Biotechnology sector. (Code ABZA)

Biopharmaceuticals are an increasingly important class of medicines with over 400 products estimated to be in clinical development and the market expected to increase from US$199.7 bn in 2013 to US$497.9 bn by 2020. Antibody-based products and therapeutic proteins are the two largest and fastest growing segments of this market.

Abzena provides a suite of complementary services and technologies to R&D organisations to improve the chances of successful development of therapeutic proteins and antibodies, and it is therefore poised to capitalise on the growth of the biopharmaceutical market. The Group has significant know-how, supported by a broad patent estate, to enable it to create better biopharmaceuticals for its customers.

Abzena operates a balanced business model with growing revenues from its service business and the potential for significant future growth through royalty bearing licences for the application of its technologies to biopharmaceutical products. The Group's technologies and services are provided through its wholly-owned subsidiaries, PolyTherics and Antitope.

PolyTherics and Antitope have been developing and offering their technologies and services for over 10 years and their scientists have provided expertise to a wide range of companies, including most of the top 20 biopharmaceutical companies, many large and small public and private biotech, and academic groups, across the world.

The 5 main areas the company works in are:
Immunogenicity assessment
Antibody drug conjugates
Antibody | protein engineering
Optimisation of pharmacokinetics
Cell line development

Lucius Cary
Director - Oxford Technology Management
Investment Manager
29 June 2015

Board of Directors

Robin Goodfellow
Chairman – Age 68

Robin Goodfellow is the Chairman of OT3. Robin had 30 years of experience in senior Accounting Manager and Internal Audit Manager roles with ExxonMobil International, Esso Europe, Esso Petroleum and Esso Norway. He has particular expertise in advising on and implementing cost effective controls across total company business activities and their accounting systems. Robin has an MA in Engineering from Cambridge University and an MBA from the London Business School.

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

Richard Vessey
Director – Age 66

Richard Vessey is a Director of OT3. He has a degree in chemical engineering from Imperial College and an MBA from Harvard Business School. In 1984 he left the conventional career path and founded Bell Plastics Ltd, a specialist plastics manufacturing business which was sold in 2004 to a private equity fund, of which he is currently a director, and which is building a portfolio of niche plastics companies.

Richard is an active member of the UK Shareholders Association and is also a personal investor in Telegesis, Scancell, Plasma Antennas, Glide Technologies, Abzena and Select Technology from the OT3 portfolio.

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 2002. 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
R Goodfellow (appointed 31 July 2014)	35,000	N/A
R Vessey	226,050	226,050
L Cary (resigned 27 August 2014)	N/A	64,096

Under the Company's Articles of Association one third of the Directors are required to retire by rotation each year. Richard Vessey will not be seeking re-appointment 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 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's strategy and performance, Board membership and quality of management. 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/vct3**).

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 directors' contact details can be obtained from the Investment Manager, Oxford Technology Management.

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 (Oxfordshire County Council Pension Fund 8.7%; Richard Vessey 3.3% & Hargreaves Lansdown Nominees Ltd 3.1%).

Auditors

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

On behalf of the Board
Robin Goodfellow - 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 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 4 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 9 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' Fees

The Board acts as the Remuneration Committee and meets annually to review Directors' fees 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 for the Company Chairman and responsibilities within the Audit Committee.

In proposing the revised levels, 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

Robin Goodfellow will continue to chair the Company and 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. Richard Vessey will be paid £3,750 for his services from 1 March 2015 to his resignation on 26 August 2015.

The directors may at their discretion pay additional sums in respect of specific tasks carried out by individual Directors on behalf of the Company.

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 revised performance incentive fee is described in the Chairman's statement and 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 111.1p 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 0.10% of any amount over the hurdle, whilst David Livesley would be entitled to 0.60%.

No performance fee is payable for the year ending 29 February 2016 unless original shareholders have received back at least £1.17 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 Alex Starling, Richard Roth and David Livesley to the Board of OT3 on 1 July 2015. Richard Vessey is not expecting to stand for re-election at this year's AGM. The Directors consider it helpful to shareholders to therefore set out the full expected cost for Director's 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	£3,500	£2,333	-	-
Richard Roth	£6,500	£4,333	-	-
Richard Vessey	-	£3,750	£7,500	£7,500
Lucius Cary	-	-	£1,041	£2,500
Robin Goodfellow	£7,000	£7,167	£4,375	-
David Livesley	£3,500	£2,333	-	-
Total	**£20,500**	**£19,916**	**£12,916**	**£10,000**

Prior to his appointment as an OT3 director Richard Roth received a one off payment of £2,000 as compensation for executive work undertaken in relation to setting up of the common board structure.

Corporate Governance

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 Board 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)

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, Robin Goodfellow and Richard Vessey. The Board has put in place corporate governance arrangements which it believes are appropriate to a Venture Capital Trust and which 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
Robin Goodfellow	4	1
Richard Vessey	6	2
Lucius Cary	6	2

Notes:

1 Robin Goodfellow became a director on 31 July 2014.

2 Lucius Cary ceased to be a director on 27 August 2014.

3 There were no meetings between 1 August and 27 August 2014. 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.

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 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:

- reviewing and making recommendations to the Board in relation to the Company's published financial statements

- to challenge where necessary, 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

- ensuring 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 immediately prior to the Board meeting and a report is provided on relevant matters to enable the Board to carry out their duties.

Reviewing the Audit plan during this financial year 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 assessing 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 2 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 at least quarterly to assess the appropriateness of the estimates and judgements made by the Investment Manager in the investment valuations. The Company's investments are in AIM listed as well as in unlisted securities which can be difficult to value and requires 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. These give 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 Vessey
Audit Committee Chairman

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.

On behalf of the Board
Robin Goodfellow
Director
29 June 2015

Report of the Independent Auditor

We have audited the financial statements of Oxford Technology 3 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 £131,000 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 director's 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

	Notes	Year to 28 February 2015 Revenue £'000	Year to 28 February 2015 Capital £'000	Year to 28 February 2015 Total £'000	Year to 28 February 2014 Revenue £'000	Year to 28 February 2014 Capital £'000	Year to 28 February 2014 Total £'000
Gain on disposal of investments		-	2	2	-	73	73
Unrealised gain on fair value		-	94	94	-	167	167
Other income	2	-	-	-	2	-	2
Performance fees	11	-	(95)	(95)	-	-	-
Investment management fees	3	-	(133)	(133)	-	(132)	(132)
Other expenses	4	(53)	-	(53)	(40)	-	(40)
Return on ordinary activities before tax		(53)	(132)	(185)	(38)	108	70
Taxation on return on ordinary activities	5	-	-	-	-	-	-
Return on ordinary activities after tax		(53)	(132)	(185)	(38)	108	70
Earnings per share – basic and diluted	6	(0.8)p	(1.9)p	(2.7)p	(0.6)p	1.6p	1.0p

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

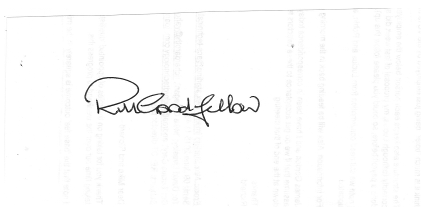
	Year Ended 28 February 2015 £'000	Year Ended 28 February 2014 £'000
Shareholders' funds at start of year	6,670	6,600
Return on ordinary activities after tax	(185)	70
Dividends paid	-	-
Shareholders' funds at end of year	**6,485**	**6,670**

Balance Sheet

	Notes	Year to 28 February 2015 £'000	Year to 28 February 2015 £'000	Year to 28 February 2014 £'000	Year to 28 February 2014 £'000
Fixed Asset Investments at fair value	7		6,525		6,405
Current Assets					
Debtors	8	1		112	
Cash at Bank		203		267	
Creditors: amounts falling due in less than 1 year	9	(55)		(114)	
Net Current Assets			149		265
Creditors: amounts falling due after more than 1 year	10		(94)		-
Provisions	11		(95)		-
Net Assets			**6,485**		**6,670**
Called up equity share capital	12		679		679
Share Premium	13		718		718
Unrealised Capital Reserve	13		4,315		4,224
Profit and Loss Account Reserve	13		773		1,049
Total Equity Shareholders' Funds			**6,485**		**6,670**
Net Asset Value Per Share			**95.6p**		**98.3p**

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:



Robin Goodfellow
Director

Cash Flow Statement

	Year Ended 28 February 2015 £'000	Year Ended 28 February 2014 £'000
Net cash outflow from operating activities	(76)	(212)
Financial investment		
Purchase of investments	-	(85)
Disposal of investments	12	222
(Decrease) in cash at bank	**(64)**	**(75)**

Reconciliation of Net Cash Flow to Movement in Net Funds

	Year Ended 28 February 2015 £'000	Year Ended 28 February 2014 £'000
Decrease in cash resources at bank	(64)	(75)
Opening net funds	267	342
Net funds at 28 February 2015	**203**	**267**

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	(185)	70
Gain on disposal of investments	(2)	(73)
(Gain) on valuation of investments	(94)	(167)
(Increase)/decrease in debtors	75	(75)
Increase in creditors	130	33
Outflow from operating activities	**(76)**	**(212)**

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 in 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 arms 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 2003.

2. Income

Income represents realised gains on the disposal of investments along with dividends and 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	-	2
Loan note interest receivable	-	-
Total	-	2

3. Investment Management Fees

Expenses are charged wholly to revenue with the exception of the investment management (including 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	133	132
Total	133	132

In the year to 28 February 2015 (and previous financial years), the manager received a fee of 2% 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.

The Manager had agreed to defer 25% of the management fee to which it was contractually entitled (ie 0.5% of net assets) until a time when the Company was more able to afford it. As part of the revised agreement with effect from 1 March 2015 the Board have agreed to pay over the deferred balance over a 36 month period.

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 £1.00 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 15p.

As reported in the Chairman's statement, the hurdle of £1.00 has now been increased, by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2013.

Annual running costs are capped at 3%, including the management fee but excluding Directors fees.

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	13	10
Auditors' remuneration	6	5
Legal and professional expenses	10	6
Accounting and administration services	4	2
Other expenses	20	17
Total	53	40

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	(185)	70
Current tax at standard rate of taxation	(39)	14
Unrecognised tax losses	39	(14)
Total current tax charge	-	-

Unrelieved management expenses of £1,716,092 (2014: £1,435,542) 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 £185,000 (2014: profit of £70,000) attributable to shareholders divided by the weighted average number of shares 6,785,233 (6,785,233) 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	325	1,967	2,292
Cumulative revaluation	1,135	2,978	4,113
Valuation at 28 February 2014	1,460	4,945	6,405
Movement in the year:			
Purchases at cost	-	2	2
Redeemed/Disposed	-	(8)	(8)
IPO during year at 28/2 valuation	119	(119)	-
Revaluation in year	39	87	126
Valuation at 28 February 2015	**1,618**	**4,907**	**6,525**
Book cost at 28 February 2015	440	1,846	2,286
Revaluation to 28 February 2015	1,178	3,061	4,239
Valuation at 28 February 2015	**1,618**	**4,907**	**6,525**

8. Debtors

	28 February 2015 £'000	**28 February 2014 £'000**
Prepayments & accrued income	1	112
Total	**1**	**112**

9. Creditors: amounts falling due in less than one year

	28 February 2015 £'000	28 February 2014 £'000
Other creditors	8	6
Investment Management Fee accrual	47	108
Total	**55**	**114**

10. Creditors: amounts falling due in more than one year

	28 February 2015 £'000	28 February 2014 £'000
Investment Management Fee accrual	94	-
Total	**94**	**-**

11. Provisions

	28 February 2015 £'000	28 February 2014 £'000
Performance Fee	95	-
Total	**95**	**-**

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 £1.00 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 15p. As reported in the Chairman's statement, the hurdle of £1.00 has now been increased, by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2013. No forecast is implied that this hurdle will be reached.

Based on the net asset value per share and cumulative dividends paid to date this is more than likely to occur and the Directors assessed that the costs should be included in the accounts. The value of the liability arising to date can be estimated, however the timing of the future payment is uncertain.

12. Share Capital

	28 February 2015 £'000	28 February 2014 £'000
Authorised:		
15,000,000 ordinary shares of 10p each	1,500	1,500
Total Authorised	1,500	1,500
Allotted, called up and fully paid:		
6,785,233 (2014: 6,785,233) ordinary shares of 10p each	679	679

13. Reserves

	Share Premium Account £'000	Unrealised Capital Reserve £'000	Profit and Loss Account Reserve £'000
At 1 March 2014	718	4,224	1,049
Return on ordinary activities after tax	-	94	(279)
Prior years unrealised losses now realized	-	(3)	3
Valuation at 28 February 2015	**718**	**4,315**	**773**

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.

Distributable reserves are represented by the profit and loss account reserve which total £773,000 as at 28 February 2015.

14. Financial Instruments

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 face 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.

15. Capital Commitments

The company had no commitments at 28 February 2015 or 28 February 2014.

16. Events after the Balance Sheet Date

OT3 sold 73,534 shares in Abzena Plc in May 2015 at a price of 81.83p. In June 2015 it subsequently sold an additional 58,000 shares at a price of 86p. The company retains 190,541 shares.

Company Information - Directors and Advisers

Board of Directors
Robin Goodfellow (Chairman)
Richard Vessey

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4351474

Company Secretary
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