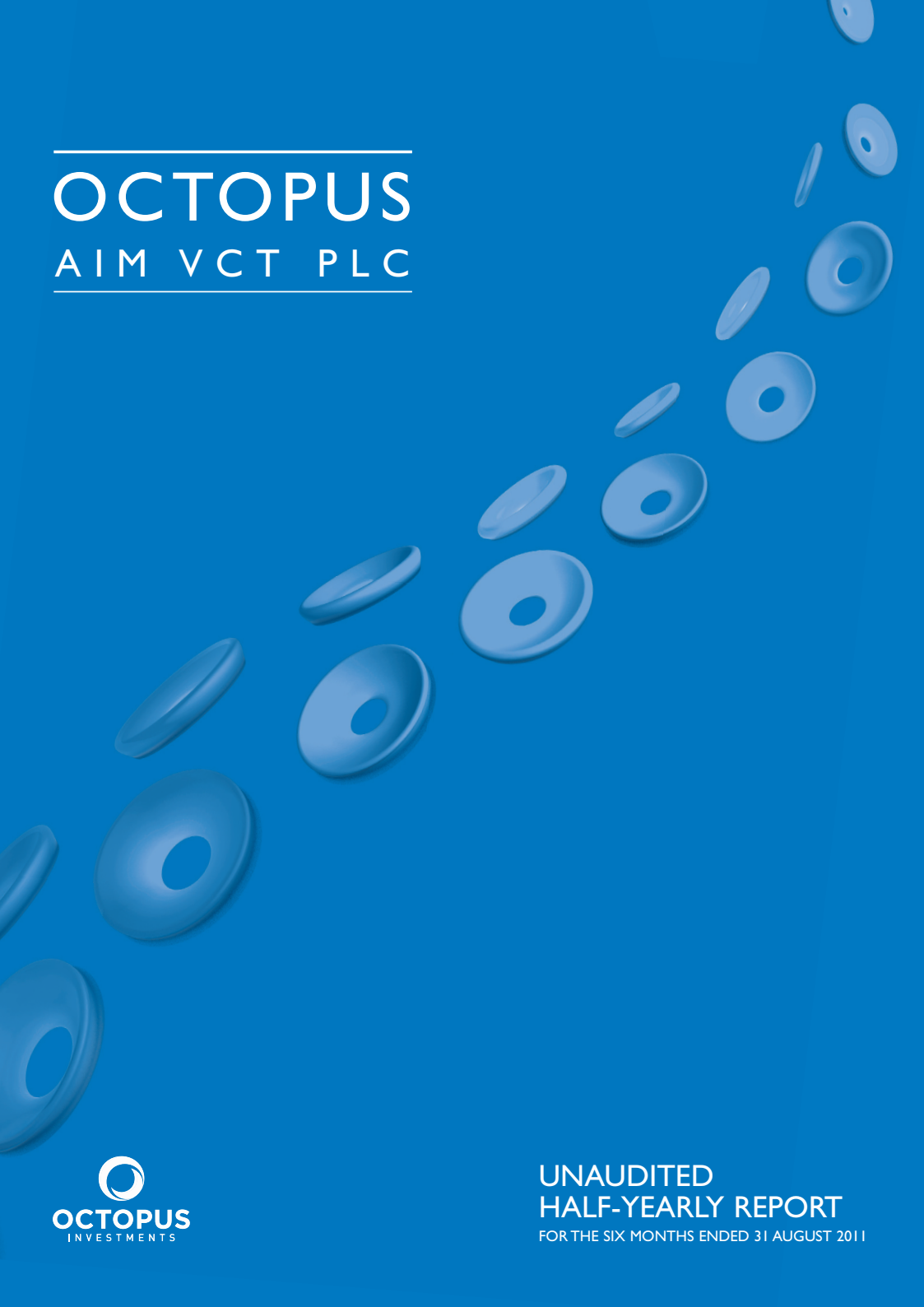
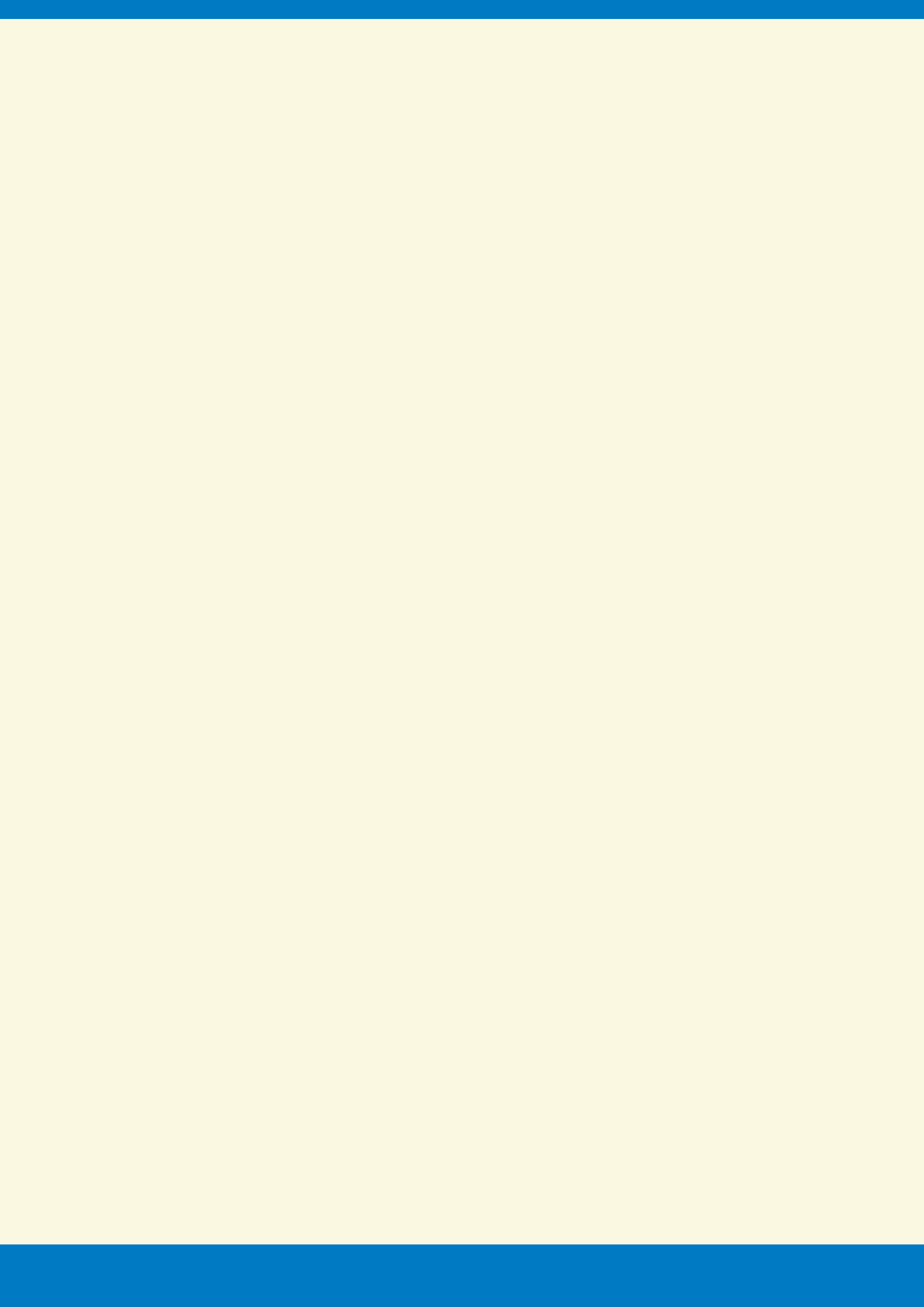

OCTOPUS

AIM VCT PLC





FINANCIAL HEADLINES

87.6p Net Asset Value (NAV) at 31 August 2011

2.5p Interim dividend proposed

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SHAREHOLDER INFORMATION AND CONTACT DETAILS

Financial Calendar

The Company's financial calendar is as follows:

- 25 November 2011 – 2011 interim dividend paid
- June 2012 – Annual results for the year to 28 February 2012 announced; Annual Report and financial statements published
- July/August 2012 – 2012 final dividend paid
- December 2012 – Interim dividend paid

Dividends

Dividends will be paid by the Registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Queries relating to dividends, shareholdings and requests for mandate forms should be directed to the Company's Registrar, Capita Registrars, by calling 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open Monday – Friday 8.30am – 5.30pm), or by writing to them at:

Capita Registrars Limited
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0GA

Share Price

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

The latest share price as at the close of business on 18 October 2011 was 79.0p per Ordinary share.

Buying and Selling Shares

The Company's Ordinary shares can be bought and sold in the same way as any other company quoted on the London Stock Exchange via a stockbroker. There may be tax implications in respect of selling all or part of your holdings, so shareholders should contact their independent financial adviser if they have any queries.

The Company operates a policy of buying its own shares for cancellation as they become available. The Company is, however, unable to buy back shares directly from shareholders. If you are considering selling your shares or trading in the secondary market, you may wish to contact Matrix Corporate Capital ('Matrix');

Chris Lloyd 03 206 7176
 chris.lloyd@matrixgroup.co.uk

Paul Nolan 0203 206 7177
 paul.nolan@matrixgroup.co.uk

Notification of Change of Address

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

Other Information for Shareholders

Previously published Annual Reports and Half-yearly Reports are available for viewing on the Investment Manager's website at www.octopusinvestments.com by navigating to Services, Investor Services, Venture Capital Trusts, Octopus AIM VCT plc. All other statutory information will also be found there.

Warning to Shareholders

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

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

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

ABOUT OCTOPUS AIM VCT PLC

Octopus AIM VCT plc (the 'Company' or 'Fund') is a venture capital trust ('VCT') which aims to provide shareholders with attractive tax-free dividends and long-term capital growth through investing in AIM.

The investment manager is Octopus Investments Limited ('Octopus' or 'Manager'). The Company was launched as Close AIM VCT PLC in Spring of 1998 and raised £10.1 million from private investors through an issue of Ordinary shares.

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

The C shares were merged and converted into Ordinary shares on 31 May 2004, with C shareholders receiving 1.0765 Ordinary shares for each C share held.

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

On 31 May 2008, the Ordinary shares converted into D shares at a conversion ratio of 0.5448 D shares for each Ordinary share.

The two classes of shares were combined and renamed Ordinary shares which is now the only class of share capital.

On 11 August 2010 the Company acquired the net assets of Octopus Phoenix VCT plc ("the merger"), with previous shareholders of Phoenix obtaining 0.42972672 shares in Octopus AIM VCT plc for every 1 Phoenix share held.

In addition to the merger, on the same date your Company announced a fundraising to raise up to £10 million. The Offer was fully subscribed and closed on 19 April 2011.

FINANCIAL SUMMARY

	Six months to 31 August 2011	Six months to 31 August 2010	Year to 28 February 2011
Net assets (£'000s)	40,067	30,928	38,940
Net (loss) profit after tax (£'000s)	(1,487)	452	6,056
Net asset value per share ("NAV")	87.6p	83.7p	94.4p

The object of the table below is to show the return of each individual share class, assuming no subsequent corporate actions had occurred, so that the NAV plus cumulative dividends shown at the bottom of the table relates directly to the original investment. There is now only one share class, that being Ordinary shares.

Dividends paid in the period ended	Ordinary shares 2010/11	D shares 2003/04	C shares 2000/01	Ordinary shares 1997/98	Phoenix 'C' shares 2005/06	Phoenix Ordinary shares 2002/03
28 February 1999	–	–	–	1.88	–	–
29 February 2000	–	–	–	3.13	–	–
28 February 2001	–	–	–	37.25	–	–
28 February 2002	–	–	2.55	6.50	–	–
28 February 2003	–	–	1.50	3.50	–	–
29 February 2004	–	–	0.50	0.50	–	0.15
28 February 2005	–	0.50	0.50	0.50	–	6.50
28 February 2006	–	2.25	2.31	2.15	–	1.00
28 February 2007	–	3.30	4.52	4.20	1.00	3.35
31 August 2007	–	2.50	2.69	2.50	3.00	6.00
29 February 2008	–	2.50	2.69	2.50	3.00	6.00
31 August 2008	–	2.50	2.69	2.50	2.00	5.00
28 February 2009	–	2.50*	1.47*	1.36*	3.00	5.00
31 August 2009	–	2.50*	1.47*	1.36*	1.35	1.00
28 February 2010	–	2.50*	1.47*	1.36*	1.35*	1.00
31 August 2010	–	–*	–*	–*	2.70*	2.00
28 February 2011	5.00	5.00*	2.93*	2.72*	2.90*	2.15
31 August 2011	2.50	2.50*	1.47*	1.36*	1.45*	1.07
Cumulative dividends paid	7.50	28.55	28.76	75.28	21.76	40.22
NAV as at 31 August 2011**	92.60	87.60	51.40	47.70	50.80	37.60
NAV plus cumulative dividends paid***	100.10	116.15	80.16	122.98	72.56	77.82

An interim dividend of 2.5p will be paid on 25 November 2011 to shareholders on the register on 28 October 2011.

* Notional dividends adjusting for conversion of Phoenix 'C' shares into Phoenix Ordinary shares, and relevant AIMVCT shares into AIMVCT Ordinary shares.

** NAV, rebased to assume investment at 100p, adjusted for conversion of relevant shares into AIMVCT Ordinary shares at the date of each conversion. Phoenix Ordinary shares adjusted as at the date of the merger. Investment has been assumed at the first allotment of each tax year.

*** NAV, rebased to assume investment at 100p, plus cumulative dividends based on NAV adjusting for conversion, showing the notional return to shareholders based on their original investment share class. Investment has been assumed at the first allotment of each tax year.

FINANCIAL SUMMARY (continued)

Notes

- The Ordinary shares were first listed on 17 March 1998.
- Dividends paid before 5 April 1999 were paid to qualifying shareholders inclusive of the associated tax credit.
- The D shares were first listed on 17 March 2004.
- The C shares were converted into Ordinary shares on 31 May 2004, in accordance with the conversion factor of 1.0765 Ordinary shares for each C share.
- The Ordinary shares were converted into D shares on 31 May 2008, in accordance with the conversion factor of 0.5448 D shares for each Ordinary share.
- New D shares issued between 6 January 2005 and 8 April 2005, did not rank for the final dividend.
- Phoenix 'C' shares converted into Phoenix Ordinary shares.
- On 12 August 2010, Octopus Phoenix VCT plc shares were converted into Octopus AIM VCT plc shares at a ratio of 0.42972672, upon the merger of the two VCTs.
- All dividends paid by the Company are free of income tax. It is an HM Revenue & Customs requirement that dividend vouchers indicate the tax element should dividends have been subject to income tax. Investors should ignore this figure on their dividend voucher and need not disclose any income they receive from a VCT on their tax return.
- The net asset value of the Company is not its share price as quoted on the official list of the London Stock Exchange. The share price of the Company can be found at www.londonstockexchange.com. Investors are reminded that it is common for shares in VCTs to trade at a discount to their net asset value, primarily as a result of the initial tax relief which is non-transferable.
- The above table excludes the tax benefits investors received upon subscription.

CHAIRMAN'S STATEMENT

It is pleasing to report that the top-up offer to raise £10 million was fully subscribed. As a result, 10,028,704 shares were issued before the closing date of 30 April 2011. I am also delighted that Marion Sears has agreed to join the Board, effective from 1 October 2011. Marion has had considerable experience of asset management. She was a managing director of JP Morgan investment banking and is the senior independent director of Dunelm Group Plc and Zetar Plc.

Performance

The review period was dominated by international economic concerns. Our portfolio cannot but be affected by what has been happening in the markets generally. However many smaller companies continued to report good trading results. The Net Asset Value (NAV) declined in the period from 94.4p to 87.6p per share, a total negative return of 4.6% if the 2.5p dividend paid out in the period is added back. This compares with a fall in the AIM Index of 16.9% and in the Smaller Companies Index excluding investment trusts of 10.4%. I have often highlighted the imperfection of the AIM index as a benchmark, with the small cap index generally being a better proxy. The portfolio has outperformed this index as well, helped by the benefit of the cash from the fundraising as well as the lack of liquidity in the smallest companies' shares. This had made shares slower to bounce during the rally of the previous two years, and had left them still looking cheap compared with the rest of the market. The NAV has remained relatively solid since the period end, despite further falls in all stock market indices, and stood at 87.9p per share at the end of September.

Top-up

The Board is proposing to offer a top-up into the Fund to raise up to circa £4.0 million. This will provide shareholders and other investors with the opportunity to invest in the Company and benefit from the tax reliefs available to qualifying investors in VCTs. These shares will be issued at a price equal to the most recently published NAV per share, divided by 0.945 to take into account the offer costs of 5.5%. I will write to you with further details in due course.

Portfolio

It was encouraging to see a flurry of new issues to the market over the summer months, and as a result £4.3 million of new investments were made in the period. The principal new investments were Enteq Upstream, Indeed Online, Escher and MyCelx. Enteq has a highly experienced management team. It is a cash shell set up to acquire companies which provide specialist products and technologies to make the process of oil and gas extraction much more efficient. Indeed Online is an internet conveyancing company acting on behalf of both buyers and sellers. Escher is a provider of software to post offices globally, for both postal and over the counter services. It has recurring revenues and an impressive client list. MyCelx has a clever technology for removing hydrocarbons from water, and its equipment is being used in the Gulf of Mexico where regulations on waste water from oil wells are becoming more stringent. Strategic Thought changed its name to Active Risk and raised additional capital in which we participated, increasing our holding.

There was also some corporate activity in the portfolio, although not as much as a year ago.

CHAIRMAN'S STATEMENT (continued)

The cash came in from the bid for System C in May and IS Pharma was acquired by Sinclair Pharma, creating a much larger entity with drug distribution capabilities throughout Europe. It will continue to be a VCT qualifying investment for two years after the merger. Praesepe was acquired by Marwyn Management and we now hold Marwyn Management shares. Towards the period end there was also a cash bid for CBG which had failed to make any headway as an independent company. Since the period end there has been an announcement of a cash bid for Clarity Commerce Solutions.

News from investee companies has, on the whole, been positive. Among the larger holdings Brooks Macdonald and Craneware both reported results ahead of expectations and continued good growth momentum. We have continued to take some profits in Brooks which remains the biggest holding in the portfolio. Breedon Aggregates is now profitable and was trading ahead of management expectations at the time of its last figures. Advanced Computer Software had good figures and the share price has held up well in current markets, and Immunodiagnosics is continuing to roll out its ISYS machines for vitamin D testing. IDOX, Brady, Animalcare, Staffline and Mattioli Woods have all reported good progress in their businesses.

89.3% of the portfolio is currently invested in qualifying holdings comfortably above the HM Revenue and Customs requirement of 70%. At the end of the period your Company had liquid funds of £10.2 million.

Risks and uncertainties

The principal risks and uncertainties are set out in Note 6 to the Half Yearly Report on page 19.

Dividend

Your Board continues to strive to maintain an annual dividend of at least 5p per share. A dividend of 2.5p per share was paid to shareholders in July. Your board has approved the payment of an interim dividend of 2.5p per share which will be paid to shareholders on 25 November 2011, to shareholders who are on the register on 28 October 2011.

Shares issued and repurchased

It is the Board's policy to try and maintain a discount of net asset value at which the Company's shares stand in the market at not more than 10%. During the period 535,312 shares were purchased in the market.

Electronic communications

Based on feedback from shareholders, and in order to reduce the cost of print and the impact on the environment, we will be offering shareholders the opportunity to forgo their printed report and account documents, in favour of receiving email or letter notification with details of how to view the documents online. Further details of the options available can be found in the accompanying letter to this report.

Outlook

Difficult economic conditions continue to prevail. The euro zone is in crisis, the recovery in the US has yet to show itself and the UK economy is showing no growth. However, there is a danger that the general feeling of fear caused by these conditions, which has resulted in wild fluctuations in the market, could make matters worse. It is, therefore, heartening that contact which the Management team has had with many companies in the portfolio suggest good trading throughout the rest of the year. In normal times this should be reflected in share prices. However at present, times are anything but normal.

Although the perceived reluctance of banks to lend did not result in as many investment opportunities as we expected, recently we have seen an increase in companies seeking finance.

Although we do have substantial liquidity, the proceeds of the top-up referred to above will ensure we can invest as suitable opportunities arise, which we will do cautiously.

A handwritten signature in black ink that reads "Michael Reeve". The signature is written in a cursive, flowing style.

Michael Reeve

Chairman

19 October 2011

INVESTMENT PORTFOLIO

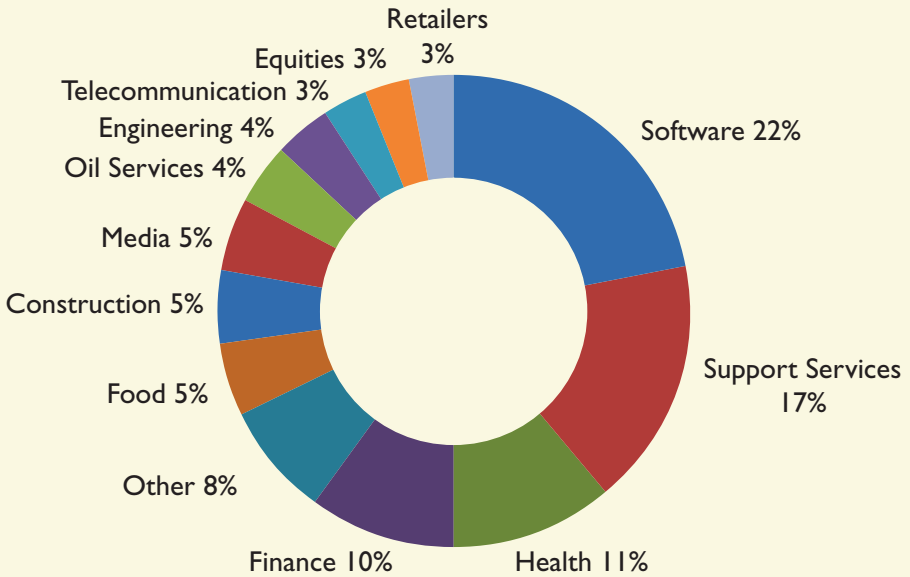
The 10 largest qualifying holdings by value in the Ordinary share portfolio as at 31 August 2011 are shown below:

Qualifying equity investments	Sector	Cost of investment as at 31 August 2011 £'000	Movement in valuation as at 31 August 2011 £'000	Fair value as at 31 August 2011 £'000	% equity held by AIM VCT	% equity held by all funds managed by Octopus
Brooks Macdonald Group Plc	Financial consultants	773	1,020	1,793	1.7%	2.4%
Immunodiagnostic Systems Plc	Healthcare	528	880	1,408	0.4%	2.6%
Breedon Aggregates Ltd	Construction	901	450	1,351	1.3%	2.2%
EKF Diagnostics Holdings Plc	Healthcare	931	412	1,343	2.2%	6.4%
Enteq Upstream	Oil Services	1,031	227	1,258	6.9%	14.0%
Advanced Computer Software Plc	Software	596	559	1,155	0.9%	2.2%
Idox Plc	Software	362	688	1,050	1.4%	3.0%
Mattioli Woods Plc	Financial consultants	523	484	1,007	2.2%	2.9%
Escher Group Holdings Plc	Software	1,000	(47)	953	3.5%	6.9%
MyCelx Technologies Plc	Equities	900	21	921	3.3%	7.6%
Total		7,545	4,694	12,239		
Other equity investments		23,122	(5,247)	17,875		
Total equity investments				30,114		
Money market securities		3,867	–	3,867		
Cash at bank		6,338	–	6,338		
Total investments				40,319		
Debtors less creditors				(252)		
Total net assets				40,067		

INVESTMENT PORTFOLIO (continued)

SECTOR ANALYSIS

Equity Investments by Market Value



RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY REPORT

We confirm that to the best of our knowledge:

- the half-yearly financial statements have been prepared in accordance with the statement "Half-Yearly Financial Reports" issued by the UK Accounting Standards Board;
- the half-yearly report includes a fair review of the information required by the Financial Services Authority Disclosure and Transparency Rules, being:
 - an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
 - a description of the principal risks and uncertainties for the remaining six months of the year; and
 - a description of related party transactions that have taken place in the first six months of the current financial year; that may have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board



Michael Reeve

Chairman
19 October 2011

INCOME STATEMENT

	Six months to 31 August 2011		
	Revenue £'000	Capital £'000	Total £'000
Realised gain on disposal of fixed asset investments	–	331	331
Realised (loss)/gain on disposal of current asset investment	–	–	–
Investment holding gains	–	(1,542)	(1,542)
Income	226	–	226
Investment management fees	(96)	(289)	(385)
Merger costs	–	–	–
Other expenses	(117)	–	(117)
(Loss)/profit on ordinary activities before tax	13	(1,500)	(1,487)
Taxation on (loss)/profit on ordinary activities	–	–	–
(Loss)/profit on ordinary activities after tax	13	(1,500)	(1,487)
Earnings per share – basic and diluted	0.0p	(3.3)p	(3.3)p

INCOME STATEMENT

(continued)

	Six months to 31 August 2010			Year to 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gain on disposal of fixed asset investments	–	1,338	1,338	–	2,611	2,611
Realised (loss)/gain on disposal of current asset investment	–	–	–	–	–	–
Investment holding gains	–	(453)	(453)	–	4,045	4,045
Income	112	–	112	301	–	301
Investment management fees	(62)	(188)	(250)	(139)	(418)	(557)
Merger costs	(134)	–	(134)	(134)	–	(134)
Other expenses	(161)	–	(161)	(210)	–	(210)
(Loss)/profit on ordinary activities before tax	(245)	697	452	(182)	6,238	6,056
Taxation on (loss)/profit on ordinary activities	–	–	–	–	–	–
(Loss)/profit on ordinary activities after tax	(245)	697	452	(182)	6,238	6,056
Earnings per share – basic and diluted	(0.8)p	2.3p	1.5p	(0.5)p	17.7p	17.2p

- The 'Total' column of this statement is the profit and loss account of the Company; the supplementary revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies.
- All revenue and capital items in the above statement derive from continuing operations.
- The accompanying notes are an integral part of the half-yearly report.
- The Company has no recognised gains or losses other than those disclosed in the income statement.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Six months ended 31 August 2011 £'000	Six months ended 31 August 2010 £'000	Year to 28 February 2011 £'000
Shareholders' funds at start of period	38,940	23,644	23,644
(Loss)/profit on ordinary activities after tax	(1,492)	452	6,056
Shares issued upon merger	–	–	6,656
Stamp duty upon merger	–	–	(29)
Net assets of Phoenix from merger	–	6,716	–
Shares purchased and cancelled	(448)	(58)	(801)
Issue of equity	4,212	174	4,995
Shares to be issued	–	–	352
Dividends paid	(1,145)	–	(1,933)
Shareholders' funds at end of period	40,067	30,928	38,940

BALANCE SHEET

	As at 31 August 2011		As at 31 August 2010		As at 28 February 2011	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		30,114		21,358		28,049
Current assets:						
Money market securities*	3,867		8,939		10,655	
Debtors	24		727		19	
Cash at bank	6,338		91		475	
	10,229		9,757		11,149	
Creditors: amounts falling due within one year	(276)		(187)		(258)	
Net current assets		9,953		9,570		10,891
Net assets		40,067		30,928		38,940
Called up equity share capital	457		370		412	
Shares to be issued	–		–		352	
Share premium account	15,831		8,197		11,317	
Capital redemption reserve	15,715		15,331		15,710	
Special distributable reserve	24,746		24,746		25,194	
Capital reserve gains/(losses) on disposal	(16,274)		(12,939)		(14,465)	
Capital reserve holding gains/(losses)	(552)		(4,850)		285	
Revenue reserve	144		73		135	
Total equity shareholders' funds		40,067		30,928		38,940
Net asset value per share		87.6p		83.7p		94.4p

*Held at fair value through profit & loss

The statements were approved by the Directors and authorised for issue on 19 October 2011 and are signed on their behalf by:



Michael Reeve
Chairman
Company No: 03477519

CASH FLOW STATEMENT

	Six months to 31 August 2011 £'000	Six months to 31 August 2010 £'000	Year to 28 February 2011 £'000
Net cash outflow from operating activities	(268)	(1,158)	(546)
Financial investment:			
Purchase of fixed asset investments	(4,312)	(2,275)	(6,112)
Disposal of fixed asset investments	1,036	4,711	7,572
Management of liquid resources:			
Purchase of current asset investment	(6,513)	(4,447)	(27,479)
Disposal of current asset investment	13,301	2,240	23,556
Net cash (outflow)/inflow from investing activities	3,244	(929)	(3,009)
Dividends paid	(1,145)	–	(1,933)
Cash received on merger	–	751	747
Stamp duty on merger	–	–	(29)
Financing:			
Proceeds from issue of shares	–	–	4,995
Shares to be issued	–	–	352
Issue of equity	4,212	174	–
Shares re-purchased	(448)	(58)	(801)
	2,619	867	3,331
Increase/(decrease) in cash at bank	5,863	(62)	322

CASH FLOW STATEMENT

(continued)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Six months to 31 August 2011 £'000	Six months to 31 August 2010 £'000	Year to 28 February 2011 £'000
Increase/(decrease) in cash at bank	5,863	(62)	322
(Decrease)/increase in cash equivalents	(6,788)	2,207	3,923
Opening net liquid resources	11,130	6,885	6,885
Net cash resources at end of period	10,205	9,030	11,130

RECONCILIATION OF RETURN BEFORE TAXATION TO CASH FLOW FROM OPERATING ACTIVITIES

	Six months to 31 August 2011 £'000	Six months to 31 August 2010 £'000	Year to 28 February 2011 £'000
(Loss)/profit on ordinary activities before tax	(1,492)	452	6,056
Profit on realisation of investments	(331)	(1,338)	(2,611)
Loss/(profit) on valuation of investments	1,542	453	(4,045)
(Increase)/decrease in debtors	(5)	(700)	8
Increase/(decrease) in creditors	18	(25)	46
Net cash outflow from operating activities	(268)	(1,158)	(546)

NOTES TO THE HALF-YEARLY REPORT

1. Basis of preparation

The unaudited interim results which cover the six months to 31 August 2011 have been prepared in accordance with applicable accounting standards and adopting the accounting policies set out in the statutory accounts of the Company for the year ended 28 February 2011.

2. Publication of non-statutory accounts

The unaudited interim results for the six months ended 31 August 2011 do not constitute statutory accounts within the meaning of s.415 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The comparative figures for the year ended 28 February 2011 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3 of part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

3. Earnings per share

The earnings per share at 31 August 2011 is calculated on the basis of 45,214,477 (28 February 2011: 35,243,827 and 31 August 2010: 29,862,107) shares, being the weighted average number of shares in issue during the period.

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

4. Net asset value per share

The calculation of net asset value per share is based on the net assets at 31 August 2011 and on 45,729,724 (28 February 2011: 41,247,611 and 31 August 2010: 36,961,280) shares being the number of shares in issue, excluding shares held in Treasury, at the same date.

5. Dividends

The interim dividend declared of 2.5 pence per Ordinary share will be paid on 25 November 2011 to those shareholders on the register on 28 October 2011.

6. Risks and uncertainties

The Company's assets consist of equity and fixed-rate interest investments, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include economic, loss of approval as a VCT, investment and strategic, regulatory, reputational, operational and financial risks. These risks, and the way in which they are managed, are described in more detail in the Company's Annual Report and Accounts for the year ended 28 February 2011. The Company's principal risks and uncertainties have not changed materially since the date of that report.

7. Related Party Transactions

Octopus acts as the investment manager of the Company. Under the management agreement, Octopus receives a fee of 2.0 per cent per annum of the net assets of the Company for the investment management services. During the period, the Company incurred management fees of £385,000 (28 February 2011: £557,000 and 31 August 2010: £250,000) payable to Octopus. At the period end there was £Nil (28 February 2011: £Nil and 31 August 2010: £Nil) outstanding to Octopus.

8. This statement will be made available to all shareholders. Copies are also available from the registered office of the Company at 20 Old Bailey, London, EC4M 7AN, and will also be available to view on the Investment Manager's website at www.octopusinvestments.com.

DIRECTORS AND ADVISERS

Board of Directors

Michael Reeve MBE, FCA – Chairman
Stephen Hazel-Smith
Roger Smith
Marion Sears

Company Number

Registered in England No: 03477519

Secretary and Registered office

Celia L Whitten FCIS
20 Old Bailey
London
EC4M 7AN

Investment and Administration Manager

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Registrar

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